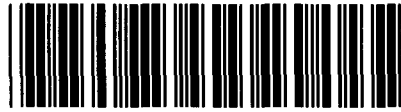


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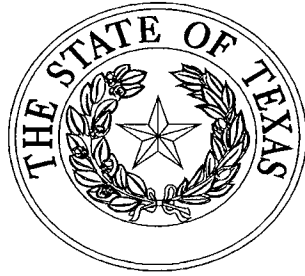
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PUBLIC UTILITY COMMISSION
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46928

**CLASS "B" WATER COMPANY
PUC ANNUAL REPORT
OF**

CCN Number

Water 11978; Sewer 20650

Official Company Name:

SWWC Utilities, Inc. dba Hornsby Bend Utility Company

D/B/A Name(s)

Hornsby Bend Utility Company

**TO THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

For the Year Ended 2016

152

(Company Name)

GENERAL INSTRUCTIONS-Class B Utilities Only

1. This annual report (earnings report) is required by 16 TAC §24.73 and is used to monitor utility earnings and compile annual financial information to monitor financial conditions of Texas investor owned utilities. Each utility shall submit its report to the Commission in the form and manner prescribed herein. The reported information should reflect the 12-month period ending December 31. The report shall be filed not later than June 1 of the following year. Only one report needs to be completed for each Certificate of Convenience and Necessity (CCN) Number regardless of the number of Public Water Systems and/or number of Sewer Systems affiliated with each CCN. However, if you have multiple water CCNs or multiple sewer CCNs, a separate report must be submitted for each CCN, along with a summary report for all Texas water and sewer operations for affiliated entities. The summary should be submitted along with all the affiliated reports. If the utility possesses a water and sewer CCN (not multiples), then the utility may combine the water and sewer operations into one report, although water and sewer operations must be separately reported within that report.
2. Four copies of this report shall be prepared by each utility. Three copies should be mailed or delivered to the Filing Clerk of Central Records at the Commission's offices in Austin, TX by June 1 of the year following the calendar year. The other copy should be retained by the utility for reference. Additionally, the utility shall file an unaltered electronic version (i.e. in native Microsoft Excel format) with all cell references, formulas, links and other electronic information intact) of the information contained in the required schedules and report along with the hard copies. All water and sewer utilities are required by statute to complete and file this annual report. Note, if a utility has a water and sewer CCN and provides both water and sewer service, the utility shall file one annual report which contains information for both the water and sewer utility service. Each sheet of the Excel file is pre-formatted to calculate certain items based on company specific inputs. Any supporting documents or workpapers filed in PDF format should be searchable. For specific instructions regarding the electronic filing of the report, please visit the Commission's website at: <http://www.puc.state.tx.us/industry/filings/FilingProceed.aspx>, and 16 TAC §22.72(g).
3. Pencil entries will not be permitted on hard copy.
4. All accounting terms and phrases used in this report are to be interpreted in accordance with the effective applicable NARUC Uniform System of Accounts prescribed by this Commission, as set forth in 16 TAC §24.72 with detailed sub accounts listed in the form. The Texas Water Code defines Class B utility as a public utility providing retail water or sewer utility service to at least 500 but less than 10,000 taps or connections. Class B utilities must use the NARUC system of accounts for NARUC Class B utilities.
5. Standard accounting procedures shall apply in determining the nature of any entry (e.g. entries of a reverse or contrary character shall be indicated by a parentheses around the number).
6. The report shall be filed consisting of data relative to a calendar year basis (December 31 year end. Revenues and expenses shall include a column for normalization adjustments to produce a normalized net income. All normalization adjustments must be explained with all assumptions defined and rational/best practices referenced.
7. If this report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). Provide a full explanation.
8. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answers shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. Where information called for herein is not given, state fully the reason for its omission.

(Company Name)

GENERAL INSTRUCTIONS

(Continued)

9. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different figures were used.
10. If an audit is performed on the books and records of the utility by a certified public accountant, please submit a copy with this form. If the utility is a member of a controlled group, both parent and subsidiary's annual report should be submitted.
11. Throughout this report money items will be rounded off to the nearest dollar.
12. In the space provided at the top of each page insert the name of the utility and the year to which this report relates.
13. On Schedule 3, column (c), the reporting entity is required to make adjustments to normalize income and expenses for the purpose of determining positive differences between the annual revenues and costs of each utility. Adjusting normalization entries should include adjustments to
 - (1) avoid double counting in affiliates or entities under common control,
 - (2) to record depreciation at the commission's approved rates, amortization at the amount approved in the utility's last rate proceeding in which deferred costs and the amortization of deferred costs are established,
 - (3) to remove any expenses not allowed by the Texas Water Code, or disallowed in previous dockets.
 - (4) other normalization adjustments must be accompanied by all best practice references and an explanation.
14. IF YOU ARE UNDER COMMON CONTROL with other water or sewer utilities operating in Texas, you must file a consolidated income statement and balance sheet including all entities under common control in Texas. These statements should be in addition to the attached schedules for the reporting utility.
15. Unless otherwise indicated, the information required in this report shall be taken from the reporting entity's financial statements, accounts and other records. Any deviation from records must be explained.

EXCERPT FROM TEXAS WATER CODE

CHAPTER 13.136(b)

(b) The utility commission by rule shall require each utility to annually file a service, financial, and normalized earnings report in a form and at times specified by utility commission rule. The report must include information sufficient to enable the utility commission to properly monitor utilities in this state. The utility commission shall make available to the public information in the report the utility does not file as confidential.

