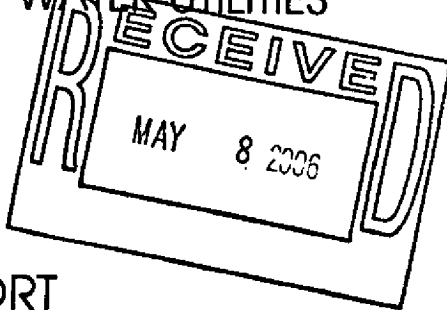


Received _____
Examined _____

CLASS D
WATER UTILITIES



U# _____

2001
ANNUAL REPORT
OF

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

485 N. KEPLER AVE

DELAND FL 32724
(OFFICIAL MAILING ADDRESS) ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2001.

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2002
(FILE TWO COPIES IF THREE RECEIVED)

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.

**Summary of Earnings
Test Year 2001**

Account Number	Operating Revenue	
470	Metered	95107
460	Unmetered	
465	Irrigation	
462-480	Private Fire Protection	
	Total Revenue	95107
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	24822
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	13978
650	Contract Work	
	Water Testing	1242
660	Transportation Expense	3473
664	Other Plant Maintenance	10320
670	Office Salaries	31773
671	Management Salaries	
674	Employee Pensions and Benefits	
676	Uncollectables	
678	Office Service and Rentals	3000
681	Office Supplies and Expense	3208
682	Professional Services	6919
684	Insurance	
688	Regulatory Expense	
689	General Expense	4983
	Subtotal	103718
403	Depreciation Expense	7730
	Ad Valorem Taxes	
	Payroll taxes	
408	Taxes other than income	5855
409	State Income Tax	
410	Federal Income Tax	
	Total Deductions	117303
	Net Revenue	(22196)
	Rate Base	
	Average Plant	
	Average Depreciation Reserve	
	Net Plant	
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	
	Plus: Material & Supplies	
	Rate Base	
	ROR=Net Rev/Rate Base	

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

Yermo Water Co.

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

485 N. KEPLER AVE DELAND, FL 32720

(Official mailing address)

Yermo City, San Bernardino County

GENERAL INFORMATION

**RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES**

- 1 If a corporation show:
 (A) Date of organization N/A incorporated in the State of _____
 (B) Names, titles and addresses of principal officers: _____
- 2 If unincorporated give the name and address of owner or of each partner:
- 3 Name and telephone number of:
 (A) One person listed above to receive correspondence:
 (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 charged?
- 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
✓		
✓		
✓		

SPECIAL INSTRUCTIONS (over)

SPECIAL INSTRUCTIONS

- 1 Beginning of year balances must agree with end of year balances shown in report for previous year.
Attach a supplementary statement to explain any differences.**
- 2 Attach a supplementary statement to explain adjustments in Schedule B - Water Plant in Service.**
- 3 Complete all schedules, using the words "None" or "Not applicable" if appropriate.**
- 4 Report must be prepared legibly in ink or by typewriter.**

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2001

NAME OF UTILITY Yermo Water Co PHONE 386-985-0475

PERSON RESPONSIBLE FOR THIS REPORT Donna C. Alsop
(Prepared from Information in the 2001 Annual Report)

BALANCE SHEET DATA		1/1/01	12/31/01	Average
1	Intangible Plant	3461	3461	—
2	Land and Land Rights	19730	19730	—
3	Depreciable Plant	418810	133449	(285361)
4	Gross Plant in Service	442001	156640	(285361)
5	Less: Accumulated Depreciation	289739	83698	(206031)
6	Net Water Plant in Service	52272	72942	(79330)
7	Water Plant Held for Future Use			
8	Construction Work in Progress			
9	Materials and Supplies	3880	13798	9918
10	Less: Advances for Construction	()	()	()
11	Less: Contribution in Aid of Construction	()	()	()
12	Less: Accumulated Deferred Income and Investment Tax Credits	()	()	()
13	Net Plant Investment	156152	86740	(69412)
CAPITALIZATION				
14	Common Stock			
15	Proprietary Capital (Individual or Partnership)	(21063)	(51060)	(29997)
16	Paid-in Capital			
17	Retained Earnings			
18	Common Stock and Equity (Lines 14 through 17)			
19	Preferred Stock			
20	Long-Term Debt	100000	100000	(20000)
21	Notes Payable			
22	Total Capitalization (Lines 18 through 21)	98937	48940	(49997)

(Revised 2/01)

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

2001
(continued)

NAME OF UTILITY Yermo Water Co PHONE 386-985-0475

INCOME STATEMENT

Annual
Amount

23	Unmetered Water Revenue	_____
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	_____
27	Total Operating Revenue	<u>95107</u>
28	<u>Operating Expenses</u>	<u>95107</u>
29	Depreciation Expense (Composite Rate _____)	<u>103718</u>
30	Amortization and Property Losses	<u>730</u>
31	Property Taxes	_____
32	Taxes Other Than Income Taxes	_____
33	Total Operating Revenue Deduction Before Taxes	<u>5855</u>
34	California Corp. Franchise Tax	<u>(22196)</u>
35	Federal Corporate Income Tax	_____
36	Total Operating Revenue Deduction After Taxes	<u>(22196)</u>
37	Net Operating Income (Loss) - California Water Operations	<u>(22196)</u>
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	_____
39	Income Available for Fixed Charges	<u>(22196)</u>
40	Interest Expense	_____
41	Net Income (Loss) Before Dividends	_____
42	Preferred Stock Dividends	_____
43	Net Income (Loss) Available for Common Stock	<u>(22196)</u>

OTHER DATA

44	Refunds of Advances for Construction	_____
45	Total Payroll Charged to Operating Expenses	<u>31773</u>
46	Purchased Water	_____
47	Power	<u>24822</u>

Active Service Connections (Exc. Fire Protect.) _____

48 Metered Service Connections
49 Flat Rate Service Connections
50 Total Active Service Connections

	Jan. 1	Dec. 31	Annual Average
48	350	350	_____
49	_____	_____	_____
50	350	350	_____

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

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) loan outstanding during the 12 month reporting period. (Use one sheet for each loan.)

