

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: MESA CREST WATER COMPANY

PHONE: (818) 790-2071

PERSON RESPONSIBLE FOR THIS REPORT TIMOTHY FLYNN
(Prepared from Information in the 2003 Annual Report)

BALANCE SHEET DATA		Jan. 1, 2003	Dec. 31, 2003	Average
1	Intangible Plant	0	0	0
2	Land	29,651	33,838	31,745
3	Depreciable Plant	1,583,716	1,728,152	1,655,934
4	Gross Plant In Service	1,613,367	1,761,990	1,687,679
5	Less: Accum. Depreciation	(1,189,232)	(1,218,293)	(1,203,763)
6	Net Water Plant In Service	424,135	543,697	483,916
	Water Plant Held for Future Use	0	0	0
8	Construction Work In Progress	0	0	0
9	Materials and Supplies	0	0	0
10	Less: Advances for Construct.	0	0	0
11	Contrib. in Aid of Constr.	(70,299)	(62,161)	(66,230)
12	Accum. Deferred Inc. Tax Credits	(46,458)	(53,585)	(50,022)
13	Net Plant Investment	307,378	427,951	367,664

CAPITALIZATION

14	Common Stock	355,000	355,000	355,000
15	Proprietary Capital (Ind. or Part)	0	0	0
16	Paid-in Capital	0	0	0
17	Retained Earnings	112,498	124,160	118,329
18	Common Equity (14 through 17)	467,498	479,160	473,329
19	Preferred Stock	60,000	60,000	60,000
20	Long-Term Debt (includes current portion)	0	241,777	120,889
21	Notes Payable	0	0	0
22	Total Capitalization (Lines 18 thru 21)	527,498	780,937	654,218

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

NAME OF UTILITY: MESA CREST WATER COMPANY

PHONE: (818) 790-2071

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	0
24	Fire Protection Revenue	749
25	Irrigation Revenue	62,435
26	Metered Water Revenue	814,207
27	Total Operating Revenue	877,391
28	Total Operating Expenses	798,066
29	Depreciation Expense (Composite Rate 3.01%)	42,108
30	Amortization and Property Losses	0
31	Property Taxes	5,995
32	Taxes Other Than Income Taxes	17,268
33	Total Operating Rev. Deductions Before Taxes	863,437
34	Calif. Corp. Franchise Tax	1,932
35	Fed. Corporate Income Tax	2,981
36	Total Operating Revenue Deduction After Taxes	868,350
37	Net Operating Income/(Loss)(Calif. Water Operations)	9,041
38	Other Oper. and Nonoper. Inc/Exp. - Net (Excl. Interest Exp.)	9,943
39	Income Available for Fixed Charges	18,984
40	Interest Expense	(7,322)
41	Net Income/(Loss) Before Dividends	11,662
42	Preferred Stock Dividends	0
43	Net Income (Loss) Available for Common Stock	11,662

OTHER DATA

44	Refunds of Advances for Construction	0
45	Total Payroll Charged to Operating Expenses	111,840
46	Purchased Water	376,544
47	Power	90,962

Active Serv. Connections(Excl. Fire Protect.)	Jan. 1	Dec. 31	Annual Average	
48	Metered Service Connections	709	710	710
49	Flat Rate Service Connections	0	0	0
50	Total Active Service Connections	709	710	710

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					0
3	303	Land					0
4		Total non depreciable plant	0	0	0	0	0
5		DEPRECIABLE PLANT					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 & sandpipes	129,694				129,694
12	331	Water mains					0
13	333	Services and meter install					0
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	129,694	0	0	0	129,694
20		Total water plant in service	129,694	0	0	0	129,694

GENERAL INFORMATION

1. Name under which utility is doing business:
Mesa Crest Water Company

2. Official mailing address:
P.O. Box 257, La Canada Flintridge, CA 91012

3. Name and title of person to whom correspondence should be addressed:
Timothy Flynn Telephone: (818) 790-2071

4. Address where accounting records are maintained:
4532 Rinetti Lane, Unit C, La Canada, CA 91011

5. Service Area: (Refer to district reports if applicable):
La Canada, CA

6. Service Manager (If located in or near Service Area.) (Refer to district reports if applicable.)
Name:
Address: same as above Telephone: (818) 790-2071