PUBLIC UTILITY COMMISSION OF TEXAS
1701 N. CONGRESS AVE., PO BOX 13326, AUSTIN, TX 78711-3326

Annual Report for Class B Water and/or Sewer Systems
Pursuant to TWC § 13 136 and Title 16 Texas Administrative Code (TAC) Chapter 24

I. UTILITY INFORMATION

- A. Utility Name: SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc.
List all assumed name(s) or d/b/a names: Hornsby Bend Utility Company, Inc.
- B. Street Address, City or Town & Zip code: 12535 Reed Road Sugar Land, Texas 77478
County: Fort Bend CCN No.: Water 11978; Sewer 20650
- C. List All PWS System names and numbers: See list in tab "E.entities under common control"
- D. List All WQ Permitted system names and numbers: See list in tab "E.entities under common control"
- E. Type of Ownership:
Corporation: X Partnership: _____ Individual: _____ Other: _____ DBA _____
- F. If a corporation list names of the officers. If an individual or partnership list the name of the individual or each partner.
SWWC Utilities, Inc. Officers: President, Michael O. Quinn; CFO and Treasurer, Kirk Michael; Vice President & Managing Director, Charles Profilet; V.P. General Counsel & Secretary, William K. Dix
- G. If the controlling ownership of this utility changed during the last twelve (12) months, state the date of ownership change and the name and address of the prior owner.
n/a
- H. Date the utility was formed or incorporated: 5/31/2007
- I. Is the utility commonly owned or controlled by another corporation? Y
If yes, by whom? SouthWest Water Company

PERSON TO CONTACT REGARDING THE INFORMATION SUPPLIED ON THESE FORMS

- A. Name and Title: George Freitag, Regional Regulatory Manager
- B. Street Address, city, zip code: 12535 Reed Road Sugar Land, Texas 77478
- C. Telephone Number with Area Code: General 281-207-5800 Direct 512-219-2288
Cell Phone Number with Area Code: _____
Fax Number with Area Code: 512-252-8782
e-mail address: gfreitag@swwc.com
- D. If not an officer, owner or employee, give name of firm employed by:
N/A
- E. List all entities under common control or ownership with this utility by entity name, CCN No(s), Public Water System (PWS) No(s). and name(s) of water system(s) owned and Water Quality (WQ) Discharge Permit No(s). and name(s) of wastewater systems owned, and contact information.
See list in tab "E.entities under common control"
- F. List all affiliates of the utility by entity name(s), CCN No(s). if any, PWS No. for each system owned and WQ Discharge Permit No. for each wastewater systems owned, including contact information. _____
See tab "E.entities under common control"
- G. If the utility owner owns multiple CCN's, please list all CCN numbers owned: _____
See tab "E.entities under common control"

Hornsby Bend Utility Company, Inc.

For the Year Ended 2016

E List all entities under common control or ownership with this utility by entity name, CCN No(s) , Public Water System (PWS) No(s) and name(s) of water system(s) owned and Water Quality (WQ) Discharge Permit No(s) and name(s) of wastewater systems owned, and contact information

F List all affiliates of the utility by entity name(s), CCN No(s) if any, PWS No for each system owned and WQ Discharge Permit No for each wastewater systems owned, including contact information

G If the utility owner owns multiple CCN's, please list all CCN numbers owned

Entity	Water CCN	Sewer CCN	PWS Numbers	County	Water Systems Owned	WQ Discharge Permit Numbers	Waste Water Systems Owned	Contact Information
SouthWest Water Company								
Monarch Utilities LP	12983	20899	see tab "Monarch PWS ID"		see tab "Monarch PWS ID"	see tab "Monarch Discharge Permits"	see tab "Monarch Discharge Permits"	SWWC, 281-207-5800
SWWC Utilities, Inc dba Windermere Utility Company Inc	11471	20542	2270161	Travis	WINDERMERE COMMUNITY	T\0074853-001 A\TPDES11931-001 T\0114265-001B\TPDES 13466-001	WINDERMERE FOREST CREEK	SWWC, 281-207-5800
SWWC Utilities, Inc dba Water Services, Inc	11106	N/A	100039 860107 460211 100042 460221 0150046 0150096 0150135 0150235 0150421 0460037 0940030 1050124 1300005 1330019 1330007 1330080 1330030 1330134 1300035 1630038 1330027 1330167 1330015 1330041 1330169 1050124	Bandera Gillespie Comal Bandera Comal Bexar Bexar Bexar Bexar Bexar Comal Guadalupe Hays Kendall Kerr Kerr Kerr Kerr Kerr Kendall Medina Kerr Kerr Kerr Kerr Kerr Hays	ENCHANTED RIVER ESTATES OAKVIEW WATER SYSTEM RIM ROCK RANCH RIVER BEND ESTATES WINDMILL RANCH SUBDIVISION COOLCREST WATER SYSTEM STAGE COACH HILLS OAKS NORTH MOBILE HOME ESTATES BAVARIAN HILLS COUNTRY SPRINGS WATER CO OAK VILLAGE NORTH GARDEN OAKS HUNTINGTON ESTATES CASCADE MOBILE HOME PARK CEDAR SPRINGS MOBILE HOME VILLAGE CENTER POINT HERITAGE PARK WATER SERVICE HILLS & DALES OAK RIDGE ESTATES WATER SYSTEM PLATTEN CREEK WATER SYSTEM ROCKY CREEK SUBDIVISION WATER SYSTEM VERDE PARK ESTATES VISTA HILLS WESTWOOD WATER SYSTEM WINDWOOD OAKS WATER SYSTEM WOODHAVEN MOBILE HOME PARK HUNTINGTON ESTATES			SWWC, 281-207-5800
SWWC Utilities, Inc dba Mid-Tex Utilities, Inc	12914	20865	1050157	Hays	MID-TEX UTILITIES	Wastewater goes to the City of Austin for treatment	Collection only	SWWC, 281-207-5800
SWWC Utilities, Inc dba Inverness Utility Company, Inc	11170	N/A	2270102	Travis	INVERNESS POINT WATER SYSTEM			SWWC, 281-207-5800
SWWC Utilities, Inc dba SW Utility Company	12284	N/A	1010230	Harris	WESTERN TRAILS SUBDIVISION			SWWC, 281-207-5800
NI Amencia Texas LLC	11922	N/A	2490044 2490046 2490050 2490053 2490058 2490061 1260103	Wise Wise Wise Wise Wise Wise Johnson	CHISHOLM HILLS ESTATES HILLS OF OLIVER CREEK WINDMILL TRAIL COYOTE RIDGE ADDITION SAGE BRUSH ESTATES SKY VIEW RANCH ESTATES SHADED LANE ESTATES			SWWC, 281-207-5800
SWWC Utilities, Inc dba Hornsby Bend Utility Company, Inc	11978	20650	2270255	Travis	Austin's Colony	WQ13138-001	Hornsby Bend Wastewater	SWWC, 281-207-5800

Oklahoma

SWWC Utilities, Inc dba Tenkiller Utility Company

Non-Regulated

Metro-H2O, Utilities, Inc

California

Suburban

Southeast Utilities

Monarch Utilities, Inc.