1. Current Fiscal Agent:

Name: _____ N/A
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 the trust bank account activities showing:

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

5. Account information:

Bank Name: _____
Account Number: _____
Date Opened: _____

6. Plant amounts included in Schedule A, 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	3461			(1161)	2300
3	303	Land	19730				19730
4		Total non-depreciable plant	23191			(1161)	22030
5		DEPRECIABLE PLANT					
6	304	Structures	5359			(2459)	2900
7	307	Wells	77030			(50830)	26200
8	317	Other water source plant					
9	311	Pumping equipment	97805			(89405)	8400
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes	9375			(8375)	1000
12	331	Water mains	115633			(105633)	10000
13	333	Services and meter installations	22236			(2436)	19800
14	334	Meters	24028			(2408)	1680
15	335	Hydrants	15927			(8327)	7600
16	339	Other equipment	26490			(12135)	14355
17	340	Office furniture and equipment	5623			(2445)	3178
18	341	Transportation equipment	19233			(2957)	16276
19		Total depreciable plant	418809			(307420)	111389
20		Total water plant in service	442600			(309581)	133019

**To the Public Utilities Commission
State of California
For the Year ended December 31, 2001**

Class B - Water Utilities Report

**Yermo Water Company
Yermo City, San Bernadino County**

Page 6 of 9

Account # 101

Water Plant in Service

Column E

Changes were made in 2001 to better reflect the actual cost of the equipment purchased when business was purchased. Property was over inflated in prior years.

Donald R. Walker

YERMO WATER COMPANY
Depreciation Schedule by Category
For the 12 Months Ended 12/31/01

06/03/03

03:46PM

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/01	Current Depreciation	Accum Depr 12/31/01
Uncategorized Assets									
1	OFFICE FURNITURE	05/05/86	150% DB	05/00	N	3,178.00	3,178.00	0.00	3,178.00
2	STRUCTURES	05/05/86	150% DB	05/00	N	5,359.00	5,359.00	0.00	5,359.00
3	INTANGIBLE PLANT	05/05/86	ST LINE	10/00	N	3,461.00	3,461.00	0.00	3,461.00
4	WELLS	01/01/81	ST LINE	30/00	N	69,221.00	46,146.96	2,307.37	48,454.33
5	PUMPING EQUIPMEN	01/01/81	ST LINE	30/00	N	72,446.00	48,297.96	2,414.87	50,712.83
6	RES TANKS SANDPI	05/05/86	ALT SL	15/00	N	9,375.00	9,375.00	0.00	9,375.00
7	TRANSPORT EQUIP.	05/05/86	150% DB	03/00	N	5,876.00	5,876.00	0.00	5,876.00
8	SERV & METERS IN	05/05/86	ALT SL	15/00	N	21,726.00	20,150.00	723.26	20,873.26
9	METERS	05/05/86	ALT SL	05/00	N	14,926.00	14,926.00	0.00	14,926.00
10	HYDRANTS	05/05/86	ST LINE	15/00	N	15,938.00	15,036.34	530.53	15,566.87
11	OTHER EQUIPMENT	05/05/86	150% DB	05/00	N	19,938.00	19,938.00	0.00	19,938.00
13	WATER MAINS	05/05/86	ALT SL	15/00	N	115,633.00	105,987.00	3,849.42	109,836.42
15	PROPERTIES	01/01/81	LAND	00/00	N	19,729.60	0.00	0.00	0.00
16	NEW WELL	07/16/92	ST LINE	20/00	N	3,225.00	1,370.94	161.22	1,532.16
17	METERS	03/01/93	ST LINE	15/00	N	6,153.12	3,076.57	410.21	3,486.78
18	PUMP	02/18/93	ST LINE	07/00	N	4,200.00	4,200.00	0.00	4,200.00
19	COMPUTER PRINTER	03/06/93	200% DB	05/00	N	2,450.00	2,450.00	0.00	2,450.00
20	DUMP TRUCK	06/01/93	200% DB	05/00	N	6,800.00	6,800.00	0.00	6,800.00
21	TRAILER	02/28/93	200% DB	05/00	N	3,600.00	3,600.00	0.00	3,600.00
22	BACKHOE	02/28/93	200% DB	05/00	N	8,750.00	8,750.00	0.00	8,750.00
23	OTHER EQUIPMENT	07/06/93	200% DB	05/00	N	5,605.10	5,605.10	0.00	5,605.10
24	PUMPING EQUIPMENT	09/03/94	ST LINE	07/00	N	9,818.17	9,116.88	701.29	9,818.17
25	PUMPING EQUIPMENT	04/06/94	ST LINE	07/00	N	7,000.00	6,500.00	500.00	7,000.00
26	METERS	04/20/94	ST LINE	07/00	N	2,168.00	2,013.14	154.86	2,168.00
27	WELLS	01/01/96	200% DB	10/00	N	4,585.11	2,894.85	338.05	3,232.90
28	METERS	04/05/96	200% DB	07/00	N	840.45	652.93	75.01	727.94
29	RESEVOIR TANKS	05/01/99	200% DB	10/00	N	5,000.00	1,400.00	720.00	2,120.00
30	NEW METERS	05/31/00	ST LINE	07/00	N	2,168.89	154.92	309.84	464.76
31	WELLS	03/18/01	200% DB	10/00	N	5,200.00	0.00	520.00	520.00
32	METERS	05/10/01	200% DB	07/00	N	1,430.60	0.00	204.37	204.37
33	LARGE EQUIPMENT	06/03/01	200% DB	07/00	N	6,759.60	0.00	965.66	965.66
Total for (Uncategorized Assets)						462,560.64	356,316.59	14,885.96	371,202.55
Client Subtotal Before Sales						462,560.64	356,316.59	14,885.96	371,202.55
Less Assets Sold						0.00			0.00
Total						462,560.64	356,316.59	14,885.96	371,202.55

