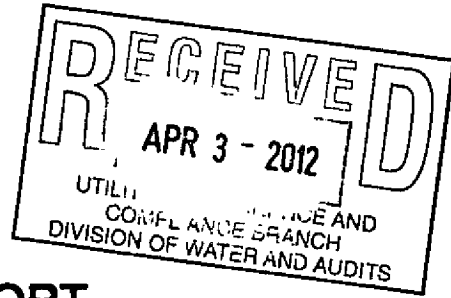


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**CLASS D  
WATER UTILITIES**

U# 118



**2011  
ANNUAL REPORT  
OF**

**ALTOS SONOMA CORPORATION**

---

**KENWOOD VILLAGE WATER COMPANY**

---

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

**4982 SONOMA HIGHWAY**

---

**SANTA ROSA, CALIF. 95409**

---

(OFFICIAL MAILING ADDRESS)

ZIP

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

REPORT MUST BE FILE NOT LATER THAN APRIL 2, 2012

## COLOR CODES

- Black denotes current keyboard entry
- Green automatic entry from another page/year/report
- Blue automatic calculation from current sheet
- Red negative numbers
- Purple highlight color

**KENWOOD VILLAGE WATER COMPANY 2011 ANNUAL REPORT**

Account Number	Operating Revenue	
470	Metered	298,218
460	Unmetered	266
465	Irrigation	0
462-480	Private Fire Protection	846
	<b>Total Revenue</b>	<b>299,330</b>
	Operating Expenses	
610	Purchased Water	6,242
615	Purchased Power	10,438
	Pump Taxes	0
	Purchased Chemicals	679
618	Other Volumn Related Expenses	0
630	Employee Labor	40,366
640	Materials	5,023
650	Contract Work	0
	Water Testing	3,453
660	Transportation	5,658
664	Other Plant Maintenance	811
670	Office Salaries	16,261
671	Management Salaries	41,012
674	Employee Pensions and Benefits	24,274
676	Uncollectables	346
678	Office Service and Rentals	3,630
681	Office Supplies and Expense	6,830
682	Professional Services	3,710
684	Insurance	8,101
688	Regulatory Expense	0
689	General Expense	994
	<b>Subtotal</b>	<b>177,828</b>
403	Depreciation Expense	14,507
	Ad Valorem Taxes	1,959
	Payroll Taxes	8,596
408	Taxes Other Than Income	0
409	State Income Tax	9,034
410	Federal Income Tax	31,307
	<b>Total Deductions</b>	<b>243,231</b>
	<b>Net Revenue</b>	<b>56,099</b>

**KENWOOD VILLAGE WATER COMPANY 2011 ANNUAL REPORT**

**Rate Base**

Average Plant	928,341
Net Plant	694,321
Less: Advances	0
Less: Contributions Average Net	(212,478)
Plus: Construction Work in Progress	300
Plus: Working Cash	15,001
Plus: Materials & Supplies	3,868
Rate Base	501,012
Rate of Return	11.20%

## Average Data

Name of Utility: Kenwood Village Water Company  
 Person Responsible for this report: Karen L. Ball  
 ( Prepared from information in the 2011 Annual Report)

Phone: (707) 539-6397

	1/1/2011	12/31/2011	Average
<b>BALANCE SHEET DATA</b>			
Intangible Plant			
Land and Land Rights	\$28,794	\$28,794	\$28,794
Depreciable Plant	\$1,309,818	\$1,341,458	\$1,325,638
Gross Plant in Service	\$1,338,612	\$1,370,252	\$1,354,432
Less: Accumulated Depreciation	(\$648,330)	(\$671,892)	(\$660,111)
Net Water Plant in Service	\$690,282	\$698,360	\$694,321
Water Plant Held for Future Use	\$300	\$300	\$300
Construction Work in Progress	\$0		\$0
Materials and Supplies	\$6,766	\$970	\$3,868
Less: Advances for Construction	\$0	\$0	\$0
Less: Contributions in Aid of Construction	(\$209,247)	(\$215,709)	(\$212,478)
Less: Accumulated Deferred Income and Investment Tax Credits	\$0	\$0	\$0
Net Plant Investment	\$488,101	\$483,921	\$486,011

## CAPITALIZATION

Common Stock  
 Proprietary Capital (Individual or Partnership)  
 Paid-in Capital  
 Retained Earnings  
     (Common Stock and Equity)  
 Preferred Stock  
 Long Term Debt  
 Notes Payable  
     Total Capitalization

