



Financial Audit of Alisal Water Corporation Financial Statements For the Years Ended December 31, 2016 and 2015

Utility Audit, Finance and Compliance Branch
September 13, 2018



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Thanks to:

Raymond Yin, Sharmin Wellington, & Khai Duong

**Audit of Financial Statements of
Alisal Water Corporation
For the Years Ended December 31, 2016 and 2015**

Table of Contents

	<u>Page Number</u>
Independent Auditor's Report.....	ii
Balance Sheets	1
Income Statements	2
Statements of Retained Earnings	3
Statements of Cash Flows	4
Notes to Financial Statements.....	5
Appendix A.....	A-1
Appendix B.....	B-1
Appendix C.....	C-1
Appendix D.....	D-1

PUBLIC UTILITIES COMMISSION

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Report of Independent Auditors

Thomas R. Adcock, President
Alisal Water Corporation
249 Williams Road
Salinas, CA 93915

Report on the Financial Statements

The Utility Audit, Finance and Compliance Branch (UAFCB) of the California Public Utilities Commission (Commission) has audited the accompanying financial statements of Alisal Water Corporation (AWC), which are comprised of the balance sheets as of December 31, 2016 and 2015, and the related statements of income, retained earnings and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

AWC's management is responsible for the preparation and fair presentation of the financial statements presented in the 2016 and 2015 annual reports filed with the Commission. The Commission requires that the statements be in accordance with the accounting requirements of the Commission as set forth in the Uniform System of Accounts (USOA) for Water Utilities, as described in Note 1 in the Notes to the Financial Statements attached herein. Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

The responsibility of the UAFCB is to express an opinion on AWC's financial statements based on our audit. The audit was conducted in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Due to the lack of historical information on Retained Earnings, UAFCB could not attest to these balances of Retained Earnings as of December 31, 2016 and 2015. Therefore, UAFCB does not express an opinion on the Retained Earnings balances as of December 31, 2016 and 2015.

Qualified Opinion

In our opinion, except for the balance of Retained Earnings as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Alisal Water Corporation as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended, in accordance with the accounting requirements of the Commission as set forth in the USOA for Water Utilities, described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements of AWC were originally prepared on the basis of the accounting requirements of the California Public Utilities Commission as set forth in the USOA for Water Utilities, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Use of Report

The report is intended solely for the information and use by the Commission and Alisal Water Corporation. It should not be used by anyone other than the specified parties.

Sharmir Wellington

For: Raymond Yin, CPA
Program and Project Supervisor
Utility Audit, Finance and Compliance Branch

**Audit of Financial Statements of
Alisal Water Corporation
For the Years Ended December 31, 2016 and 2015**

Balance Sheets

	As of December 31 for the Year	
	2016	2015
ASSETS		
UTILITY PLANT		
Water Plant in Service (Note 1)	\$34,530,446	\$33,688,397
Water Plant Held for Future Use	807,345	807,345
Construction Work in Progress – Water Plant	3,990,308	3,665,767
Accumulated Depreciation of Water Plant (Note 1)	(14,603,662)	(13,755,150)
Water Plant Acquisition Adjustments	<u>140,305</u>	<u>140,305</u>
Net Utility Plant	<u>\$24,864,742</u>	<u>\$24,546,664</u>
Non-Utility and Other Assets	24,342	119,872
CURRENT AND ACCRUED ASSETS		
Cash	1,187,040	250,157
Special Accounts	672,920	665,004
Accounts Receivable – Customers	849,769	1,028,963
Receivables from Associated Companies	447,755	200,471
Accumulated Provision for Uncollectible Material and Supplies	(43,731)	(43,731)
Other Current Assets	498,297	290,991
Deferred Assets	<u>1,504,340</u>	<u>1,367,057</u>
Total Current and Accrued Assets	<u>5,137,865</u>	<u>3,778,806</u>
Total Assets	<u>\$30,026,949</u>	<u>\$28,445,342</u>
CAPITALIZATION AND LIABILITIES		
CORPORATE CAPITAL AND SURPLUS		
Common Stock	\$ 89,063	\$ 89,063
Retained Earnings (Note 1)	<u>4,002,409</u>	<u>4,111,106</u>
Total Capitalization	<u>4,091,472</u>	<u>4,200,169</u>
LONG-TERM DEBT		
Long-term Debt (Note 3)	9,543,321	9,973,820
CURRENT AND ACCRUED LIABILITIES		
Accounts Payable	937,148	953,616
Short-term Note Payable (Note 2)	427,207	410,669
Customer Deposits	200,111	197,215
Accrued Taxes	117,483	287,237
Accrued Interest	116,965	124,226
Other Current Liabilities	<u>438,789</u>	<u>438,046</u>
Net current and accrued liabilities	<u>2,237,703</u>	<u>2,411,009</u>
CONTRIBUTION IN AID OF CONSTRUCTION		
Contribution in Aid of Construction (Note 4)	7,209,674	7,193,534
Accumulated Amortization of Contribution	<u>(3,733,892)</u>	<u>(3,531,526)</u>
Net Contribution in Aid of Construction	<u>3,475,782</u>	<u>3,662,008</u>
OTHER CREDITS		
Advances for Construction	4,977,336	5,000,341
Other Credits	4,319,865	1,844,278
Accumulated Deferred Investment Tax Credits	26,583	30,695
Accumulated Deferred Income Taxes - ACRS	<u>1,354,887</u>	<u>1,323,022</u>
Total Capitalization and Liabilities	<u>\$30,026,949</u>	<u>\$28,445,342</u>