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 20__)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	133419	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	
4	105	Water plant construction work in progress		218	Proprietary capital	51,690
5	108	Accumulated depreciation of water plant	(83,698)	224	Long term debt	100,000
6	114	Water plant acquisition adjustments			Current Liabilities	10,752
7	124	Other investments	3785	252	Advances for construction	
8	131	Cash	144	253	Other deferred credits	
9	141	Accounts receivable - customers	6200	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies			depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	59662		Total Equity and Liabilities	

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Plt Additions During year	Plt Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant	3461			(1161)	2300
17	303	Land	19730				19730
18	304	Structures	5359			(2459)	2900
19	307	Wells	77030			(50830)	26200
20	317	Other water source plant					
21	311	Pumping equipment	97805			(89405)	8400
22	320	Water treatment plant					
23	330	Reservoirs tanks and sandpipes	9375			(8375)	1000
24	331	Water mains	115633			(105633)	10000
25	333	Services and meter installations	22236			(2436)	19800
26	334	Meters	24088			(22408)	1680
27	335	Hydrants	15937			(8337)	7600
28	339	Other equipment	26490			(12135)	14355
29	340	Office furniture and equipment	5623			(2445)	3178
30	341	Transportation equipment	19233			(2957)	16276
31		Total water plant in service	442000			(308581)	133419

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 108 Water Plant	Account 108.1 SDWBA Loans	
32	Balance in reserves at beginning of year	355591		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403			
35	(b) Charged to Account No. 272	7730		
36	(c) Charged to clearing accounts			B. Amount of depreciation expense claimed
37	(d) Salvage recovered			or to be claimed on utility property in
38	(e) All other credits			your federal income tax return for the year
39	Total credits	413410		covered by this report \$
40	Deduct: Debits to reserves during year			C. State method used to compute tax
41	(a) Book cost of property retired			depreciation.
42	(b) Cost of removal			
43	(c) All other debits	329712		
44	Total debits	329712		
45	Balance in reserve at end of year	83649		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

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 and inactive)

Size	Meters	Services
5/8 x 3/4-in		
3/4-in		
1-in		
-in		
-in		
Total		

SCHEDULE L - METER-TESTING DATA

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

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	315		315	35		35	350	
Industrial								
Other (specify)								
Subtotal								
Fire protection (Hydrants)								
Total	315		315	35		35	350	

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

SCHEDULE N - STORAGE FACILITIES

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	No.	Combined capacity in gallons	Description	2" and	2 1/4 to	4"	Other sizes (specify)	Totals
				under	3 1/4			
Concrete			Cast Iron					
Earth			Welded steel					
Wood			Standard screw					
Steel			Cement-asbestos					
Other			Plastic					
			Other (specify)					
Total			Total					

DECLARATION

(BEFORE SIGNING PLEASE CHECK TO SEE THAT ALL SCHEDULES HAVE BEEN COMPLETED)

I, the undersigned (officer, partner or owner) of DONALD R. WALKER (Name of utility), under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period

From and including JANUARY 1, 2001, to and including DECEMBER 31, 2001

Signed

Title

Date

Form **1065** Department of the Treasury Internal Revenue Service **U.S. Return of Partnership Income 2001**

See separate instructions.

IRS use only - Do not write or staple in this space.

For calendar year 2001, or tax year beginning , 2001, and ending , 20

OMB No. 1545-0099

Principal Business Activity WATER COMPANY		Use the IRS label. Otherwise, print or type.	Name of Partnership YERMO WATER COMPANY		D Employer Identification Number 33-0570801
Principal Product or Service WATER SERVICE			Number, Street, and Room or Suite Number, if a P.O. Box. See Instructions. 920 NORTH SLOAN # D-201		E Date Business Started 01/01/92
Business Code Number 221300			City or Town State ZIP Code LAS VEGAS NV 89110		F Total Assets (see instrs) \$ 59,692.