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INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2011**, 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](mailto: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 Page12, must be signed by an authorized officer, partner, or owner.
4. The report must be prepared in ink, typed or computer generated.
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 flow 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 WATER UTILITIES**  
(HAVING LESS THAN 500 SERVICE CONNECTIONS)

**KENWOOD VILLAGE WATER COMPANY**

(Name under which corporation, partnership or individual is doing business)

**4982 SONOMA HIGHWAY, SANTA ROSA, CALIF. 95409**

(Official mailing address)

**KENWOOD, SONOMA COUNTY**

(Service area-town and county)

**Telephone Number: (707) 539-6397 Fax Number: (707) 539-6399 Email Address:**

(Attach a supplementary statement, if necessary)

RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

- 1 If a corporation show:
  - (A) Date of organization Aug-95 incorporated in the State of CALIFORNIA
  - (B) Names, titles and addresses of principal offi James B. & Kathleen Downey, President and Secretary  
26000 Newbridge Road Los Altos Hills, Calif. 94022
- 2 If unincorporated provide the name and address of the owner(s) or the partners:
- 3 Name, title, and telephone number of:
  - (A) One person listed above to receive correspondence: Karen L. Ball, Manager (707)539-6397
  - (B) Person responsible for operations and services:
- 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)  
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 c charged? JPB Environmental Services  
Acct# 650
- 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:

**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.

Yes	No	Latest Date
	X	<u>Aug. 2003</u>
X		<u>Dec. 2011</u>
X		<u>renewed</u>
		<u>Aug.2003</u>

- 11 List Name, Grade, and License Number of all Licensed Operators:

Karen L. Ball, T-2, 16977  
Troy Bathke, T-2, D-2, 23410, 27367  
Danney McVay II T-2, D-3, 12383,16603

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 Good/ Services (by Account)	Regulated Asset Account Number
-	-	-	-	-	-	-	-	-	-	-	-



**FOR ALL WATER COMPANIES**  
**SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA**

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) or Safe Drinking Water State Revolving Fund loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent:

Name: Westamerica Bank  
 Address: P.O Box 137, Guernville, Calif. 95441  
 Phone Number: (707) 869-0665  
 Account Number: 403-13346-5  
 Date Hired: Sept. 1995

2. Total surcharge collected from customers during the 12 month reporting period:

6,287	Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
	3/4 inch	1	\$13.53
	1 inch	7	\$22.55
	1 1/2 inch		
	2 inch	5	\$76.16
	3 inch		
	4 inch		
	6 inch		
	Number of Flat Rate Customers		
	5/8" x 3/4"	293	\$9.02
	<b>Total</b>	<b>306</b>	

3. Summary of the bank account activities showing:

Balance at beginning of year	\$29,657.00
Deposits during the year	\$6,730.00
Interest earned for calendar year	\$14.13
Withdrawals from this account	\$36,366.94
Balance at end of year	<b>\$34.19</b>

4. Reason or Purpose of Withdrawal from this bank account:

SDWBA loan payments.

**CLASS A, B, C AND D WATER COMPANIES  
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (cont.)**

Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service  
which were funded using SDWBA or SRF 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>					\$0
2	301	Intangible plant					\$0
3	303	Land					\$0
4		Total non-depreciable plant					\$0
5		<b>DEPRECIABLE PLANT</b>					\$0
6	304	Structures					\$0
7	307	Wells					\$0
8	317	Other water source plant					\$0
9	311	Pumping equipment					\$0
10	320	Water treatment plant					\$0
11	330	Reservoirs, tanks and sandpipes	\$212,397				\$212,397
12	331	Water mains	\$153,234				\$153,234
13	333	Services and meter installations	\$34,901				\$34,901
14	334	Meters	\$1,908				\$1,908
15	335	Hydrants	\$23,651				\$23,651
16	339	Other equipment					\$0
17	340	Office furniture and equipment					\$0
18	341	Transportation equipment					\$0
19		Total depreciable plant					\$0
20		Total water plant in service	\$426,091	\$0	\$0	\$0	\$426,091

**SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2011)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	\$1,370,252	201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	\$541,068
4	105	Water plant construction work in progress	\$300	218	Proprietary capital	2
5	108	Accumulated depreciation of water plant	(\$671,892)	224	Long term debt	\$ 982
6	114	Water plant acquisition adjustments			Current Liabilities	\$11,839
7	124	Other investments	1	252	Advances for construction	
8	131	Cash	\$18,263	253	Other deferred credits	
9	141	Accounts receivable - customers	\$24,705	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	\$970		depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	\$287,340
14				272	Accumulated amortization of contribu	(\$71,631)
15		<b>Total Assets</b>	<b>\$742,598</b>		<b>Total Equity and Liabilities</b>	<b>\$769,598</b>

**SCHEDULE B - WATER PLANT IN SERVICE**

Line	Acct	Title of Account	Balance Beg of Year	Plt Additions During year	Plt Retirement During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant	\$0				\$0
17	303	Land	\$28,794		3		\$28,794
18	304	Structures	\$9,770	\$17,792	(\$640)	4	\$26,922
19	307	Wells	\$11,030				\$11,030
20	317	Other water source plant	\$22,845				\$22,845
21	311	Pumping equipment	\$132,873				\$132,873
22	320	Water treatment plant	\$14,133				\$14,133
23	330	Reservoirs tanks and sandpipes	\$213,703				\$213,703
24	331	Water mains	\$549,832		5		\$549,832
25	333	Services and meter installations	\$187,727	\$6,500	6		\$194,227
26	334	Meters	\$70,016	\$1,075	8 (\$640)	7	\$70,451
27	335	Hydrants	\$49,751	\$6,600	9		\$56,351
28	339	Other equipment	\$12,527	\$58	10		\$12,585
29	340	Office furniture and equipment	\$19,737	\$1,749	(\$854)	11	\$20,632
30	341	Transportation equipment	\$18,074				\$18,074
31		<b>Total water plant in service</b>	<b>\$1,338,612</b>	<b>\$33,774</b>	<b>(\$2,134)</b>	<b>\$0</b>	<b>\$1,370,252</b>

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

**SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT**

Line	Item	Account 106 Water Plant	Acct 106.1 SDWBA	
32	Balance in reserves at beginning of year	\$228,712	\$421,818	A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 272	\$6,638		S.L. 2.31%
35	(b) Charged to Account No. 403	\$14,507		
36	(c) Charged to Account No. 407			B. Amount of depreciation expense claimed
37	(d) Salvage recovered	\$78		or to be claimed on utility property in
38	(e) All other credits			your federal income tax return for the year
39	Total credits	\$21,223	\$4,473	covered by this report \$
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired	(\$2,134)		
42	(b) Cost of removal			C. State method used to compute tax
43	(c) All other debits			depreciation.
44	Total debits	(\$2,134)	\$0	
45	Balance in reserve at end of year	\$19,089	\$4,473	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits	\$245,801	\$428,091	

Accumulated depreciation

\$671,892

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

Line				
1	Common - (Shares	\$	par)	List persons owning more than 5% of outstanding stock and number of shares owned by each:
2	Preferred - (Shares	\$	par)	
3	Dividends - Common	Rate - \$		
4	- Preferred	Rate - \$		

**SCHEDULE E - LONG TERM DEBT**

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
1	SDWBA	0		449,400	0	2.98+5		786
2	Vehicle			23,051	982	3		52
3	Vehicle							
4	Totals			472,451	982			838

**SCHEDULE F - INCOME STATEMENT**

1	Acct.	Operating revenues	
2	460	Unmetered water revenue	266
3	462	Fire protection revenue	846
4	465	Irrigation revenue	
5	470	Metered water revenue	298,218
6	475	Approved Total Surcharge Revenue(s)	
7	480	Other water revenue	
8		<b>Total Revenue Received</b>	<b>299,330</b>
9		<b>Less: Revenue Deductions</b>	
10		SDWBA/SRF surcharge revenue	6,287
11		<b>Total Operating Revenue</b>	<b>305,617</b>
12		<b>Operating expenses</b>	
13	610	Purchased water	6,242
14	615	Purchased power	10,438
15	618	Other volume related expenses	679
16	630	Employee labor	40,366
17	640	Materials	5,023
18	650	Contract work	3,453
19	660	Transportation expenses	5,658
20	664	Other plant maintenance expense	811
21	670	Office salaries	16,261
22	671	Management salaries	41,012
23	674	Employee pensions and benefits	24,274
24	676	Uncollectible accounts expense	346
25	678	Office services and rentals	3,630
26	681	Office supplies and expense	6,830
27	682	Professional services	3,710
28	684	Insurance	8,101
29	688	Regulatory commission expense	
30	689	General expenses	994
31		<b>Total Operating Expenses</b>	<b>177,828</b>
32	403	Depreciation expense	14,507
33	407	SDWBA loan amortization expense	5,501
34	408	Taxes other than income taxes	10,555
35	409	State income tax expense	9,034
36	410	Federal income tax expense	31,307
37		<b>Total Operating Revenue Deductions</b>	<b>248,732</b>
38		<b>Utility Operating Income</b>	<b>56,885</b>
39	421	Non-utility income	
40	426	Miscellaneous non-utility expense	
41	427	Interest expense	786
42		<b>Net Income</b>	<b>56,099</b>