(The accompanying notes and the appendices are an integral part of these Financial Statements)

Income Statements

	For the Year of	
	2016	2015
OPERATING REVENUES		
Fire Protection Revenue	\$ 54,694	\$ 54,482
Metered Water Revenue	7,519,340	7,804,519
Other Water Revenue	<u>28,685</u>	<u>37,315</u>
Total Operating Revenues (Note 1)	7,602,719	7,896,316
OPERATING EXPENSES		
Plant Operation and Maintenance Expenses		
Power	761,444	695,635
Other Volume Related Expenses	7,104	5,701
Employee Labor	665,534	749,156
Materials	268,733	206,011
Contract Work	347,041	371,662
Transportation Expenses	343,008	383,484
Other Plant Maintenance Expenses	<u>108,593</u>	<u>98,860</u>
Total Plant Operation and Maintenance Expense	2,501,457	2,510,509
Administrative and General Expenses		
Office Salaries (Note 1)	544,059	529,575
Management Salaries (Note 5)	241,277	246,084
Employee Pensions and Benefits	778,237	792,264
Office Services and Rentals	100,873	69,237
Office Supplies and Expenses (Note 1)	280,319	258,826
Professional Services	410,561	463,774
Insurance	310,155	321,224
Regulatory Commission Expense	0	118
General Expenses	<u>406,870</u>	<u>414,224</u>
Total Administrative and General Expenses	<u>3,072,351</u>	<u>3,095,326</u>
Total Operating Expenses	5,573,808	5,605,835
Depreciation Expense (Note 1)	739,846	716,202
Taxes Other Than Income Taxes	564,942	560,304
State Corporate Income Tax Expense	800	37,330
Federal Corporate Income Tax Expense	<u>0</u>	<u>113,616</u>
Total Operating Revenue Deductions	6,879,396	7,033,287
Total Utility Operating Income	723,323	863,029
Non-utility Income	240,689	268,097
Non-utility Expense	(36,097)	(38,635)
Interest Expense	<u>(1,036,612)</u>	<u>(905,431)</u>
Total Other Income and Deductions	(832,020)	(675,969)
Net Income	<u><u>(\$ 108,697)</u></u>	<u><u>\$ 187,060</u></u>

(The accompanying notes and the appendices are an integral part of these Financial Statements)

Statements of Retained Earnings

	For the Year of	
	2016	2015
Retained Earnings, Beginning of Year	\$4,111,106	\$3,924,046 ¹
CREDITS:		
Net Income	0	187,060
Total Credits	0	187,060
DEBITS:		
Net Loss	(108,697)	0
Total Debits	(108,697)	0
Retained Earnings, End of Year	\$4,002,409	\$4,111,106

(The accompanying notes and the appendices are an integral part of these Financial Statements)

¹ UAFCB Cumulative Adjustments to Retained Earnings beginning balance is to reverse the reported negative Preferred Stock amount of (\$89,063).

