

Received _____
Examined _____

**CLASS D
WATER UTILITIES**

U# _____

**2012
ANNUAL REPORT
OF**

Lake Forest Water Company

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

5000 Windplay Dr. Suite 4, El Dorado Hills, CA 95762
(OFFICIAL MAILING ADDRESS) ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2012**

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2013
(FILE TWO COPIES IF THREE RECEIVED)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2012

NAME OF UTILITY Lake Forest Water Company

PHONE 916-337-6775

PERSON RESPONSIBLE FOR THIS REPORT: Richard Dewante

	1/1/2012	12/31/2012	Average
BALANCE SHEET DATA			
1 Intangible Plant	\$ 187,118	\$ -	\$ 93,559
2 Land and Land Rights	\$ 15,000	\$ -	\$ 7,500
3 Depreciable Plant	\$ 437,507	\$ 4,762	\$ 221,135
4 Gross Plant in Service	\$ 639,625	\$ 4,762	\$ 322,194
5 Less: Accumulated Depreciation	\$ 63,231	\$ 4,762	\$ 33,997
6 Net Water Plant in Service	\$ 576,394	\$ -	\$ 288,197
7 Water Plant Held for Future Use	_____	_____	_____
8 Construction Work in Progress	_____	_____	_____
9 Materials and Supplies	_____	_____	_____
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	<u>\$ 576,394</u>	<u>\$ -</u>	<u>\$ 288,197</u>
 CAPITALIZATION			
14 Common Stock	_____	_____	\$ -
15 Proprietary Capital (Individual or Partnership)	_____	_____	\$ -
16 Paid-in Capital	_____	_____	\$ -
17 Retained Earnings	\$ 237,938	\$ 121,828	\$ 179,883
18 Common Stock and Equity (Lines 14 through 17)	\$ 237,938	\$ 121,828	\$ 179,883
19 Preferred Stock	_____	_____	\$ -
20 Long-Term Debt (RMD)	\$ 34,896	\$ 34,896	\$ 34,896
21 Notes Payable	_____	_____	\$ -
22 Total Capitalization (Lines 18 through 21)	<u>\$ 272,834</u>	<u>\$ 156,724</u>	<u>\$ 214,779</u>

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2012

NAME OF UTILITY Lake Forest Water Company

PHONE 916-337-6775

	Annual Amount
INCOME STATEMENT	
23 Unmetered Water Revenue	\$ -
24 Fire Protection Revenue	-
25 Other Water Revenue	\$ -
26 Metered Water Revenue	\$ -
27 Total Operating Revenue	\$ -
28 <u>Operating Expenses</u>	<u>\$ 3,155</u>
29 Depreciation Expense (Composite Rate 1.7%)	\$ 7,438
30 Amortization and Property Losses	-
31 Property Taxes	\$ -
32 Taxes Other Than Income Taxes	\$ -
33 Total Operating Revenue Deduction Before Taxes	\$ 10,593
34 California Corp. Franchise Tax	\$ -
35 Federal Corporate Income Tax	\$ -
36 Total Operating Revenue Deduction After Taxes	\$ 10,593
37 Net Operating Income (Loss) - California Water Operations	\$ (10,593)
38 Other Operating and Nonoper. Income and Exp.- Net (Exclude Interest Expense)	\$ -
39 Income Available for Fixed Charges	\$ (10,593)
40 Interest Expense	\$ -
41 Net Income (Loss) Before Dividends	\$ (10,593)
42 Preferred Stock Dividends	-
43 Net Income (Loss) Available for Common Stock	\$ (10,593)

OTHER DATA		
44 Refunds of Advances for Construction		-
45 Total Payroll Charged to Operating Expenses		\$ 585
46 Purchased Water		\$ -
47 Power		\$ -

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		4	4	4
49 Flat Rate Service Connections		111	111	111
50 Total Active Service Connections		115	115	115