G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) _____

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year _____ 2

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

INCOME	1 a Gross receipts or sales	1 a	95,107.		
	b Less returns and allowances	1 b		1 c	95,107.
	2 Cost of goods sold (Schedule A, line 8)			2	23,129.
	3 Gross profit. Subtract line 2 from line 1c			3	71,978.
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)			4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	
	6 Net gain (loss) from Form 4797, Part II, line 18			6	
	7 Other income (loss) (attach schedule)			7	
8 Total income (loss). Combine lines 3 through 7			8	71,978.	
DEDUCTIONS	9 Salaries and wages (other than to partners) (less employment credits)			9	31,773.
	10 Guaranteed payments to partners			10	
	11 Repairs and maintenance			11	
	12 Bad debts			12	
	13 Rent			13	3,000.
	14 Taxes and licenses			14	5,855.
	15 Interest			15	
	16 a Depreciation (if required, attach Form 4562)	16 a	7,730.		
	b Less depreciation reported on Schedule A and elsewhere on return	16 b		16 c	7,730.
	17 Depletion (Do not deduct oil and gas depletion.)			17	
	18 Retirement plans, etc			18	
	19 Employee benefit programs			19	
	20 Other deductions (attach schedule) See Other deductions			20	45,816.
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21	94,174.	
22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8			22	-22,196.	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of General Partner or Limited Liability Company Member _____ Date _____

May the IRS discuss this return with the preparer shown below (see instrs)? Yes No

Preparer's Signature _____ Date _____

Firm's Name (or yours if self-employed) **Allen Financial Group, Inc.** EIN **P00185812**

Address, and ZIP Code **632 N Woodland Blvd Suite 1 Deland FL 327202737** Phone No. **(386) 738-7353**

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	
3	Cost of labor	3	
4	Additional Section 263A costs (attach schedule) See Additional section.263A costs	4	23,129.
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	23,129.
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	23,129.

9a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations Section 1.471-3
- (ii) Lower of cost or market as described in Regulations Section 1.471-4
- (iii) Other (specify method used and attach explanation) _____

b Check this box if there was a writedown of 'subnormal' goods as described in Regulations Section 1.471-2(c)

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d Do the rules of Section 263A (for property produced or acquired for resale) apply to the partnership? Yes No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If 'Yes', attach explanation _____

Schedule B Other Information

		Yes	No
1	What type of entity is filing this return? Check the applicable box:		
a	<input checked="" type="checkbox"/> Domestic general partnership		
b	<input type="checkbox"/> Domestic limited partnership		
c	<input type="checkbox"/> Domestic limited liability company		
d	<input type="checkbox"/> Domestic limited liability partnership		
e	<input type="checkbox"/> Foreign partnership		
f	<input type="checkbox"/> Other _____		
2	Are any partners in this partnership also partnerships?		X
3	During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations Sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment		X
4	Is this partnership subject to the consolidated audit procedures of Sections 6221 through 6233? If 'Yes,' see Designation of Tax Matters Partner below		X
5	Does this partnership meet all three of the following requirements?		
a	The partnership's total receipts for the tax year were less than \$250,000;		
b	The partnership's total assets at the end of the tax year were less than \$600,000; and		
c	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item J on Schedule K-1		X
6	Does this partnership have any foreign partners? If 'Yes,' the partnership may have to file Forms 8804, 8805 and 8813. See instructions		X
7	Is this partnership a publicly traded partnership as defined in Section 469(k)(2)?		X
8	Has this partnership filed, or is it required to file, Form 8264 , Application for Registration of a Tax Shelter?		X
9	At any time during calendar year 2001, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country _____		X
10	During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the partnership may have to file Form 3520. See instructions		X
11	Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If 'Yes,' you may elect to adjust the basis of the partnership's assets under Section 754 by attaching the statement described in the instructions under Elections Made by the Partnership		X
12	Enter the number of Forms 8865 attached to this return _____		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of Designated TMP ▶ DONALD WALKER Identifying Number of TMP ▶ 476-40-9251
Address of Designated TMP ▶ 920 NORTH SLOAN LAS VEGAS, NV 89110

Schedule K Partners' Shares of Income, Credits, Deductions, etc

		(a) Distributive share items		(b) Total amount	
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 22)		1	-22,196.
	2	Net income (loss) from rental real estate activities (attach Form 8825)		2	
	3a	Gross income from other rental activities	3a		
	b	Expenses from other rental activities (attach sch)	3b		
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a		3c	
	4	Portfolio income (loss):			
	a	Interest income		4a	
	b	Ordinary dividends		4b	
	c	Royalty income		4c	
	d	Net short-term capital gain (loss) (attach Schedule D (Form 1065))		4d	
	e	(1) Net long-term capital gain (loss) (attach Schedule D (Form 1065))		4e (1)	
	(2)	28% rate gain (loss)			
	(3)	Qualified 5-year gain			
f	Other portfolio income (loss) (attach schedule)		4f		
5	Guaranteed payments to partners		5		
6	Net Section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)		6		
7	Other income (loss)		7		
Deductions	8	Charitable contributions (attach schedule)		8	
	9	Section 179 expense deduction (attach Form 4562)		9	
	10	Deductions related to portfolio income (itemize)		10	
	11	Other deductions		11	
Credits	12a	Low-income housing credit:			
	(1)	From partnerships to which Section 42(j)(5) applies		12a (1)	
	(2)	Other than on line 12a(1)		12a (2)	
	b	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)		12b	
	c	Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities		12c	
d	Credits related to other rental activities		12d		
13	Other credits		13		
Investment Interest	14a	Interest expense on investment debts		14a	
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f above		14b (1)	
	(2)	Investment expenses included on line 10 above		14b (2)	
Self-Employment	15a	Net earnings (loss) from self-employment		15a	-22,196.
	b	Gross farming or fishing income		15b	
	c	Gross nonfarm income		15c	71,978.
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986		16a	2,951.
	b	Adjusted gain or loss		16b	
	c	Depletion (other than oil and gas)		16c	
	d	(1) Gross income from oil, gas, and geothermal properties		16d (1)	
	(2)	Deductions allocable to oil, gas, and geothermal properties		16d (2)	
e	Other adjmnts & tax pref items		16e		
Foreign Taxes	17a	Name of foreign country or U.S. possession			
	b	Gross income from all sources		17b	
	c	Gross income sourced at partner level		17c	
	d	Foreign gross income sourced at partnership level:			
	(1)	Passive	(2) Listed categories (attach sch)	(3) General limitation	17d (3)
	e	Deductions allocated and apportioned at partner level:			
	(1)	Interest expense	(2) Other		17e (2)
	f	Deductions allocated and apportioned at partnership level to foreign source income:			
(1)	Passive	(2) Listed categories (attach sch)	(3) General limitation	17f (3)	
g	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued		17g		
h	Reduction in taxes available for credit (attach schedule)		17h		
Other	18	Section 59(e)(2) expenditures: a Type ... b Amount ...		18b	
	19	Tax-exempt interest income		19	
	20	Other tax-exempt income		20	
	21	Nondeductible expenses		21	
	22	Distributions of money (cash and marketable securities)		22	
	23	Distributions of property other than money		23	
	24	Other items and amounts required to be reported separately to partners (attach schedule)			