Statements of Cash Flows

	For the Year of	
	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Income (Loss)	(\$ 108,697)	\$ 187,060
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities		
Depreciation and Amortization	739,846	716,202
Decrease (Increase) in Special Accounts	(7,916)	(5,071)
Decrease (Increase) in Accounts Receivable - Customers	179,194	(239,849)
Decrease (Increase) in Receivables from Associated Companies	(247,284)	(174,469)
Decrease (Increase) in Material and Supplies	(1,581)	(118)
Decrease (Increase) in Other Current Assets	(207,306)	(46,360)
Decrease (Increase) in Deferred Charges	(137,283)	(56,234)
Increase (Decrease) in Accounts Payable	(16,468)	(134,740)
Increase (Decrease) in Customer Deposits	2,896	6,487
Increase (Decrease) in Accrued Taxes	(169,754)	198,388
Increase (Decrease) in Other Current Liabilities	743	53,119
Decrease (Increase) in Other Credits	<u>2,475,587</u>	<u>1,054,766</u>
Net Cash Provided by Operating Activities	2,501,977	1,559,181
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net Plant Additions	(1,252,374)	(908,690)
Decrease (Increase) in Investments	95,530	0
Increase (Decrease) in Advances for Construction	(23,005)	(21,129)
Increase in Contributions in Aid of Construction	<u>16,140</u>	<u>46,858</u>
Net Cash Used for Investing Activities	(1,163,709)	(882,961)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (Decrease) in Long-term Debt	(430,499)	3,552,959
Increase (Decrease) in Short-term Notes Payable	16,538	(3,970,344)
Increase (Decrease) in Accrued Interest	(7,261)	(6,771)
Increase (Decrease) in Deferred Taxes	<u>27,753</u>	<u>(23,775)</u>
Net Cash Used for Financing Activities	(393,469)	(447,931)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	944,799	228,289
CASH AT BEGINNING OF YEAR	<u>915,161</u>	<u>686,872</u>
CASH AT END OF YEAR	<u>\$1,859,960</u>	<u>\$ 915,161</u>

(The accompanying notes and the appendices are an integral part of these Financial Statements)

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

Alisal Water Corporation (AWC) dba Alco Water Service was incorporated in May of 1950. AWC is a Class B water utility with about 9,119 residential and commercial customers in the eastern portion of the city of Salinas, Monterey County. The utility produces, stores, treats, and distributes water for sale for domestic, industrial, and public uses, and for fire protection purposes.

The financial statements of AWC were prepared on the basis of accounting set forth in the Uniform System of Accounts (USOA) for Water Utilities adopted and prescribed by the Commission, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis of accounting, certain transactions, such as adjustments of certain estimated operating expenses related to prior years and gains on the sale of property rights, would have been recorded directly in the statements of retained earnings. Accounting principles generally accepted in the United States of America would require such transactions to be recorded in the statement of income.

The Statements of Cash Flows are not required by the Commission when AWC files its Annual Reports with the Commission. Therefore, the accompanying Statements of Cash Flows were compiled by UAFCB based on the audited financial information of AWC Balance Sheets and Income Statements.

(a) Appendices

The accompanying Appendices are an integral part of the financial statements. Appendix A and Appendix B present the net financial impact resulting from UAFCB's audit adjustments for Years 2016 and 2015, respectively. Appendix C and Appendix D summarize the UAFCB's detailed audit adjustments for Years 2016 and 2015, respectively.

(b) Water Plant

Utility's water plant is recorded at the original cost when it was first constructed or purchased. Retired utility plants were removed from utility plant accounts at cost and charged against accumulated depreciation. Construction Work in Progress, consisting of incomplete water project costs, was \$3,990,308 and \$3,665,767 as of December 31, 2016 and 2015, respectively. Water Plant Held for Future Use, which included the costs of property owned and held for future use under a definite plan for such use, was \$805,345 as of December 31, 2016 and 2015.

(c) Capitalized Interest

Interest costs incurred on debt used to construct fixed assets are capitalized as part of the overall cost of construction.