**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: **N/A**

Name: Bank of America

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: Bank of America

Account Number: 1489-4-50138

Date Opened: 5/10/85

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					
3	303	Land					
4		Total non-depreciable plant					
				N/A			
5		DEPRECIABLE PLANT					
6	304	Structures					\$ -
7	307	Wells					\$ -
8	317	Other water source plant					\$ -
9	311	Pumping equipment					\$ -
10	320	Water treatment plant					\$ -
11	330	Reservoirs, tanks and sandpipes					\$ -
12	331	Water mains					\$ -
13	333	Services and meter installations					\$ -
14	334	Meters					\$ -
15	335	Hydrants					\$ -
16	339	Other equipment					\$ -
17	340	Office furniture and equipment					\$ -
18	341	Transportation equipment					\$ -
19		Total depreciable plant	\$ -				\$ -
20		Total water plant in service					

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2012)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	\$ 4,762	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	\$ 121,828
4	105	Water plant construction work in progress	\$ -	218	Proprietary capital	\$ -
5	108	Accumulated depreciation of water plant	\$ -	224	Long term debt	\$ 34,896
6	114	Water plant acquisition adjustments	\$ (150,346)		Current Liabilities	\$ 24,090
7	124	Other investments		252	Advances for construction	
8	131	Cash	\$ 73,572	253	Other deferred credits	\$ -
9	141	Accounts receivable - customers	\$ 13,727	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	\$ 216		Depreciation	
12	174	Other current assets	\$ 18,038	283	Accumulated deferred income taxes - other	\$ -
13	180	Deferred charges	\$ 70,499	271	Contributions in aid of construction	\$ -
14				272	Accumulated amortization of contributions	\$ -
15		Total Assets	\$ 30,468		Total Equity and Liabilities	\$ 180,814

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	\$ 187,118	\$ 82,482	\$ (269,600)		\$ -
17	303	Land	\$ 15,000		\$ (15,000)		\$ -
18	304	Structures	\$ 450		\$ (450)		\$ -
19	307	Wells	\$ 179,519		\$ (179,519)		\$ -
20	317	Other water source plant	\$ 33,528	\$ 4,889	\$ (38,417)		\$ -
21	311	Pumping equipment	\$ 6,260		\$ (6,260)		\$ -
22	320	Water treatment plant	\$ 9,197		\$ (9,197)		\$ -
23	330	Reservoirs tanks and sandpipes	\$ 30,117		\$ (30,117)		\$ -
24	331	Water mains	\$ 128,659		\$ (128,659)		\$ -
25	333	Services and meter installations	\$ 10,184		\$ (10,184)		\$ -
26	334	Meters					\$ -
27	335	Hydrants	\$ 1,098		\$ (1,098)		\$ -
28	339	Other equipment	\$ 1,343		\$ (1,343)		\$ -
29	340	Office furniture and equipment	\$ 1,617		\$ (1,227)		\$ 390
30	341	Transportation equipment	\$ 35,535		\$ (31,163)		\$ 4,372
31		Total water plant in service	\$ 639,625	\$ 87,371	\$ (722,234)	\$ -	\$ 4,762

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Water Plant	Account 106	Account 106.1 SDWBA Loans	
32		Balance in reserves at beginning of year	\$ 63,231		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	\$ 7,438		Straight line - 35 years Amort
35	(b)	Charged to Account No. 272			
36	(c)	Charged to clearing accounts			B. Amount of depreciation expense claimed
37	(d)	Salvage recovered	\$ 485,435		or to be claimed on utility property in
38	(e)	All other credits	\$ 46,810		your federal income tax return for the year
39		Total credits	\$ 539,683		covered by this report \$
40		Deduct: Debits to reserves during year			
41	(a)	Book cost of property retired	\$ 722,234		
42	(b)	Cost of removal			C. State method used to compute tax
43	(c)	All other debits	\$ 31,026		depreciation.
44		Total debits	\$ 753,260		
45		Balance in reserve at end of year	\$ (150,346)	\$ -	Loss on disposition of assets
46	(1)	Explanation of all other credits			Incorrect Retired Plant in 2011
47	(2)	Explanation of all other debits:			Correct Retired Plant in 2011

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2012)