PWS Numbers and Counties

PWS Name	PWS Number	County
1 ACTON WATER ROYAL OAKS	1110055	HOOD
2 AURORA VISTA	2490051	WISE
3 BEACHWOOD ESTATES & NORTH TRINIDAD	1070069	HENDERSON
4 BENBROOK HILLS	2200313	TARRANT
5 BLUE MOUND	2200005	TARRANT
6 BLUE WATER COVE	2040059	SAN JACINTO
7 BRIARWOOD HARBOR	1070220	HENDERSON
8 CALLENDER LAKE	2340007	VAN ZANDT
9 CAMELOT FOREST WATER SYSTEM	1610058	MCLENNAN
10 CAROLYNN ESTATES	1070106	HENDERSON
11 CEDAR VALLEY SUBDIVISION	2040045	SAN JACINTO
12 CHEROKEE SHORES WATER SUPPLY	1070206	HENDERSON
13 CHESSWOOD WATER SYSTEM	1870088	POLK
14 COLDSRING TERRACE WATER SYSTEM	2040031	SAN JACINTO
15 COMANCHE COVE & HERITAGE HEIGHTS	1110060	HOOD
16 COMANCHE HARBOR & PORT OCALL	1110022	HOOD
17 COUNTRYWOOD WATER SYSTEM	1870138	POLK
18 CROWLEY 1 ACRE SKY CORP WATER	1260011	JOHNSON
19 CRYSTAL SPRINGS SUBDIVISION	1700331	MONTGOMERY
20 DECKER HILLS	1700386	MONTGOMERY
21 DENTON CREEK ESTATES	0610015	DENTON
22 FALCON CREST ADDITION	1260076	JOHNSON
23 GARDEN ACRES SUBDIVISION WATER SYSTEM	1870160	POLK
24 GOVERNORS POINT	2040008	SAN JACINTO
25 GRANBURY ACRES WATER SYSTEM	1110109	HOOD
26 GREEN ACRES WATER SYSTEM	1840120	PARKER
27 HARBOR POINT	2280035	TRINITY
28 HIDEAWAY BAY ESTATES	1110002	HOOD
29 HIGSAW	1070124	HENDERSON
30 HOLIDAY SHORES	0200029	BRAZORIA
31 HOLIDAY VILLAGES OF FORK	2500058	WOOD
32 HOLIDAY VILLAGES OF LIVINGSTON	2040067	SAN JACINTO
33 LAKE MEDINA SHORES	0100037	BANDERA
34 HULON LAKES SUBDIVISION	1700014	MONTGOMERY
35 INDIAN HILLS HARBOR	1580063	MATAGORDA
36 IVANHOE LAND OF LAKES	2290010	TYLER
37 LAKE MEDINA SHORES	0100037	BANDERA
38 LAKEWAY HARBOR SUBDIVISION	2120064	SMITH
39 LOLLIPOP WATER WORKS	1070039	HENDERSON
40 LONGHORN VALLEY	1870152	POLK
41 MARKUM RANCH ESTATES	2200281	TARRANT

Monarch Utilities, Inc.

PWS Numbers and Counties

PWS Name	PWS Number	County
42 METROPLEX HOMESTEADS WATER SUPPLY	1260074	JOHNSON
43 MONTEGO BAY ESTATES	1110044	HOOD
44 MIDWAY WATER UTILITY	610022	DENTON
45 NOLAN RIVER ESTATES	1260099	JOHNSON
46 OAK TRAIL SHORES	1110004	HOOD
47 OAKWOOD WATER SYSTEM	1700454	MONTGOMERY
48 PHILLIPS ACRES	1870146	POLK
49 PINE HARBOR	2120035	SMITH
50 PINE TRAIL SHORES	1070162	HENDERSON
51 PINWAH PINES ESTATES	1870130	POLK
52 PLUM CREEK	1050028	HAYS
53 PONDEROSA ADDITION UTILITIES	0610175	DENTON
54 RANCHO BRAZOS SUBDIVISION	1110036	HOOD
55 RAYWOOD WATER SYSTEM	1460041	LIBERTY
56 RIDGE CREST ADDITION & MISTY HOLLOW	1260035	JOHNSON
57 RIDGECREST	0910035	GRAYSON
58 RIVER OAKS RANCH	1050099	HAYS
59 ROCKY POINT ESTATES	0910038	GRAYSON
60 SERENITY WOODS SUBDIVISION	1700483	MONTGOMERY
61 SHEPHERD HILLS ESTATES	2040061	SAN JACINTO
62 SHERWOOD SHORES	0910040	GRAYSON
63 SILVER SADDLE ACRES	2200299	TARRANT
64 SOUTHERN ACRES WATER SYSTEM	1260094	JOHNSON
65 SPANISH PARK SUBDIVISION	1840026	PARKER
66 STONECREST ESTATES	0610059	DENTON
67 SUNDANCE ADDITION	1260025	JOHNSON
68 TANGLEWOOD ON TEXOMA	0910052	GRAYSON
69 TEX RIDES SUBDIVISION	1260037	JOHNSON
70 TOWER TERRACE	0360069	CHAMBERS
71 TRIPLE H ESTATES	1260116	JOHNSON
72 TWIN CREEK SUBDIVISION	1260038	JOHNSON
73 WEST MEADOW SUBDIVISION	1260063	JOHNSON
74 WEST PARK VILLAGE	1260077	JOHNSON
75 WESTERN HILLS HARBOR	1110005	HOOD
76 WESTERN LAKE ESTATES	1840014	PARKER
77 WESTSIDE RURAL WSC	2200079	TARRANT
78 WESTVIEW ENTERPRISES	1840105	PARKER
79 WESTWOOD BEACH	1070085	HENDERSON
80 WYNNWOOD HAVEN ESTATES	0610037	DENTON

Name of Utility: SWWC Utilities, Inc dba Hornsby Bend Utility Company, Inc Year End: 2016