7. OWNERSHIP. Check and fill in appropriate line:
[] Individual (name of owner)
[] Partnership (name of partner)
[] Partnership (name of partner)
[] Partnership (name of partner)
[X] Corporation (corporate name): Mesa Crest Water Company
Organized under laws of (state) California Date: 1956

Principal Officers:
(Name) Joyce H. Flynn (Title) President
(Name) Timothy Flynn (Title) V.P.
(Name) F. P. Flynn (Title) Secretary
(Name) Tom Flynn (Title) Treasurer

8. Names of associated companies:
n/a

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:
n/a Date:
Date:
Date:

10. Use the space below for supplementary information or explanations concerning this report:
n/a

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	1,761,990	1,613,367
3	103	Water plant held for future use	5	0	0
4	104	Water plant purchased or sold			
5	105	Water plant construction work in progress		0	0
6		Total utility plant		1,761,990	1,613,367
7	106	Accumulated depreciation of water plant	6	(1,218,293)	(1,189,232)
8	114	Water plant acquisition adjustments			
9		Total amortization and adjustments		(1,218,293)	(1,189,232)
10		Net utility plant		543,697	424,135
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		250,543	162,013
20	132	Special accounts		0	0
21	141	Accounts receivable - customers		72,513	66,388
22	142	Receivables from associated companies			
23	143	Accumulated provision for uncollectible accounts			
24	151	Materials and supplies			
25	174	Other current assets	7	113,546	66,667
26		Total current and accrued assets		436,602	295,068
27	180	Deferred Charges and other Noncurrent Assets		0	0
28		Total assets and deferred charges		980,299	719,203

**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 (c)	Balance Beginning of Year (d)
1		CORPORATE CAPITAL AND SURPLUS			
2	201	Common stock	9	355,000	355,000
3	204	Preferred stock	9	60,000	60,000
4	211	Other paid-in capital	9	0	0
5	215	Retained Earnings	10	124,160	112,498
6		Total corporate capital and retained earnings		539,160	527,498
7		PROPRIETARY CAPITAL			
8	218	Proprietary Capital	10		
9	218.1	Proprietary drawings	10		
10		Total Proprietary Capital		0	0
11		LONG-TERM DEBT			
12	224	Long term debt	11	229,026	0
13	225	Advances from associated companies	12	0	0
14		CURRENT AND ACCRUED LIABILITIES			
15	231	Accounts payable		67,888	58,561
16	232	Short term notes payable		0	0
17	233	Customer deposits		720	856
18	235	Payables to associated companies	12	0	0
19	236	Accrued taxes		0	1,717
20	237	Accrued interest		0	0
21	241	Other current liabilities	13	27,759	10,379
22		Total current and accrued liabilities		96,367	71,513
23		DEFERRED CREDITS			
24	252	Advances for construction	13	0	0
25	253	Other credits	8	0	0
26	255	Accumulated deferred investment tax credits	13	14,735	15,548
27	282	Accumulated deferred income taxes-ACRS depreciation	13	45,256	19,655
28	283	Accumulated deferred income taxes-other	13	(6,406)	14,690
29		Total deferred credits		53,585	49,893
30		CONTRIBUTIONS IN AID OF CONSTRUCTION			
31	271	Contributions in aid of construction	14	250,495	250,494
32	272	Accumulated amortization of contributions		(188,334)	(180,195)
33		Net contributions in aid of construction		62,161	70,299
34		Total liabilities and other credits		980,299	719,203

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	1,613,367	161,883	13,260	0	1,761,990
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					0
5	114	Water plant acquisition adjustments					0
6		Total utility plant	1,613,367	161,883	13,260	0	1,761,990

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					0
3	303	Land	29,651	4,187			33,838
4		Total non-depreciable plant	29,651	4,187	0	0	33,838
5		DEPRECIABLE PLANT					
6	304	Structures	11,960				11,960
7	307	Wells					0
8	317	Other water source plant					0
9	311	Pumping equipment	303,766	16,500	7,000		313,266
10	320	Water treatment plant					0
11	330	Reservoirs, tanks and standpipes	353,477	128,127			481,604
12	331	Water mains	553,393	12,899	4,250		562,042
13	333	Services and meter installations	74,585				74,585
14	334	Meters	81,701	170	2,010		79,861
15	335	Hydrants	43,433				43,433
16	339	Other equipment	7,411				7,411
17	340	Office furniture and equipment	35,795				35,795
18	341	Transportation equipment	118,195				118,195
19		Total depreciable plant	1,583,716	157,696	13,260	0	1,728,152
20		Total water plant in service	1,613,367	161,883	13,260	0	1,761,990