(d) Depreciation of Water Plant

Depreciation is computed using a straight-line composite rate of 2.81% or over 35.6 years to depreciate all of its plant assets for ratemaking purposes and for reporting the depreciation expense in its Annual Reports filed with the Commission.

(e) Special Accounts

Restricted cash relates to AWC's issuance of the 2007A bonds in the amount of \$8,500,000 to Allstate Life Insurance Company. The purchase agreement required two restricted cash accounts to be held at the Bank of New York Trust Company, N.A. to meet the agreement's funding requirements. The special accounts have a total balance of \$672,920 and \$664,004 as of December 31, 2016 and 2015, respectively.

(f) Deferred Charges

AWC's deferred charges consist primarily of financing costs for long-term debt and various memo accounts recording expenses that may be recovered through future surcharges.

(g) Corporate Capital

AWC reported Common Stock of \$89,063 and Preferred Stock as (\$89,063) in 2016 and 2015. Based on UAFCB's review, AWC does not have a negative Preferred Stock of (\$89,063); thus, UAFCB made a correcting journal entry to reflect the correct Preferred Stock balance.

(h) Retained Earnings

UAFCB could not attest to the accuracy of the Retained Earnings balances due to the lack of historical information. Expressing an opinion on the Retained Earnings balances as of December 31, 2016 and 2015 would require auditing the Retained Earnings from the inception of the company. Due to limitation of our audit scope, we cannot express an opinion on those balances.

(i) Income Taxes

Income taxes are accounted for using the asset and liability method. The asset and liability method recognizes the current tax asset or liability with its associated tax payable or refund. Deferred tax assets and liabilities are recognized for the effect of temporary differences between financial and income tax reporting. Deferred tax assets and liabilities are measured using current tax rates in effect.

(j) Revenues

AWC's revenues are obtained from metered rate service to its customers on an annual basis. AWC computed its water revenues based on tariffs approved by the Commission.

(k) Management Salaries

AWC reported only the President and Corporate Secretary compensation in Management Salaries. UAFCB reclassified payments to the President into General Expenses because 1) payments were directed to a Corporation and 2) no payroll tax deductions were made for those payments. The Corporate Secretary payments were

reclassified to Professional Services because 1) payments were issued to a Trust, 2) payments were reported on a federal tax form, Form 1099, and 3) no payroll deductions (taxes) were made for those payments. Consequently, they are in fact fees for services rendered by a vendor and should be recorded as General Expenses and Professional Services, respectively. Compensation or wages are usually issued to individuals and applicable payroll tax deductions are mandatory. In addition, UAFCB proposed an adjustment to reclassify the CFO's salary and Superintendent's salary from Office Salaries and Employee Labor respectively to Management Salaries.

(l) Allocated Administrative Expenses

AWC shares the same administrative office, office equipment, billing expenses, office salaries, employee pension & benefits and office utilities with its sister company, California Utilities Service, Inc. (CUS). These costs were initially recorded in AWC books and subsequently allocated to CUS through an intercompany receivable account. Administrative costs allocated to CUS were \$447,217 in 2016 and \$426,986 in 2015.

(m) High Debt-to-Equity Ratios

Commission Decision (D.) 08-11-035 stated "...Alco and DRA agree that Alco should reduce its debt-to-equity ratio to 3-to-1 over a three-year period...Alco also agreed to reduce the long-term debt in its capital structure from 91% to 75% over a three-year period...."²

For the audit period, AWC had very high debt-to-equity ratios. Specifically, the ratios of Long-term Debt to Equity were 2.33 and 2.37 in 2016 and 2015, respectively. The ratios of Total Debt to Equity were 2.88 and 2.95 in 2016 and 2015, respectively. A high debt-to-equity ratio symbolizes high creditor financing versus shareholder's equity financing. AWC has complied with the agreed-upon debt-to-equity ratio set by the Commission.

(2) Short-term Notes

In its 2016 and 2015 Annual Reports, AWC reported seven (7) on-demand notes held by AWC's President. The notes were issued between 2006 and 2010. Three notes have fixed interest rates between 9.13% and 10%. Four notes have variable interest rates based on a composite of both the average of the 52 week CCC Bond Index and the "Bank Prime Loan Rate" Index (14.93% to 17.385% in 2016, and 13.195% to 17.635% in 2015). Interest paid by AWC on the notes was \$689,415 in 2016 and \$527,000 in 2015. Based on the economic conditions in the past few years, the interest rates charged seem to be high.