2. BALANCE SHEETS

<u>ASSETS</u>		End of Year 12/31/2016	End of Prior Year 12/31/2015
<u>UTILITY PLANT</u>			
1	101 Utility Plant in Service	\$ 37,560,192	\$ 36,624,863
2	103 Property held for Future Use	\$ 217,600	\$ 217,600
3	105 Construction Work In Progress	\$ 256,852	\$ 43,231
	106 Completed Construction not Classified	\$ 8,597	
4	114, 115 Net Utility Plant Acquisition Adjustment		
5	TOTAL UTILITY PLANT	\$ 38,043,241	\$ 36,885,694
6	108 Less Accumulated Depreciation	\$ 11,322,046	\$ 10,535,407
7	110 Less Accumulated Amortization		
	NET UTILITY PLANT	\$ 26,721,195	\$ 26,350,287
<u>CURRENT ASSETS</u>			
8	127 Other Special Funds	\$ (337,648)	
8	131-135 Cash	\$ 1,149,247	\$ 1,192,733
9	141-143 Accounts Receivable	\$ 487,034	\$ 474,151
10	144 Notes Receivable	\$ -	\$ -
11	144-145 Accounts Receivable-Affiliates/Common Ownership	\$ -	\$ -
12	151 Plant Materials and Supplies	\$ -	\$ -
13	162 Prepayments	\$ 2,721	\$ 7,288
14	171-174 Other Current Assets		
15	TOTAL CURRENT ASSETS	\$ 1,301,354	\$ 1,674,172
<u>OTHER ASSETS and DEFERRED CHARGES</u>			
16	181 Deferred Debt Expense		
17	182-186 Deferred Charges/Debits		
18	190 Accum Deferred Income Taxes		
19	TOTAL OTHER ASSETS and DEFERRED CHARGES	\$ -	\$ -
20	<u>TOTAL ASSETS</u>	<u>\$ 28,022,549</u>	<u>\$ 28,024,459</u>
<u>LIABILITIES & EQUITY</u>			
<u>STOCKHOLDERS' EQUITY</u>			
21	201 Common Stock	\$ 1,000	\$ 1,000
22	211 Other paid in capital	\$ 1,945,311	\$ 1,945,311
23	215 Retained Earnings	\$ 2,085,727	\$ 1,132,740
24	TOTAL STOCKHOLDERS' EQUITY	\$ 4,032,038	\$ 3,079,051
<u>LONG-TERM DEBT</u>			
25	224 Long-term debt, excluding current portion	\$ -	\$ -
<u>CURRENT LIABILITIES</u>			
	Current Portion of Long-term Debt	\$ -	\$ -
26	231 Accounts Payable	\$ 239,983	\$ 231,566
27	232 Notes Payable	\$ -	\$ -
28	233, 234 Payables to Affiliates/Common Ownership	\$ 12,819,592	\$ 14,837,812
29	235 Customer Deposits	\$ 169,622	\$ 145,237
30	236 Accrued Taxes	\$ 137,695	\$ 172,741
31	237 Accrued Interest	\$ 756	\$ 583
32	241 0 Other Current Liabilities	\$ 1,066,468	\$ 547,881
	TOTAL CURRENT LIABILITIES	\$ 14,434,116	\$ 15,935,820
<u>OTHER LIABILITIES and DEFERRED CREDITS</u>			
33	252 Advances for Construction	\$ 22,750	\$ 265,275
34	253 Other Deferred Credits	\$ 106,257	\$ 117,483
35	255 Deferred Investment Tax Credits	\$ -	\$ -
36	271-272 Net Contributions in Aid of Construction	\$ 9,427,388	\$ 8,626,830
37	281-283 Accumulated Deferred Inc Taxes		
38	TOTAL OTHER LIABILITIES and DEFERRED CREDITS	\$ 9,556,395	\$ 9,009,588
39	<u>TOTAL LIABILITIES & EQUITY</u>	<u>\$ 28,022,549</u>	<u>\$ 28,024,459</u>

Add National Association of Regulatory Utility Commissioners (NARUC) accounts as needed, and if not shown above

3. STATEMENT OF REVENUES

(Actual Revenues for the report year)

Water CUSTOMER CLASS	Prior Year Reported 2015 (A)	Current Reporting Year 2016 (B)	Earnings Report adjustments (C)	Totals For Earnings Report Adjustments (D=B+C)
Metered Sales:				
5/8" or 3/4"	\$ 1,969,200	\$ 2,157,260		\$ 2,157,260
3/4"	\$ 13,690	\$ 14,740		\$ 14,740
1"	\$ 20,600	\$ 24,275		\$ 24,275
1 1/2"	\$ 5,427	\$ 2,700		\$ 2,700
2"	\$ 31,563	\$ 36,401		\$ 36,401
List all additional meter sizes	\$ -	\$ -		\$ -
3"	\$ 35,755	\$ 66,755		\$ 66,755
6"	\$ 138,039	\$ 101,409		\$ 101,409
# (sewer only)	\$ -			\$ -
SUB-TOTAL	\$ 2,214,274	\$ 2,403,540	\$ -	\$ 2,403,540

Unmetered Sales:

				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
List and explain if any rates are set on a basis other than meter size				\$ -
				\$ -
				\$ -
	\$ -	\$ -	\$ -	\$ -

470.0 Late fees - Water
471-474 Other Revenue

\$ 72,146	\$ 82,735		\$ 82,735
\$ 168,994	\$ 223,300		\$ 223,300

TOTAL WATER REVENUE

\$ 2,455,414	\$ 2,709,575	\$ -	\$ 2,709,575
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To Statement of Income

Sewer CUSTOMER CLASS	Prior Year Reported 2014 (A)	Current Reporting Year 2015 (B)	Earnings Report adjustments (C)	Totals For Earnings Report Adjustments (D=B+C)
Metered (measured) Sales (if any).				
	\$ 2,085,190	\$ 2,278,990		\$ 2,278,990
		\$ -		\$ -
		\$ -		\$ -
				\$ -
SUB-TOTAL	\$ 2,085,190	\$ 2,278,990	\$ -	\$ 2,278,990

Unmetered (flat rate) Sales:

				\$ -
				\$ -
				\$ -
				\$ -
SUB-TOTAL	\$ -	\$ -	\$ -	\$ -

470.0 Late fees - Sewer
536 Other Revenue
TOTAL SEWER REVENUE
TOTAL REVENUE

\$ 69,317	\$ 79,490		\$ 79,490
\$ 160,488	\$ 203,017		\$ 203,017
\$ 2,314,995	\$ 2,561,497	\$ -	\$ 2,561,497
\$ 4,770,409	\$ 5,271,072	\$ -	\$ 5,271,072