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17g, and 18b						1	-22,196.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners		-22,196.					
b Limited partners							

Schedule L Balance Sheets per Books (Not required if question 5 on Schedule B is answered 'Yes.')

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		2,325.		-44.
2a Trade notes and accounts receivable	7,212.		6,200.	
b Less allowance for bad debts		7,212.		6,200.
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets	429,440.		133,449.	
b Less accumulated depreciation	354,591.	74,849.	83,698.	49,751.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)		19,729.		
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach schedule)		4,051.		3,785.
14 Total assets		108,166.		59,692.
Liabilities and Capital				
5 Accounts payable		7,691.		9,314.
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach sch) Ln. 17. Stmt		1,538.		1,438.
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)		120,000.		100,000.
21 Partners' capital accounts		-21,063.		-51,060.
22 Total liabilities and capital		108,166.		59,692.

Schedule M-1 Reconciliation of Income (Loss) per Books with Income (Loss) per Return (Not required if question 5 on Schedule B is answered 'Yes.')

1 Net income (loss) per books	-22,196.	6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize):		a Tax-exempt interest ... \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 11, 14a, 17g, and 18b, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17g, and 18b (itemize):		a Depreciation ... \$	
a Depreciation ... \$		8 Add lines 6 and 7	
b Travel and entertainment ... \$		9 Income (loss) (Analysis of net income (loss), line 1). Subtract line 8 from line 5	-22,196.
5 Add lines 1 through 4	-22,196.		

Schedule M-2 Analysis of Partners' Capital Accounts (Not required if question 5 on Schedule B is answered 'Yes.')

1 Balance at beginning of year	-21,063.	6 Distributions: a Cash	
2 Capital contributed during year	39,486.	b Property	47,287.
3 Net income (loss) per books	-22,196.	7 Other decreases (itemize):	
Other increases (itemize):		8 Add lines 6 and 7	47,287.
5 Add lines 1 through 4	-3,773.	9 Balance at end of year. Subtract line 8 from line 5	-51,060.

Schedule K-1
(Form 1065)

Partner's Share of Income, Credits, Deductions, Etc

OMB No. 1545-0099

2001

Department of the Treasury
Internal Revenue Service

For calendar year 2001 or tax year

beginning

, 2001, and ending

, 20

Partner's identifying number ▶ 476-40-9251

Partnership's identifying number ▶ 33-0570801

Partner's Name, Address, and ZIP Code

Partnership's Name, Address, and ZIP Code

DONALD WALKER
920 NORTH SLOAN
LAS VEGAS, NV 89110

YERMO WATER COMPANY
920 NORTH SLOAN # D-201
LAS VEGAS, NV 89110

A This partner is a general partner limited partner
 limited liability company member

F Partner's share of liabilities:

B What type of entity is this partner? ... ▶ INDIVIDUAL

Nonrecourse \$

C Is this partner a domestic or a foreign partner?

Qualified nonrecourse financing \$ 90,000.

D Enter partner's % of: (i) Before change or termination (ii) End of year

Other \$ 9,677.

Profit sharing % 90.00000%

G Tax shelter registration number ▶

Loss sharing % 90.00000%

H Check here if this partnership is a publicly traded partnership as defined in Section 469(k)(2)

Ownership of capital % 90.00000%

E IRS Center where partnership filed return: OGDEN, UT

I Check applicable boxes: (1) Final K-1 (2) Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
-17,672.	34,486.	-23,536.	19,976.	-26,698.