**SCHEDULE G - SOURCES OF SUPPLY AND WATER DEVELOPED WELLS**

Location	No.	Diam. Inch	Depth to water feet	Pumping capacity (g.p.m.)	Annual quantities pumped
K1 Greene St	1	12	47	450	48,903
K2 Los Guillicos	1	12	30	85	1,344
Total					50,247

**OTHER**

Streams or springs location of diversion point	Flow in Priority right		(Unit) Diversions		Annual Quantities Diverted Unit
	Claim	Capacity	Max	Min	
Purchased water (unit) CCF's					
Supplier: Sonoma County Water Agency			Annual Quantity	2,198	
			Total:	52,445	

**SCHEDULE H - WATER DELIVERED TO METERED CUSTOMERS**

(If figures are available) (specify unit) CCF's

Classification of Service	Month of Year		Total for year
	Maximum	Minimum	
Residential			49,073
Commercial Kenwood Inn			2,198
Industrial			
Fire Protection			
Irrigation			
Other (specify) Parks			1,101
Total			52,372

**SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION**

Line	Acct	Account	Number at End of year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
48	630	Employee Labor	2	40,366	595	40,961
49	670	Office salaries	1	16,261		16,261
50	671	Management salaries	2	41,012		41,012
51		Total	5	97,639	595	98,234

**SCHEDULE J - ADVANCES FOR CONSTRUCTION**

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

**SCHEDULE K - TOTAL METERS AND SERVICES (active)**

Size	Meters	Services
5/8 x 3/4-in	293	
3/4-in	1	
1-in	7	
2-in	5	
-in		
<b>Total</b>	<b>306</b>	

**SCHEDULE L - METER-TESTING DATA**

Number of meters tested during year		
1	Used, before repair...	8
2	Used, after repair .....	Meters replaced
3	Fast, requiring refund ..	during
Numbers of meters in service requiring test per General Order No. 103 .....		year.

**SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR**

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	290		290	5		5	295	0
Industrial/Commercial	12		12			0	12	0
Irrigation (Parks)	4		4			0	4	0
Fire Protection (public)	23		23			0	23	0
Fire Protection (private)	5		5			0	5	0
Other (specify)			0			0	0	0
			0			0	0	0
<b>Total</b>	<b>334</b>	<b>0</b>	<b>334</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>339</b>	<b>0</b>

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

**SCHEDULE N - STORAGE FACILITIES**

Description	No.	Combined capacity in gallons
Concrete		
Earth		
Wood		
Steel	1	212,000
Other		
<b>Total</b>	<b>1</b>	<b>212000</b>

**SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)**

	2" and under	2 1/4 to 3 1/4	4"	6"	8"	10"	Totals
Description				Other sizes (specify)			
Cast Iron							0
Welded steel			3000				3000
Standard screw				40			40
Cement-asbestos			2074	11130			13204
Plastic			710	2976	4556	635	8877
Other (specify)							0
Ductile Iron						135	135
							0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>5784</b>	<b>14146</b>	<b>4556</b>	<b>770</b>	<b>25256</b>

FACILITY FEES DATA

Please provide the following information relating to Facility Fees collected for the calendar year 2011, pursuant to Resolution No. W-4110.