To Statement of Income

4. Statements of Income

	Water Test Year 2016	Sewer Test Year 2016	Total - Water and Sewer	Earnings Report adjustments	Adjusted for Earnings Report
	(a)	(b)	(c)	(d)	(e)=(c)+(d)
1 Total Revenue: 1	\$ 2,709,575	\$ 2,561,497	\$ 5,271,072	\$ -	\$ 5,271,072
	XXXX	XXXX	XXXX	XXXX	XXXX
	XXXX	XXXX	XXXX	XXXX	XXXX
Operating Expenses:					
2 601.1/701 1 O & M Salaried Labor	\$ (67)	\$ (11,584)	\$ (11,651)		\$ (11,651)
3 604/704 Employee Benefits	\$ 163	\$ 952	\$ 1,115		\$ 1,115
4 6/731, 6/736 O & M Contract labor	\$ 45,227	\$ 35,770	\$ 80,997		\$ 80,997
5 620/720 Operating/Maint Supplies	\$ 68,310	\$ 64,994	\$ 133,304		\$ 133,304
6 610/710 Purchased Water	\$ 1,079,401	\$ -	\$ 1,079,401		\$ 1,079,401
7 711 Sludge Removal	\$ -	\$ 37,975	\$ 37,975		\$ 37,975
8 615/715 Purchased Power	\$ 27,469	\$ 74,757	\$ 102,226		\$ 102,226
9 635/735 Testing Expense	\$ 3,208	\$ 12,827	\$ 16,035		\$ 16,035
10 618/718 Chemicals	\$ 5,333	\$ 27,857	\$ 33,190		\$ 33,190
11 656-659/756-759 Insurance	\$ -	\$ -	\$ -		\$ -
12 601.2/701.2 General Office Salaries	\$ -	\$ -	\$ -		\$ -
13 650/750 Transportation	\$ -	\$ -	\$ -		\$ -
14 670 Bad Debt Expense	\$ 14,941	\$ 18,411	\$ 33,352		\$ 33,352
15 675 General Office Expenses	\$ -	\$ -	\$ -		\$ -
16 632, 633, 634 Contract Acctg, legal, Mgnt	\$ 2,801	\$ 823	\$ 3,624		\$ 3,624
17 666 Amortization- Rate Case Expense	\$ -	\$ -	\$ -		\$ -
18 403 Depreciation Expense	\$ 397,482	\$ 145,551	\$ 543,033		\$ 543,033
19 667-675 Other Misc. Expenses	\$ 870,307	\$ 796,268	\$ 1,666,575		\$ 1,666,575
Taxes:			XXXX	XXXX	XXXX
20 409 Federal Income Taxes	\$ 50,116	\$ 463,031	\$ 513,147		\$ 513,147
21 409 State Franchise Taxes/Reg Assess	\$ -	\$ -	\$ -		\$ -
22 408 All Other Taxes	\$ 71,777	\$ 59,413	\$ 131,190		\$ 131,190
23 Total Expenses	\$ 2,636,468	\$ 1,727,045	\$ 4,363,513	\$ -	\$ 4,363,513
			XXXX	XXXX	XXXX
24 Net Operating Income	\$ 73,107	\$ 834,452	\$ 907,559	\$ -	\$ 907,559
			XXXX	XXXX	XXXX
419 Interest and Dividend Income	\$ 22,712		\$ 22,712		\$ 22,712
25 421, 433 Non-Operating Income	\$ 110		\$ 110		\$ 110
26 Non-Operating Deductions:			XXXX	XXXX	XXXX
27 426 Other	\$ 4,172	\$ 4,008	\$ 8,180		\$ 8,180
28 427 Interest	\$ (1,316)	\$ (29,470)	\$ (30,786)		\$ (30,786)
29 Net Income	\$ 93,073	\$ 859,914	\$ 952,987	\$ -	\$ 952,987

1 Carried over from Statements of Revenues

5(a). Water Plant In Service - Changes Since the Previous Annual Report

A	B	C	D	E	F	G=D-E+F	H=C+G
Date Plant Installed/Retired mm/yyyy	List Major Items by account number and Class	Report Year Beginning Balance	Plant Additions Amounts	Plant Retirements Amounts	Plant Adjustments (plus or minus)	Total change during report year	Report year Ending Balance
Various	303 - Land and Land Rights	\$ 6,170,352				\$0	\$6,170,352.24
Various	304 - Structures and Improvements	\$ 1,031,736				\$0	\$1,031,736.16
Various	307 - Wells and Springs	\$ 1,130,411				\$0	\$1,130,411.27
Various	310 - Power Generation Equipment	\$ 127,832		\$ 5,707		-\$5,707	\$122,124.51
Various	311 - Pumping Equipment.	\$ 799,698	\$ 95,075			\$95,075	\$894,773.68
Various	320 - Water Treatment Equipment	\$ 12,709				\$0	\$12,708.73
Various	330 - Distribution Reservoirs and Standpipes	\$ 3,932,889	\$ 5,424			\$5,424	\$3,938,312.23
Various	331 - Transmission and Distribution Mains	\$ 11,505,523	\$ 34,569			\$34,569	\$11,540,092.70
Various	333 - Services	\$ 1,309,762				\$0	\$1,309,762.24
Various	334 - Meters and Meter Installations	\$ 395,812				\$0	\$395,811.56
Various	335 - Hydrants	\$ 446,460				\$0	\$446,460.38
Various	340 - Office Furniture and Equipment	\$ 3,978				\$0	\$3,978.18
Various	346 - Communication Equipment	\$ 228,481	\$ 178,243			\$178,243	\$406,724.09
Various	347 - Miscellaneous Equipment - various	\$ 182,654				\$0	\$182,654.42
Various	347 - Miscellaneous Equipment - Margin, AROs, Asset held for sale, restatement OH	\$ (2,086,001)				\$0	-\$2,086,001.04
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
TOTALS		\$25,192,297	\$313,311	\$5,707	\$0	\$307,604	\$25,499,901

Name of Utility:

SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc.