(a) Distributive share item

(b) Amount

(c) 1040 filers enter the amount in column (b) on:

Income (loss)	1 Ordinary income (loss) from trade or business activities	1	-19,976.	See Partner's Instructions for Schedule K-1 (Form 1065).	
	2 Net income (loss) from rental real estate activities	2			
	3 Net income (loss) from other rental activities	3			
	Portfolio income (loss):	a Interest	4a		Schedule B, Part I, line 1
		b Ordinary dividends	4b		Schedule B, Part II, line 5
		c Royalties	4c		Schedule E, Part I, line 4
		d Net short-term capital gain (loss)	4d		Schedule D, line 5, column (f)
		e (1) Net long-term capital gain (loss)	4e(1)		Schedule D, line 12, column (f)
		(2) 28% rate gain (loss)	4e(2)		Schedule D, line 12, column (g)
		(3) Qualified 5-year gain	4e(3)		Line 4 of worksheet for Sch D, line 29
	f Other portfolio income (loss) (attach schedule)	4f		Enter on applicable ln of your return	
	5 Guaranteed payments to partner	5			
	Deductions	6 Net Section 1231 gain (loss) (other than due to casualty or theft)	6		See Partner's Instructions for Schedule K-1 (Form 1065).
7 Other income (loss) (attach schedule)		7		Enter on applicable ln of your return	
Credits	8 Charitable contributions (see instructions) (attach schedule)	8		Schedule A, line 15 or 16	
	9 Section 179 expense deduction	9			
	10 Deductions related to portfolio income (attach schedule)	10		See Partner's Instructions for Schedule K-1 (Form 1065).	
	11 Other deductions (attach schedule)	11			
Credits	12a Low-income housing credit:			Form 8586, line 5	
	(1) From Section 42(j)(5) partnerships	12a(1)			
	(2) Other than on line 12a(1)	12a(2)			
	b Qualified rehabilitation expenditures related to rental real estate activities	12b		See Partner's Instructions for Schedule K-1 (Form 1065).	
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c			
d Credits related to other rental activities	12d				
13 Other credits	13				

For Paperwork Reduction Act Notice, see instructions for Form 1065.

Schedule K-1 (Form 1065) 2001

		(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:	
Investment interest	14a	Interest expense on investment debts	14a	Form 4952, line 1 See Partner's Instructions for Schedule K-1 (Form 1065).	
	b (1)	Investment income included on lines 4a, 4b, 4c, and 4f	14b(1)		
	(2)	Investment expenses included on line 10	14b(2)		
Self-employment	15a	Net earnings (loss) from self-employment	15a	Schedule SE, Section A or B See Partner's Instructions for Schedule K-1 (Form 1065).	
	b	Gross farming or fishing income	15b		
	c	Gross nonfarm income	15c		
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a	See Partner's Instructions for Schedule K-1 (Form 1065) and instructions for Form 6251.	
	b	Adjusted gain or loss	16b		
	c	Depletion (other than oil and gas)	16c		
	d (1)	Gross income from oil, gas, and geothermal properties	16d(1)		
	(2)	Deductions allocable to oil, gas, and geothermal properties	16d(2)		
	e	Other adjustments & tax preference items (attach sch)	16e		
Foreign Taxes	17a	Name of foreign country or U.S. possession		Form 1116, Part I	
	b	Gross income from all sources	17b		
	c	Gross income sourced at partner level	17c		
	d	Foreign gross income sourced at partnership level:			
	(1)	Passive	17d(1)		
	(2)	Listed categories (attach schedule)	17d(2)		
	(3)	General limitation	17d(3)		
	e	Deductions allocated and apportioned at partner level:			
	(1)	Interest expense	17e(1)		
	(2)	Other	17e(2)		
	f	Deductions allocated and apportioned at partnership level to foreign source income:			
(1)	Passive	17f(1)			
(2)	Listed categories (attach schedule)	17f(2)			
(3)	General limitation	17f(3)			
g	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17g	Form 1116, Part II		
h	Reduction in taxes available for credit (attach schedule)	17h	Form 1116, line 12.		
Other	18a	Section 59(e)(2) expenditures: a Type		See Partner's Instructions for Schedule K-1 (Form 1065).	
	b	Amount	18b		
	19	Tax-exempt interest income	19		Form 1040, line 8b
	20	Other tax-exempt income	20		See Partner's Instructions for Schedule K-1 (Form 1065).
	21	Nondeductible expenses	21		
	22	Distributions of money (cash and marketable securities)	22		
	23	Distributions of property other than money	23		
24	Recapture of low-income housing credit:		Form 8611, line 8		
a	From Section 42(j)(5) partnerships	24a			
b	Other than on line 24a	24b			
Supplemental Information	25	Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):			

Schedule K-1
(Form 1065)

Partner's Share of Income, Credits, Deductions, Etc

OMB No. 1545-0099

2001

Department of the Treasury
Internal Revenue Service

For calendar year 2001 or tax year

beginning , 2001, and ending , 20

Partner's identifying number ▶ 526-31-5222

Partnership's identifying number ▶ 33-0570801

Partner's Name, Address, and ZIP Code

Partnership's Name, Address, and ZIP Code

CHARLENE WALKER
920 NORTH SLOAN
LAS VEGAS, NV 89110

YERMO WATER COMPANY
920 NORTH SLOAN # D-201
LAS VEGAS, NV 89110

A This partner is a general partner limited partner
 limited liability company member

F Partner's share of liabilities:

B What type of entity is this partner? ... ▶ INDIVIDUAL

Nonrecourse \$
Qualified nonrecourse financing \$ 10,000.
Other \$ 1,075.

C Is this partner a domestic or a foreign partner?

D Enter partner's % of: (i) Before change or termination (ii) End of year
Profit sharing % 10.00000 %
Loss sharing % 10.00000 %
Ownership of capital % 10.00000 %

G Tax shelter registration number ▶

E IRS Center where partnership filed return: OGDEN, UT

H Check here if this partnership is a publicly traded partnership as defined in Section 469(k)(2)

I Check applicable boxes: (1) Final K-1 (2) Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
-3,391.	5,000.	-2,615.	0.	-1,006.