1	Common - (Shares	\$ par)		List persons owning more than 5% of outstanding stock
2	Preferred - (Shares	, \$ par)		and number of shares owned by each:
3	Dividends - Common	Rate - \$		Richard Dewante 100%
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
5	R. Dewante #1 Loan	4/1/1996	04/01/11	\$ 111,000	\$ 34,896	Variable	\$ -	\$ -
6	R. Dewante #2 Loan			\$ 57,500	\$ -	Variable	\$ -	\$ -
7	Assoc. Co. Loan			\$ 20,000		Variable		\$ -
8	Totals				\$ 34,896		\$ -	\$ -

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	\$ -
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	\$ -
14	480 Other water revenue	\$ -
15	Total Operating Revenue	\$ -
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses (DHS Fees)	\$ -
18	610 Purchased water	\$ -
19	615 Power	\$ -
20	618 Other volume related expenses	\$ -
21	630 Employee labor	\$ 585
22	640 Materials	\$ -
23	650 Contract work	\$ -
24	660 Transportation expenses	\$ -
25	664 Other plant maintenance expense	\$ 33
26	670 Office salaries	\$ -
27	671 Management salaries	\$ -
28	674 Employee pensions and benefits	\$ -
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	\$ -
31	681 Office supplies and expense	\$ -
32	682 Professional services	\$ 2,000
33	684 Insurance	\$ -
34	688 Regulatory commission expense	\$ -
35	689 General expenses	\$ 537
36	Total Operating Expenses	\$ 3,155
37	403 Depreciation expense	\$ 7,438
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	\$ -
40	409 State corporate income tax expense	\$ -
41	410 Federal corporate income tax expense	\$ -
42	Total Operating Revenue Deductions	\$ 10,593
43	Utility Operating Income	\$ (10,593)
44	421 Non-utility income	\$ -
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	\$ -
47	Net Income	\$ (10,593)

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
Well	1	4	450	30	4 AF

OTHER

Streams or springs location of diversion point	Flow in (Unit)		Annual quantities diverted (Unit)		
	Priority right	Diversions			
	Claim	Capacity	Max	Min	
Lake Tahoe Spring 9523	0.73	0.73			N/A
Purchased water (unit)				Annual quantity	
Supplier:				15,109,000 Gal.	
Tahoe City PUD					

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS
(If figures are available) (specify unit)

Classification of service	Max. mo. Mo. of	Min. mo. Mo. of	Total for year
Residential & business	Aug	Nov	
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			

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	1	\$ 585		\$ 585
49	670	Office salaries		\$ -		\$ -
50	671	Management salaries	1	\$ -		\$ -
51		Total	2	\$ 585		\$ 585

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	\$	-
Additions during year		
Subtotal - Beginning balance plus additions during year		N/A
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	1	
3/4-in	2	
1-in	1	
1.5-in		
2-in		
3-in		
Total	4	

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	
	4

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	1	111	112				1	111
Parks			0					0
Industrial/Commerical	3		3	1		1	3	1
Other (specify) Fire			0					
			0					
Subtotal	4	111	115	1		1	4	112
Fire protection (Hydrants)			0					0
Total	4	111	115	1		1	4	112
			0					

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)

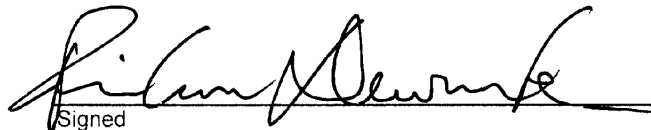
Description	No.	Combined capacity in gallons	Description	Other sizes (specify)						Totals
				2" and under	2 1/2" to 3 1/2"	4"	6"	8"	10"	
Concrete			Cast Iron							-
Earth			Welded steel	2,795	1,085	4,162	490			8,532
Wood	1	100,000	Standard screw							-
Steel			Cement-asbestos			862	118			980
Other			Plastic	1,255		200	160	560		2,175
			Galv Steel	400						400
			GSP Lakebed			550				550
			WSP Hwy xing			60				60
Total		100,000	Total	4,450	1,085	5,834	768	560		12,697

DECLARATION

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

I, the undersigned officer, Richard Dewante of Lake Forest 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:

January 1, 2012, to and including December 31, 2012



Signed

President

Title

Date

5/16/13