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 Water Plant (b)	Account 108.1 SDWBA Loans (c)	Account 122 Non-utility Property (d)
1	Balance in reserves at beginning of year	1,050,697	138,535	0
2	Add: Credits to reserves during year			
3	(a) Charged to Account No.403(Footnote1)	42,108		
4	(b) Charged to Account No. 272	8,138		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered	916		
7	(e) All other credits(Footnote2)			
8	Total credits	51,162	0	0
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired	13,260		
11	(b) Cost of removal			
12	(b) All other debits(Footnote3)		8,841	
13	Total debits	13,260	8,841	0
14	Balance in reserve at end of year	1,088,599	129,694	0
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE:			
16				3.17%
17	(2) EXPLANATION OF ALL OTHER CREDITS:			
18				
19				
20				
21				
22				
23	(3) EXPLANATION OF ALL OTHER DEBITS			
24				
25	Correction to prior over amortization of SDWBA Plant			
26				
27				
28				
29	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION:			
30	(a) Straight line	[x]		
31	(b) Liberalized	[]		
32	(1) Sum of year digits	[]		
33	(2) Double declining balance	[]		
34	(3) Other ACRS/MACRS	[x]		
35	(c) Both straight line and liberalized	[x]		

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

Line No.	Acct. No.	Depreciable Plant (a)	Balance Beginning of Year (b)	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	11,310	80			11,390
2	307	Wells	0				0
3	317	Other Water Source Plant	0				0
4	311	Pumping equipment	280,648	11,106	7,000		284,754
5	320	Water treatment plant	0				0
6	330	Reservoirs, tanks and standpipes	186,628	5,987			192,615
7	331	Water mains	290,581	11,071	4,250		297,402
8	333	Services and meter installations	52,043	1,611		65	53,719
9	334	Meters	63,748	1,838	2,010	808	64,384
10	335	Hydrants	27,527	982		43	28,552
11	339	Other equipment	3,106	741			3,847
12	340	Office furniture and equipment	35,503	3,214			38,717
13	341	Transportation equipment	99,603	13,616			113,219
14		Total	1,050,697	50,246	13,260	916	1,088,599

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

Line No.	Item (a)	Amount (b)
1	Miscellaneous Receivable	15,398
2	Stockholder Receivable	71,171
3	Balancing Account - Overcollection	(8,249)
4	Prepaid Taxes	5,107
5	Prepaid Insurance	19,153
6	Inventory	8,966
7		
8		
9		
10	Total	113,546

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 Com-

mission'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									
2									0
3									0
4									0
5									
6									
7		Total	0			0	0	0	0
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
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		50,000	\$10.00	35,500	355,000		\$0
2	Preferred Stock		75,000	\$10.00	6,000	60,000		
3								
4								
5								
6								
7	Totals		125,000		41,500	415,000		\$0

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	F. Patrick Flynn	35,500	F. Patrick Flynn	6,000
2				
3				
4				
5				
6				
7				
8	Total number of shares	35,500	Total number of shares	6,000

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		
2	NONE	
3		
4	Total	0

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

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	112,498
2	CREDITS	
3	Net Income	11,662
4	Prior period adjustments	
5		
5	Total credits	11,662
7	DEBITS	
8	Net Losses	
9	Dividend appropriations-preferred stock - 2003 \$0	0
10		
11		
12	Total debits	0
13	Balance end of year	124,160

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	0
2	CREDITS	
3	Net Income	
4	Additional investments during year	
5	Other credits (detail)	
6	Total credits	
7	DEBITS	
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)	Name of Issue (b)	Dates of Issue (c)	Date of Maturity (d)	Principal Amount Authorized (e)	Outstanding Per Balance Sheet (f)	Rate of Interest (g)	Interest Accrued During Year (h)	Sinking Fund (i)	Interest Paid During Year (j)
1	Tank Project Loan	CDC	2003	2018	250,000	241,777	4.00%	n/a	n/a	6,960
2										0
3										0
4										0
5	Less Current Portion					(12,751)				
6	Totals					229,026		0		6,960