(a) Distributive share item

(b) Amount

(c) 1040 filers enter the amount in column (b) on:

Income Loss	1 Ordinary income (loss) from trade or business activities	1	-2,220.	See Partner's Instructions for Schedule K-1 (Form 1065). Schedule B, Part I, line 1 Schedule B, Part II, line 5 Schedule E, Part I, line 4 Schedule D, line 5, column (f) Schedule D, line 12, column (f) Schedule D, line 12, column (g) Line 4 of worksheet for Sch D, line 29 Enter on applicable ln of your return
	2 Net income (loss) from rental real estate activities	2		
	3 Net income (loss) from other rental activities	3		
	4 Portfolio income (loss):			
	a Interest	4a		
	b Ordinary dividends	4b		
	c Royalties	4c		
	d Net short-term capital gain (loss)	4d		
	e (1) Net long-term capital gain (loss)	4e(1)		
	(2) 28% rate gain (loss)	4e(2)		
	(3) Qualified 5-year gain	4e(3)		
f Other portfolio income (loss) (attach schedule)	4f			
5 Guaranteed payments to partner	5		See Partner's Instructions for Schedule K-1 (Form 1065).	
6 Net Section 1231 gain (loss) (other than due to casualty or theft)	6			
7 Other income (loss) (attach schedule)	7		Enter on applicable ln of your return	
Deductions	8 Charitable contributions (see instructions) (attach schedule)	8		Schedule A, line 15 or 16
	9 Section 179 expense deduction	9		See Partner's Instructions for Schedule K-1 (Form 1065).
	10 Deductions related to portfolio income (attach schedule)	10		
11 Other deductions (attach schedule)	11			
Credits	12a Low-income housing credit:			Form 8586, line 5
	(1) From Section 42(j)(5) partnerships	12a(1)		
	(2) Other than on line 12a(1)	12a(2)		
	b Qualified rehabilitation expenditures related to rental real estate activities	12b		See Partner's Instructions for Schedule K-1 (Form 1065).
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c		
d Credits related to other rental activities	12d			
13 Other credits	13			

BAA For Paperwork Reduction Act Notice, see instructions for Form 1065.

Schedule K-1 (Form 1065) 2001

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Investment Interest	14a Interest expense on investment debts	14a	Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f	14b(1)	See Partner's Instructions for Schedule K-1 (Form 1065).
	(2) Investment expenses included on line 10	14b(2)	
Self-employment	15a Net earnings (loss) from self-employment	15a	Schedule SE, Section A or B
	b Gross farming or fishing income	15b	See Partner's Instructions for Schedule K-1 (Form 1065).
	c Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a Depreciation adjustment on property placed in service after 1986	16a	See Partner's Instructions for Schedule K-1 (Form 1065) and instructions for Form 6251.
	b Adjusted gain or loss	16b	
	c Depletion (other than oil and gas)	16c	
	d (1) Gross income from oil, gas, and geothermal properties	16d(1)	
	(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)	
	e Other adjustments & tax preference items (attach sch)	16e	
Foreign Taxes	17a Name of foreign country or U.S. possession		Form 1116, Part I
	b Gross income from all sources	17b	
	c Gross income sourced at partner level	17c	
	d Foreign gross income sourced at partnership level:		
	(1) Passive	17d(1)	
	(2) Listed categories (attach schedule)	17d(2)	
	(3) General limitation	17d(3)	
	e Deductions allocated and apportioned at partner level:		
	(1) Interest expense	17e(1)	
	(2) Other	17e(2)	
	f Deductions allocated and apportioned at partnership level to foreign source income:		
(1) Passive	17f(1)		
(2) Listed categories (attach schedule)	17f(2)		
(3) General limitation	17f(3)		
g Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17g	Form 1116, Part II	
h Reduction in taxes available for credit (attach schedule)	17h	Form 1116, line 12.	
Other	18a Section 59(e)(2) expenditures: a Type		See Partner's Instructions for Schedule K-1 (Form 1065).
	b Amount	18b	
	19 Tax-exempt interest income	19	Form 1040, line 8b
	20 Other tax-exempt income	20	See Partner's Instructions for Schedule K-1 (Form 1065).
	21 Nondeductible expenses	21	
	22 Distributions of money (cash and marketable securities)	22	
	23 Distributions of property other than money	23	
	24 Recapture of low-income housing credit:		Form 8611, line 8
a From Section 42(j)(5) partnerships	24a		
b Other than on line 24a	24b		
Supplemental Information	25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):		

Form 1065, Line 20

Other deductions

OFFICE SUPPLIES	1,749.
POSTAGE & FREIGHT	1,222.
PROFESSIONAL & FREIGHT	6,919.
GENERAL EXPENSES	1,704.
AUTO & GAS EXPENSES	3,473.
UTILITIES	24,822.
METER EXPENSES	894.
TELEPHONE	2,385.
BANK CHARGES	237.
EQUIPMENT RENTAL & LEASES	1,169.
STATE WATER CHARGES	1,242.
Total	<u>45,816.</u>

Form 1065, Schedule A, Line 4

Additional section 263A costs

MATERIALS	13,978.
WELL MAINTENANCE	6,686.
PLANT MAINTENANCE	2,465.
Total	<u>23,129.</u>

Form 1065, Schedule L, Line 17

Other Current Liabilities

Other Current Liabilities (itemize):	Beginning of tax year	End of tax year
DEPOSITS	1,538.	1,438.
Total	<u>1,538.</u>	<u>1,438.</u>

Supporting Statement of:

Form 1065 p3-4/Sch L, Ln 13(b)