1. Trust Account Information:

Bank Name:	<u>Sonoma Bank</u>
Address:	<u>801 4th Street, Santa Rosa, Ca. 95404</u>
Account Number:	<u>108660</u>
Date Opened:	<u>11/1/07 transferred from 403-15021-2</u>

2. Facilities Fees collected for new connections during the calendar year:

**A. Commercial**

<u>NAME</u>	<u>AMOUNT</u>
<u>Belmonte</u>	<u>\$2,085.00</u>
<u> </u>	<u>\$</u>
<u> </u>	<u>\$</u>
<u> </u>	<u>\$</u>

**B. Residential**

<u>NAME</u>	<u>AMOUNT</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u>\$</u>
<u> </u>	<u>\$</u>

3. Summary of the bank account activities showing:

	<u>AMOUNT</u>
Balance at beginning of year	<u>\$101.19</u>
Deposits during the year	<u>\$3,555.75</u>
Interest earned for calendar year	<u>\$0.07</u>
Withdrawals from this account	<u>(\$3,550)</u>
Balance at end of year	<u>\$107.01</u>

4. Reason or Purpose of Withdrawal from this bank account:

<u>to PFF &amp; KWC for K1 pump &amp; motor advance (2010)</u>	<u>3550</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

DECLARATION

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

I, the undersigned Karen L. Ball

\_\_\_\_\_  
Officer, Partner or Owner, (Please Print)

of Kenwood Village 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 operations of its property for the period of January 1 2011 through December 31, 2011

Manager  
\_\_\_\_\_  
Title (Please Print)

*Karen L. Ball*  
\_\_\_\_\_  
Signature

707-539-6397  
\_\_\_\_\_  
Telephone Number

Thursday, March 22, 2012  
\_\_\_\_\_  
Date



### Income Tax Calculation 2011

Resolution W-4443 states that Kenwood Village Water Company is considered a Class C Utility for the purposes of ratemaking, by virtue of its common ownership with Penngrove Water Company. Therefore Penngrove and Kenwood Water Company are considered combined for the purposes of taxation.

	Penngrove	Kenwood
Gross Income	861,856	299,330
Expenses	(523,180)	(177,828)
Depreciation	(54,811)	(14,507)
Pay/Prop. Tax	(39,664)	(10,555)
 Taxable Income	 244,201	 96,440
 Total Taxable		 340,641
State Income Tax Multiplier		8.84%
Total State Income Tax		30,113
Split State Income Tax	21,079	9,034
 Federal Taxable Income		 310,528
1st 100K Taxes		22,250
1st 100K Taxes Split	15,575	6,675
 Federal Income @ Highest Bracket		 210,528
Federal Tax Rate for Highest Bracket		39.00%
Federal Tax @ Highest Bracket		82,106
Federal Tax Split @ Highest	57,474	24,632
 <b>Total Federal Taxes</b>	 <b>73,049</b>	 <b>31,307</b>

**NOTES for 2011 KENWOOD VILLAGE ANNUAL REPORT**

<b>1.) #131 Checking Account</b>	14,962
<b>Money Market</b>	<u>3,301</u>
	<b>18,263</b>

**2.) #224** **982 30% of 3273**

	CIAC	COMPANY	RETIRED
<b>3. &amp; 4.) #304 Office leasehold improvements</b>		14,910	
<b>K1 Doors</b>		1,851	-240
<b>K2 Roof</b>		<u>1,031</u>	-400
<b>Sub total</b>		17,792	
<b>5.) #333 services: Belmonte</b>	6,500		
<b>6 &amp; 7) #334 8 meters replaced removals @ \$80 ea.</b>		1,075	-640
<b>8.) #335 Hydrants: Belmonte</b>	6,600		
<b>9.) #339 12 Volt trash pump</b>		58	
<b>10 &amp; 11) # 340 Toshiba copier</b>			-680
<b>fax copier</b>			-174
<b>E Studio Copier &amp; Collator</b>		574	
<b>2 drawer lateral file</b>		49	
<b>4 drawer lateral file</b>		130	
<b>6' worktable</b>		25	
<b>3 chair matts</b>		66	
<b>2 intercom phones</b>		70	
<b>intelimail</b>		<u>835</u>	
<b>Sub Total</b>		1749	
<b>TOTAL</b>	<b>13,100</b>	<b>20,674</b>	<b>2,134</b>

12.) #650 Contract Work  
All lab

3,453

13.) #671 Mngt Salaries  
Karen  
Jim

30,827

10,185

41,012

14.) # 14 Prof. Servs.  
Acctg.  
Computer

2775

935

3710