AWC reported the notes when issued as Short-term Debt (USOA Account 232) but the notes have been outstanding for more than twelve months in 2016 and 2015. Consequently, AWC should report these notes as Long-term Debt – Account 224 and should file an Advice Letter with the Commission to obtain authorization for debts payable for more than 12 months per PU Code Section 818.

² Commission Decision 08-11-035 pages 6 and 3.

(3) Long -term Debt

In its 2016 and 2015 Annual Reports, AWC reported Long-term Debt (USOA Account 224) of \$5,565,000 and \$5,992,208, respectively, which reflected the remaining principle balances of the 2007-A bonds and two capital leases. The 2007-A Senior Secured Taxable Bonds have a coupon interest rate of 7.85% and were approved by D.06-01-039. Capital leases do not need to be authorized by the Commission.

(4) Contributions in Aid of Construction (CIAC) and Accumulated Amortization

CIAC represents nonrefundable contributions of cash or property received from various parties for purposes of constructing additions to utility plant. Depreciation applicable to such contributed plant is charged against the CIAC account rather than to depreciation expense until the amount applicable to such properties has been completely amortized.

(5) Related Party Transactions

In addition to the (7) on-demand (short-term) notes held by AWC's President as described in Note 2 above, AWC also paid management fees to two Shareholders. Management fees payments were made to Water Operations Inc. and T&P Management Trust for the President and Corporate Secretary, respectively. AWC reported on the Annual Report – Account 671 – Management Salaries paid to the Shareholders of \$402,779 in 2016 and \$400,524 in 2015.

Net Accounts Receivable due from two affiliated companies (California Utilities Service and Toro Water Services), was \$447,755 in 2016 and \$200,471 in 2015.

(6) Annual Reports

Per California Public Utilities Code, Sections 581, 582, and 584, AWC is required to file an annual report with the Commission every year. For the years being audited, AWC has complied with these requirements.

Appendix A

Summary of Net Financial Impact Resulting from UAFCB's Audit Adjustments for Year 2016

The following is a summary of net financial impact resulting from UAFCB's audit adjustments for Year 2016.

Audit Adj. No.	Annual Report				Description	For the Year 2016	
	Sch.	Line	Col.	Acct No.		Debit	Credit
<u>Net Financial Impact on Balance Sheets Items:</u>							
1	A	37	5	180	Deferred Charges	\$3,696,877	
2	A	53	5	224	Long-term Debt		\$3,978,321
2	A	58	5	232	Short-term Notes Payables	3,978,321	
1	A	68	5	253	Other Credits		3,696,877
7	A	44	5	215	Retained Earnings	89,063	
7	A	42	5	204	Preferred Stocks		89,063
<u>Net Financial Impact on Income Statements Items:</u>							
3, 4	B-1	18	4	470.9	Other Metered Revenue	\$88,304	
3	B-1		4	471	Water Revenue Accrual		\$129,256
4	B-1		4	475	Non-Potable Water Revenue	40,952	
5, 6	B-2	13	4	671	Management Salaries		86,502
5	B-2	12	4	670	Office Salaries		159,259
6	B-2	5	4	630	Employee Labor		82,018
8	B-2	18	4	682	Professional Services	71,700	
8	B-2	21	4	689	General Expenses	256,079	

Appendix B

Summary of Net Financial Impact Resulting from UAFCB's Audit Adjustments for Year 2015

The following is a summary of net financial impact resulting from UAFCB's audit adjustments for Year 2015.