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	Current Portion of long term debt (Schedule A-11)	12,751
2	PUC Fee Payable	2,918
3	Insurance Payable	12,090
4	Work Order Deposits	0
5		0
6		
7	Total	27,759

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

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	XXXXXXXXXXXX	0
2	Additions during year	XXXXXXXXXXXX	0
3	Subtotal-Beginning balance plus additions during year	XXXXXXXXXXXX	0
4	Charges during year:	XXXXXXXXXXXX	XXXXXXX
5	Refunds	XXXXXXXXXXXX	XXXXXXX
6	Percentage of revenue basis	0	XXXXXXX
7	Proportionate cost basis	0	XXXXXXX
8	Present Worth Basis		XXXXXXX
9	Total refunds	0	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		
14	Securities Exchanged for Contracts (Enter detail below)		
15	Subtotal - Charges during the year	0	
16	Balance end of year		0
17	Less Currently refundable portion		0
18	Balance end of year		0

SCHEDULE A-16
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 Inc Tax - MACRS		27,183	
2	Deferred Inc Tax - ACRS		18,073	
3	Deferred Inc Tax - Balancing Acct			482
4	Deferred Inc Tax - Deferred Revenue DWR			0
5	Deferred ITCs	14,735		
6	Deferred Inc Tax - NOL Carryforward			(6,888)
7	Totals	14,735	45,256	(6,406)

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	70,299	70,299			
2	Add: Credits to account during year					
3	Contributions received during year	0	0			
4	Other credits*	0	0			
5	Total credits	0	0			
6	Deduct: Debits to account during year					
7	Depreciation charges for year	8,138	8,138			
8	Nondepreciable donated property retired	0				
9	Other debits*	0				
10	Total debits	8,138	8,138			
11	Balance end of year	62,161	62,161	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		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			0
8		Subtotal	0	0	0
9	462	Fire protection revenue			
10		462.1 Public fire protection			0
11		462.2 Private fire protection	749	738	11
12		Subtotal	749	738	11
13	465	Irrigation revenue	62,435	65,001	(2,566)
14	470	Metered water revenue			0
15		470.1 Single family residential	726,294	737,005	(10,711)
16		470.2 Commercial and multi-residential	0	0	0
17		470.3 Large water users	87,913	105,098	(17,185)
18		470.5 Safe Drinking Water Bond Surcharge	0	0	0
19		470.9 Other metered revenue	0	0	0
20		Subtotal	814,207	842,103	(27,896)
21		Total water service revenues	877,391	907,842	(30,451)
22	480	Other water revenue	0	0	0
23		Total operating revenue	877,391	907,842	(30,451)

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	5,995	5,995	
2	State corp. franchise tax	1,932	0	
3	State unemployment insurance tax	280	280	
4	Other state and local taxes	8,209	8,209	
5	Federal unemployment insurance tax	224	224	
6	Federal insurance contributions act	6,934	6,934	
7	Other federal taxes	1,621	1,621	
8	Federal income tax	2,981	2,981	
9				
10				
11	Totals	28,176	26,244	0

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

1. 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.

2. 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.

3. 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	11,662
2	Reconciling amounts (list first additional income and unallowable deductions, followed by	
3	additional deductions and non-taxable income):	
4		
5	Nondeductible Expenses	2,077
6	Federal tax accrual	2,981
7	Accrual to Cash Adjustment	3,488
8	2003 State Tax	6,630
9	Balancing Account Change	0
10	Book vs Tax Depreciation Difference	(68,063)
11	2002 State Tax	(4,698)
12	Rounding	
13		
14		
15	Federal tax net income	(45,923)
16	Computation of tax: (0.00 * 15%)	0
17	NOL Carryback	(6,888)
18		
19		

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	1,157		
2	Misc. Income	0		
3	Penalties		55	
4	Prior Year Expense		(8,841)	
4				
5	Totals	1,157	(8,786)	9,943

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	DWR loan	0
2	Computer loan	0
3	Auto loan	0
4	Insurance loan	360
5	Franchise Tax Board - Late Fee	2
6	Ford Credit - Auto Loan	0
7	PUC payable interest	0
8	Tank Project Loan - CDC	6,960
9	Totals	7,322