Year End:

2016

5(b). Sewer Plant In Service - Changes Since the Previous Annual Report

A	B	C	D	E	F	G=D-E+F	H=C+G
Date Plant Installed/Retired mm/yyyy	List Major Items by account number and Class	Report Year Beginning Balance	Plant Additions Amounts	Plant Retirements Amounts	Plant Adjustments (plus or minus)	Total change during report year	Report year Ending Balance
Various	354 - Structures and Improvements	\$ 36,582	\$ 56,324			\$56,324	\$92,906.38
Various	355 - Power Generation Equipment	\$ 381,891	\$ 40,107			\$40,107	\$421,997.38
Various	360 - Collection Sewers - Force	\$ 4,293,703		\$ 26,140		-\$26,140	\$4,267,562.81
Various	361 - Collection Sewers - Gravity	\$ 1,854,956		\$ 12,609		-\$12,609	\$1,842,346.14
Various	363 - Services to customers	\$ 686,227				\$0	\$686,227.37
Various	370 - Receiving Wells	\$ 4,346,971				\$0	\$4,346,970.73
Various	371 - Pumping Equipment	\$ 1,781,770	\$ 6,335			\$6,335	\$1,788,105.42
Various	380 - Treatment and Disposal Equipment	\$ -	\$ 17,856			\$17,856	\$17,855.85
Various	381 - Plant Sewers	\$ -	\$ 544,300			\$544,300	\$544,300.11
Various	390 - Office Furniture and Equipment	\$ 3,581				\$0	\$3,581.00
Various	396 - Communication Equipment	\$ 5,819	\$ 1,553			\$1,553	\$7,371.40
Various	397 - Miscellaneous Equipment	\$ 51,646				\$0	\$51,646.22
Various	397 - Miscellaneous Equipment	\$ (2,010,580)				\$0	-\$2,010,580.02
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
						\$0	\$0.00
TOTALS		\$11,432,566	\$666,475	\$38,750	\$0	\$627,725	\$12,060,291

6(a). Capital Structure

Year Ended 12/31/2016

	Per Books	Adjustments for Earnings Report	Per Books Post Adjustment	Ratio
232 00 Short-Term Debt	\$ -	\$ -	\$ -	0 00%
224 0 Long-Term Debt	\$ -	\$ -	\$ -	0 00%
Common Equity				
201 0 Common Stock	\$ 1,000	\$ -	\$ 1,000	
218 0 Proprietary Capital			\$ -	
211 0 Misc Paid-in-Capital	\$ 1,945,311		\$ 1,945,311	
215 0 Retained Earnings	\$ 2,085,727	\$ 952,987	\$ 3,038,714	
216 0 Reacquired Stock	\$ -	\$ -	\$ -	
Total Equity	\$ 4,032,038	\$ 952,987	\$ 4,985,025	100 00%
Total Capital	\$ 4,032,038	\$ 952,987	\$ 4,985,025	100 00%

Debt Detail

Type	Principal Amount	Cost Rates	Interest Expense
232 0 Short Term Debt			
(Lender name A)	\$ -	0 00%	\$ -
(Lender name B)	\$ -	0 00%	\$ -
(Lender name C)	\$ -	0 00%	\$ -
Total Short-Term Debt	\$ -	0 00%	\$ -
224 0 Long-Term Debt			
(Lender name D)		0 00%	\$ -
(Lender name E)		0 00%	\$ -
(Lender name F)		0 00%	\$ -
Total Long-Term Debt	\$ -	0 00%	\$ -

6(b). RATE BASE AND EARNINGS CALCULATION

RATE BASE SUMMARY

Description	Water (a)	Sewer (b)	Total (c) =(a) + (b)	Reference (schedule)
1 Additions	xxxx	xxxx	xxxx	
2 Utility plant	\$ 25,499,901	\$ 12,060,291	\$ 37,560,192	5(a) & 5(b)
3 Materials and supplies	-	0	-	2
4 Working cash (capital) (attach schedule)	170,281	82,103	252,384	
5 Prepayments	2,668	54	2,721	2
6 Other (attach schedule or itemize)				
7 TOTAL ADDITIONS (Add Lines 2 through 6)	25,672,850	12,142,447	37,815,297	
8 Deductions	xxxx	xxxx	xxxx	
9 Reserve for depreciation (Accumulated)	\$ 7,724,874	\$ 3,597,171	\$ 11,322,046	2
10 Advances for construction	8,750	14,000	22,750	2
11 Contributions in aid of construction	4,492,930	4,934,458	9,427,388	2
12 Accumulated deferred income taxes	-	-	-	2
13 Accumulated deferred investment tax credits				2
14 Other (attach schedule or itemize)				2
15 TOTAL DEDUCTIONS (Add lines 9 through 14)	\$ 12,226,554	\$ 8,545,629	\$ 20,772,183	
16 RATE BASE (Line 7, less Line 15)	\$ 13,446,295 77	\$ 3,596,818 37	\$ 17,043,114 14	

EARNINGS CALCULATION

17 Return (Note 1)	922,201
18 Rate of Return (Line 17/Line 16)	5 41%
19 Earned Return on Ending Equity (Notes 2, 3)	5 41%

Note 1 Schedule 4 Statements of Income, line 27 plus line 28

Note 2 Based on reported capital structure in Schedule 6 Capital Structure Earnings

Note 3 Line 19 (above) will automatically calculate correctly only after Schedule 4 Statements of Income, Schedule 7 Rate of Return, and the above portions of this schedule (tab) have been completed

**Working Capital Calculation 2016
Hornsby Bend**

	Water	Sewer
O&M Expense	\$ 2,514,575	\$ 1,204,601
<u>Less:</u>		
Materials & Supplies	(68,310)	(64,994)
Recovered Through Pass Through	-	-
Prepayments Expensed	(5,408)	(8,820)
Depreciation & Amortization	(397,482)	(145,551)
	<u>\$ 2,043,375</u>	<u>\$ 985,236</u>
1/12	<u>\$ 170,281</u>	<u>\$ 82,103</u>

6(a). Capital Structure

Year Ended 12/31/2016

	Per Books	Adjustments for Earnings Report	Per Books Post Adjustment	Ratio
232 00 Short-Term Debt	\$ -	\$ -	\$ -	0.00%
224 0 Long-Term Debt	\$ -	\$ -	\$ -	0.00%
Common Equity				
201 0 Common Stock	\$ 1,000	\$ -	\$ 1,000	
218 0 Proprietary Capital		\$ -	\$ -	
211 0 Misc Paid-in-Capital	\$ 1,945,311	\$ -	\$ 1,945,311	
215 0 Retained Earnings	\$ 2,085,727	\$ 952,987	\$ 3,038,714	
216 0 Reacquired Stock	\$ -	\$ -	\$ -	
Total Equity	\$ 4,032,038	\$ 952,987	\$ 4,985,025	100.00%
Total Capital	\$ 4,032,038	\$ 952,987	\$ 4,985,025	100.00%