Audit Adj. No.	Annual Report				Description	For the Year 2015	
	Sch.	Line	Col.	Acct No.		Debit	Credit
<u>Net Financial Impact on Balance Sheets Items</u>							
1	A	37	5	180	Deferred Charges	\$1,133,782	
2	A	53	5	224	Long-term Debt		\$3,981,613
2	A	58	5	232	Short-term Notes Payables	3,981,613	
1	A	68	5	253	Other Credits		1,133,782
7	A	44	5	215	Retained Earnings	89,063	
7	A	42	5	204	Preferred Stocks		89,063
<u>Net Financial Impact on Income Statements Items:</u>							
3, 4	B-1	18	4	470.9	Other Metered Revenue		\$117,561
3	B-1		4	471	Water Revenue Accrual	\$97,534	
4	B-1		4	475	Non-Potable Water Revenue	20,027	
5,6	B-2	13	4	671	Management Salaries		82,440
5	B-2	12	4	670	Office Salaries		162,063
6	B-2	3	4	630	Employee Labor		84,021
8	B-2	18	4	682	Professional Services	71,280	
8	B-2	21	4	689	General Expenses	257,244	

Appendix C

Summary of Audit Adjustments for Year 2016

Audit Adj. No.	Annual Report				Description	Debit	Credit
	Sch.	Line	Col.	Acct No.			
1	A	37	5	180	Deferred Charges	\$3,696,877	
	A	68	5	253	Other Credits		\$3,696,877
<i>To correctly report collected conservation surcharges.</i>							
2	A	58	5	232	Short-term Notes Payables	\$3,978,321	
	A	53	5	224	Long-term Debt		\$3,978,321
<i>To correctly report AWC's President Notes.</i>							
3	B-1	18	4	470.9	Other Metered Revenue	\$129,256	
	B-1		4	471	Water Revenue Accrual		\$129,256
<i>To correctly report Water Revenue Accrual.</i>							
4	B-1		4	475	Non-Potable Water Revenue	\$40,952	
	B-1	18	4	470.9	Other Metered Revenue		\$40,952
<i>To correctly report Non-Potable Water Revenue.</i>							
5	B-2	13	4	671	Management Salaries	\$159,259	
	B-2	12	4	670	Office Salaries		\$159,259
<i>To correctly report Management Salaries.</i>							
6	B-2	13	4	671	Management Salaries	\$82,018	
	B-2	5	4	630	Employee Labor		\$82,018
<i>To correctly report the Superintendent's salary.</i>							
7	A	44	5	215	Retained Earnings	\$89,063	
	A	42	5	20	Preferred Stock		\$89,063
<i>To correctly report Retained Earnings.</i>							
8	B-2	18	4	682	Profession Services	\$71,700	
	B-2	21	4	689	General Expense	256,079	
	B-2	13	4	671	Management Salaries		\$327,779
<i>To correctly report payments to a Corporation and a Trust.</i>							

Appendix D

Summary of Audit Adjustments for Year 2015

Audit Adj. No.	Annual Report				Description	Debit	Credit
	Sch.	Line	Col.	Acct No.			
1	A	37	5	180	Deferred Charges	\$1,133,782	
	A	68	5	253	Other Credits <i>To correctly report, the collected conservation surcharges.</i>		\$1,133,782
2	A	58	5	232	Short-term Notes Payables	\$3,981,613	
	A	53	5	224	Long-term Debt <i>To correctly report AWC's President Notes.</i>		\$3,981,613
3	B-1		4	471	Water Revenue Accrual	\$97,534	
	B-1	18	4	470.9	Other Metered Revenue <i>To correctly report Water Revenue Accrual.</i>		\$97,534
4	B-1		4	475	Non-Potable Water Revenue	\$20,027	
	B-1	18	4	470.9	Other Metered Revenue <i>To correctly report Non-Potable Water Revenue.</i>		\$20,027
5	B-2	13	4	671	Management Salaries	\$162,063	
	B-2	12	4	670	Office Salaries <i>To correctly report Management's Salaries.</i>		\$162,063
6	B-2	13	4	671	Management Salaries	\$84,021	
	B-2	5	4	630	Employee Labor <i>To correctly report Superintendent's salary.</i>		\$84,021
7	A	44	5	215	Retained Earnings	\$89,063	
	A	42	5	20	Preferred Stock <i>To correctly report Retained Earnings.</i>		\$89,063
8	B-2	18	4	682	Professional Services	\$71,280	
	B-2	21	4	689	General Expense	257,244	
	B-2	13	4	671	Management Salaries <i>To correctly report payments to a Corporation and a Trust.</i>		\$328,524