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	2	77,000		77,000
2	670	Office Salaries	1	8,840		8,840
3	671	Management Salaries	1	26,000		26,000
4						0
5	800					0
6		Total	4	111,840	0	111,840

**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	F.P. Flynn	shareholder	71,170	n/a	n/a	none	none	s/t receivable
2								
3								
4								
5								
6								
7	Total		71,170					

**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		Diversion			
			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	N/A							
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		Foothill Municipal Water District					
17	Annual quantities purchased		311,104				(Unit chosen) ¹	ccf
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			
21	Concrete			
22	Earth			
23	Wood			
24	B. Distribution reservoirs			
25	Concrete			
26	Earth			
27	Wood			
28	C. Tanks			
29	Wood			
30	Metal	6	3,440,000	Gallons
31	Concrete			
32	Totals	6	3,440,000	

SCHEDULE D-3
Description of Transmission and Distribution Facilities

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

1	
2	N/A
3	
4	
5	

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

1	
2	N/A
3	
4	
5	

B. FOOTAGES OF PIPE BY INSIDE DIAMETER IN INCHES - NOT INCLUDING SERVICE PIPING ^(A)

Line No.		1	1.5	2	2.5	3	4	5	6	8
11	Cast Iron									
12	Cast Iron (cement lined)									
13	Concrete									
14	Copper									
15	Riveted steel									
16	Standard screw									
17	Screw or welded casing									
18	Cement-asbestos						3,410		14,966	7,580
19	Welded steel						425		1,560	225
20	Wood									
21	Other									
22	Totals	0	0	0	0	0	3,835	0	16,526	7,805

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									0
24	Cast Iron (cement lined)		100							100
25	Concrete									0
26	Copper									0
27	Riveted steel									0
28	Standard screw									0
29	Screw or welded casing									0
30	Cement-asbestos	4,570	20,376							50,902
31	Welded steel		2,375							4,585
32	Galvanized									0
33	Other-PVC									0
34	Totals	4,570	22,851	0	0	0	0	0	0	55,587

**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	669	670		
Commercial				
Large water users	8	8		
Public authorities	2	2		
Irrigation	27	27		
Other (specify)				
Sub-total	706	707	0	0
Private fire connections	3	3	3	3
Public fire hydrants			76	76
Total	709	710	79	79

**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.	134	XXXXXXXXXX
3/4-in.	1	135
1-in.	548	548
1-1/2-in.	12	12
2-in.	10	10
3-in.	2	2
4-in.	0	0
6-in.		
8-in.		
Other	3	3
Total	710	710

SCHEDULE D-6

Meter Testing Data

A. Number of Meters Tested During Year as Prescribed	
1. New, after being received	_____
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		
Single Family Residential	16,828	12,888	10,576	16,888	16,701	19,111	92,992	
Commercial							0	
Industrial	619	347	340	484	995	1,895	4,680	
Public Auth.							0	
Irrigation	1,663	1,331	1,103	2,054	1,850	1,943	9,944	
Other - LA Co. Sewer	0	1	0	1	1	1	4	
Reclaimed Water							0	
Total	19,110	14,567	12,019	19,427	19,547	22,950	107,620	

Classification of Service	During Current Year							Subtotals	Total	Total Prior Year
	July	August	September	October	November	December				
Single Family residential	25,670	26,368	26,455	25,010	15,322	16,154	134,979	227,971	234,861	
Commercial							0	0	0	
Industrial	7,973	9,024	7,755	3,645	740	574	29,711	34,391	41,624	
Public Auth.							0	0	0	
Irrigation	2,610	2,533	3,312	3,277	1,463	1,287	14,482	24,426	25,835	
Other - LA Co. Sewer	0	1	0	1	0	1	3	7	83	
Reclaimed Water							0	0	0	
Total	36,253	37,926	37,522	31,933	17,525	18,016	179,175	286,795	302,403	

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

Total acres irrigated: _____ Total population served _____

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

March 30, 2004

Mesa Crest Water Company, Inc.
P.O. Box 257
La Canada Flintridge, CA 91012

We have compiled the balance sheets of Mesa Crest 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 1 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.

PEASLEY, ALDINGER & O'BYMACHOW
AN ACCOUNTANCY CORPORATION



Christian L. Aldinger
Certified Public Accountant