Description	Amount
INVENTORY OF MAT & SUPPLIES	4,051.
Total	<u>4,051.</u>

Federal 1065 Depreciation Report
Alternative Minimum Tax

Activity Form 1065 Line 22 - 2001

Description	Real	Leased	AMT Cost	AMT Life	AMT Depr	AMT Adj
			AMT Basis	AMT Mthd	AMT Prior	AMT Pref
WELLS	<input type="checkbox"/>	<input type="checkbox"/>	18,000.			
Pumping Equipment	<input type="checkbox"/>	<input type="checkbox"/>	8,000.			
Serv & Meters	<input type="checkbox"/>	<input type="checkbox"/>	19,800.			
Water Mains	<input type="checkbox"/>	<input type="checkbox"/>	10,000.			
New Well	<input type="checkbox"/>	<input type="checkbox"/>	8,200.	20.00	594.	3,939.
			8,200.	150DB	1,371.	
STRUCTURES	<input type="checkbox"/>	<input type="checkbox"/>	2,900.			
INTANGIBLE PLANT	<input type="checkbox"/>	<input type="checkbox"/>	2,300.			
FORD	<input type="checkbox"/>	<input type="checkbox"/>	5,876.			
PUMP	<input type="checkbox"/>	<input type="checkbox"/>	400.	12.00	30.	-30.
			400.	150DB		
DUMP TRUCK	<input type="checkbox"/>	<input type="checkbox"/>	6,800.	6.00	0.	0.
			6,800.	150DB		
Meters	<input type="checkbox"/>	<input type="checkbox"/>	840.	12.00	62.	13.
			840.	150DB		
RESERVOIR TANKS	<input type="checkbox"/>	<input type="checkbox"/>	1,000.	7.00	150.	36.
			1,000.	150DB		
Meters	<input type="checkbox"/>	<input type="checkbox"/>	840.	7.00	161.	44.
			840.	150DB		
TRAILER	<input type="checkbox"/>	<input type="checkbox"/>	3,600.	6.00	0.	0.
			3,600.	150DB		
BACKHOE	<input type="checkbox"/>	<input type="checkbox"/>	8,750.	12.00	641.	-641.
			8,750.	150DB		
OTHER EQUIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	5,605.	12.00	410.	-410.
			5,605.	150DB		
OFFICE FURNITURE	<input type="checkbox"/>	<input type="checkbox"/>	3,178.			
Hydrants	<input type="checkbox"/>	<input type="checkbox"/>	7,600.			
PROPERTIES	<input type="checkbox"/>	<input type="checkbox"/>	19,730.			
Total			<u>133,419.</u>		<u>2,048.</u>	<u>2,951.</u>
			<u>36,035.</u>		<u>1,371.</u>	

Yermo Water Company 2001
Balance Sheet
As of December 31, 2001

	Dec 31, 01
ASSETS	
Current Assets	
Checking/Savings	
101 · Cash in Bank	-44.00
Total Checking/Savings	-44.00
Accounts Receivable	
110 · Acct Receivables	6,200.00
Total Accounts Receivable	6,200.00
Total Current Assets	6,156.00
Fixed Assets	
150 · Building & Other Dep Assets	
Depreciation	-83,698.00
150 · Building & Other Dep Assets - Other	133,449.00
Total 150 · Building & Other Dep Assets	49,751.00
Total Fixed Assets	49,751.00
Other Assets	
160 · Inventory of Mat & Supplies	3,785.00
Total Other Assets	3,785.00
TOTAL ASSETS	59,692.00
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
201 · Accounts Payable	9,314.00
Total Accounts Payable	9,314.00
Other Current Liabilities	
220 · Deposit	1,438.00
224 · Loan Payable to D.R. Walker	122,196.00
Total Other Current Liabilities	123,634.00
Total Current Liabilities	132,948.00
Total Liabilities	132,948.00
Equity	
285 · Partner's Capital Account	-51,060.00
Net Income	-22,196.00
Total Equity	-73,256.00
TOTAL LIABILITIES & EQUITY	59,692.00

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Accrual Basis

Yermo Water Company 2001
Profit & Loss
January through December 2001

	<u>Jan - Dec 01</u>
Income	
470 - Metered Revenue	95,107.00
Total Income	<u>95,107.00</u>
Cost of Goods Sold	
640 - Materials	13,978.00
Total COGS	<u>13,978.00</u>
Gross Profit	81,129.00
Expense	
610 - Purchases Water	1,242.00
615 - Purchased Power	24,822.00
630 - Employee Salaries	31,773.00
660 - Transportation Expense	
Auto Expense	3,473.00
Total 660 - Transportation Expense	<u>3,473.00</u>
665 - Other Plant Maintenance	
Equipment Rental	1,169.00
Other Maintenance	9,151.00
Total 665 - Other Plant Maintenance	<u>10,320.00</u>
678 - Office Service and Rentals	3,000.00
681 - Office Supplies & Expense	
Bank Service Charge	237.00
Office Supplies	1,749.00
Postage & Freight	1,222.00
Total 681 - Office Supplies & Expense	<u>3,208.00</u>
682 - Professional Fees	6,919.00
689 - General Expenses	
Meter Expenses	894.00
Other Expenses	1,704.00
689 - General Expenses - Other	2,385.00
Total 689 - General Expenses	<u>4,983.00</u>
403 - Depreciation	7,730.00
408 - Taxes Other Than Income	5,855.00
Total Expense	<u>103,325.00</u>
Net Income	<u><u>-22,196.00</u></u>