Debt Detail

Type	Principal Amount	Cost Rates	Interest Expense
232 0 Short Term Debt			
(Lender name A)	\$ -	0.00%	\$ -
(Lender name B)	\$ -	0.00%	\$ -
(Lender name C)	\$ -	0.00%	\$ -
Total Short-Term Debt	\$ -	0.00%	\$ -
224.0 Long-Term Debt			
(Lender name D)		0.00%	\$ -
(Lender name E)		0.00%	\$ -
(Lender name F)		0.00%	\$ -
Total Long-Term Debt	\$ -	0.00%	\$ -

6(b). RATE BASE AND EARNINGS CALCULATION

RATE BASE SUMMARY

Description	Water (a)	Sewer (b)	Total (c)=(a) + (b)	Reference (schedule)
1 Additions	xxxx	xxxx	xxxx	
2 Utility plant	\$ 25,499,901	\$ 12,060,291	\$ 37,560,192	5(a) & 5(b)
3 Materials and supplies	-	-	-	2
4 Working cash (capital) (attach schedule)	-	-	-	
5 Prepayments	2,668	54	2,721	2
6 Other (attach schedule or itemize)				
7 TOTAL ADDITIONS (Add Lines 2 through 6)	25,502,569	12,060,344	37,562,913	
8 Deductions	xxxx	xxxx	xxxx	
9 Reserve for depreciation (Accumulated)	\$ 7,724,874	\$ 3,597,171	\$ 11,322,046	2
10 Advances for construction	8,750	14,000	22,750	2
11 Contributions in aid of construction	4,492,930	4,934,458	9,427,388	2
12 Accumulated deferred income taxes	1,501,598	1,442,712	2,944,310	2
13 Accumulated deferred investment tax credits				2
14 Other (attach schedule or itemize)				2
15 TOTAL DEDUCTIONS (Add lines 9 through 14)	\$ 13,728,152	\$ 9,988,341	\$ 23,716,493	
16 RATE BASE (Line 7, less Line 15)	\$ 11,774,416.83	\$ 2,072,003.63	#####	

EARNINGS CALCULATION

17 Return (Note 1)	922,201
18 Rate of Return (Line 17/Line 16)	6.66%
19 Earned Return on Ending Equity (Notes 2, 3)	6.66%

Note 1 Schedule 4 Statements of Income, line 27 plus line 28

Note 2 Based on reported capital structure in Schedule 6 Capital Structure Earnings

Note 3 Line 19 (above) will automatically calculate correctly only after Schedule 4 Statements of Income, Schedule 7 Rate of Return, and the above portions of this schedule (tab) have been completed

7. Rate of Return
Year Ended 12/31/2016

	Balance (a)	Capital Structure % (b)	Cost Rates (c)	Weighted Cost of Capital (c) × (a) ÷ (b)
224 0 Long-Term Debt	-	0.00%	0.00%	0.00%
Common Equity*	4,985,025	100.00%	10.79%	10.79%
Total		<u>100.00%</u>		<u>10.79%</u>

*If the company currently has an authorized return on equity (ROE), enter that ROE in column (c) and provide the docket number in which that ROE was granted here ==>>

If the company does not currently have an authorized ROE, enter in column (c) the ROE Moody's BAA Bond rating plus 6 percentage points. Utilities may obtain the current Moody's BAA Bond rating by emailing the PUC at water@puc.state.tx.us (this will in virtually every circumstance be different from the ROE that is actually earned) and place an "X" here ==>>

8. Connection Count

METERED CUSTOMERS BY METER SIZE

Number of Customers

(A) Line No.	(B) Meter Size/ description	(C) End of Prior Year	(D) Additions or change	(E) End of Report Year (C + D)	(F) Meter Ratios	(G) Meter Equivalencies (E x F)	
Water							
1	5/8" x 3/4"	2,262	261	2,523	1	2,523	
2	3/4"	14	1	15	2	23	
3	1"	5	-	5	3	13	
4	1 1/2"	1	-	1	5	5	
5	2"	3	-	3	8	24	
6	List all Additional meter sizes						
7	3"	4	1	5	15	75	
8	6"	1	-	1	50	50	
9	Unmetered						
10		2,290	263	2,553		2,712.0	Total Water
Sewer							
11		2,285	264	2,549		2,549	
12							
13							
14							
15		2,285	264	2,549		2,549	Total Sewer

Attach a schedule if any customers are charged on any basis other than meter size.

9. VOLUMETRIC INFORMATION

	(Report in 1,000 gallons)	Report Year
	Description	2016
1.	Water Pumped	104
2.	Purchased Water	181,343
3.	Total Water Produced (1. + 2.)	181,447
4.	Total Water Flushed	14,052
5.	Total Water Sold	155,657
6.	Total Water Sold and Flushed	169,709
7.	Water Lost (3 - 6)	11,737.5

Name:

SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc. Year End:

2016

10. Affiliated Transactions

Charges by an Affiliate to the Reporting Utility

Name of Affiliated company: SouthWest Water Company

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)
675/775	Miscellaneous Expenses	\$ 571,884	\$ -	\$ 571,884

Charges by an Affiliate to the Reporting Utility

Name of Affiliated company: SWWC Utilities, Inc.

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)
See Attachment 10a. Charges by an Affiliate to the Reporting Utility		\$ -	\$ 1,038,209	\$ 1,038,209

Charges by an Reporting Utility to Affiliates

Name of Affiliated company: N/A

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)

10a. Charges by an Affiliate to the Reporting Utility**Charges by an Affiliate to the Reporting Utility**Name of Affiliated company: Southwest Water Company

NARUC Account and/or type of service		Total Texas
Account # Account name or type of service		(Dollars transacted)
	Administrative & Pass Thru Costs	-
	Employee Costs	423,582
	General & Administrative - Other	70,870
	Insurance Expense	3,762
	Lease Expense	11,170
	Materials & Supplies	-
	Other Operating Expenses	4,396
	Production & Treatment	6
	Professional Fees	28,721
	Repairs & Maintenance	9,792
	Taxes - Other	6,440
	Travel & Entertainment	11,499
	Vehicle Expense	(1,329)
	Depreciation and Amortization	2,973
		\$ 571,884

Name of Affiliated company: SWWC Utilities, Inc.

NARUC Account and/or type of service		Total Texas
Account # Account name or type of service		(Dollars transacted)
403	Depreciation Expense	\$ 24,632
408	Taxes Other than Income	45,042
414	Gains/Losses from Disposition of Utility Property	(1,417)
601/701	Salaries and Wages - Employees	556,170
604/704	Employee Pensions and Benefits	129,139
620/720	Materials and Supplies	36,656
633/733	Contractual Services - Legal	2,328
636/736	Contractual Services - Other	92,721
641/741	Rental of Building/Real Property	41,889
642/742	Rental of Equipment	6,358
650/750	Transportation Expense	37,756
656/756	Insurance - Vehicle	1,694
657/757	Insurance - General Liability	12,311
658/758	Insurance - Workman's Compensation	301
659/759	Insurance - Other	25,558
660/760	Advertising Expense	6,636
670/770	Bad Debt Expense	11
675/775	Miscellaneous Expenses	20,424
		\$ 1,038,209

(Company Name)

VERIFICATION

OATH

(To be made by the officer having control of the accounting of the respondent)

State of Texas

as:

County of Fort Bend

Charles W. Profilet, Jr.

(Name of affiant)

makes oath and says that he/she is

Managing Director - Texas Utilities

(Official title of affiant)

of SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc.

(Exact legal title or name of the respondent)

The signed officer has reviewed the report

Based on the officer's knowledge, the report does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading

Based on such officer's knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition and results of operations of the issuer as of, and for, the periods presented in the report.

He/she swears that all other statements contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including January 1, 2016 to and including December 31, 2016.

Subscribed and sworn to and before me, a NOTARY in and for the State and County above-named, this 20th day of NOV 2017

Charles W Profilet Jr

(Signature of affiant)

My commission expires

Joan Glover

(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of Texas

as:

County of Fort Bend

Charles W. Profilet, Jr.

(Name of affiant)

makes oath and says that he/she is

Managing Director - Texas Utilities

(Official title of affiant)

of SWWC Utilities Inc dba Hornsby Bend Utility Company, Inc.

(Exact legal title or name of the respondent)

that he/she has carefully examined the foregoing report; that he/she swears that all statements of fact contained in the said report are true, and that the said report is a correct and statement of the business and affairs of the above named respondent during the period of time from and including January 1, 2015 , to and including December 31, 2016

Subscribed and sworn to before me, a NOTARY in and for the State and County above-named, this 20th day of NOV 2017

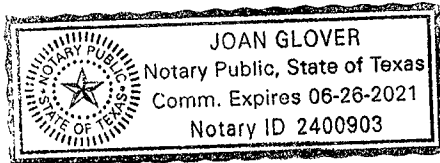
Charles W Profilet Jr

(Signature of affiant)

My commission expires

Joan Glover

(Signature of officer authorized to administer oaths)



SouthWest Water Company
Balance Sheet for Texas Utility Operations
at December 31, 2016
- UNAUDITED -

	2016	2015
ASSETS:		
Current Assets		
Cash and Cash Equivalents	347,011	329,915
Accounts Receivable - Net	5,567,469	4,801,871
Prepaid Expenses & Other Current Assets -Inventory	1,136,632	929,125
Total Current Assets	7,051,112	6,060,911
Property, Plant and Equipment		
PP&E Cost	249,440,039	238,277,390
Construction Work in Progress	3,923,285	4,319,666
Total Plant and Equipment	253,363,324	242,597,056
PP&E Accumulated Depreciation	(98,212,882)	(91,843,330)
Total Property, Plant and Equipment, net	155,150,442	150,753,726
Other Non-Current Assets		
Goodwill	6,668,021	-
Intangible Assets	23,124,236	20,774,405
Other Assets	2,673,082	2,152,532
Total Other Non-Current Assets	32,465,339	22,926,937
TOTAL ASSETS:	194,666,893	179,741,574
LIABILITIES AND EQUITY:		
Current Liabilities:		
Accounts Payable	1,266,761	1,307,558
Long Term Debt, Current Portion	1,246,346	1,213,606
Accrued Interest Payable	135,614	140,483
Accrued Taxes	1,566,459	1,446,357
Deposit Liabilities - ST	1,683,966	1,417,231
Other Short Term Liabilities	1,484,127	1,186,321
Payroll & Related Payable	1,065,482	910,471
	8,448,755	7,622,027
Non-Current Liabilities:		
Contributions in Aid of Construction (CIAC)	34,588,517	33,672,580
Deferred Income Taxes	5,847,349	5,410,354
Long Term Debt, Less Current Portion	24,668,046	25,335,782
Deposit Liabilities - Non-Current	821,006	728,743
Other Liabilities and Deferred Credits	18,076,260	11,096,481
Total Non-Current Liabilities	84,001,178	76,243,940
Total Liabilities	92,449,933	83,865,967
Equity		
Common Stock	-	-
Additional Paid in Capital	78,576,902	78,576,902
Retained Earnings (Accumulated Deficit)	17,298,704	5,108,368
Profit/Loss Current Year	6,341,354	12,190,337
Total Equity	102,216,960	95,875,607
TOTAL LIABILITIES AND EQUITY	194,666,893	179,741,574

NOTE: These financial statements are presented in accordance with generally accepted accounting principles, i.e. per book. They have not been prepared according to the NARUC chart of accounts and no adjustments have been made to the amounts presented.

SouthWest Water Company
Statement of Operations
for the Year Ended December 31, 2016
- UNAUDITED -

	2016	2015
Operating Revenue	51,053,582	48,651,893
Operations and Maintenance		
Employee Costs - Salaries & Wages	8,606,003	7,792,707
Employee Costs - Payroll Taxes	660,934	611,015
Employee Costs - Employee Benefits	1,916,816	1,791,518
Employee Costs - Other Employee Costs	433,689	498,140
Repairs & Maintenance	1,731,864	1,478,693
Vehicle Expense	465,911	428,000
Subcontract	593,622	317,453
Materials & Supplies	1,309,366	1,160,536
Production & Treatment	8,481,805	8,652,956
Travel & Entertainment	101,419	81,617
Insurance Expense	456,119	509,448
Lease Expense	532,213	651,098
Professional Fees	568,339	521,179
Taxes - Other	1,410,173	1,593,191
General & Administrative - Other	3,234,016	(2,559,543)
Administrative & Pass Thru Costs	20,847	33,522
Other Operating Expenses	877,292	554,910
Allocated Expenses	6,148,216	5,538,212
Total Operations and Maintenance	<u>37,548,644</u>	<u>29,654,652</u>
Depreciation and Amortization	<u>5,742,392</u>	<u>5,375,255</u>
Other Income/Expense		
Interest Income	(22,716)	(788)
Interest Expense	1,305,719	1,283,287
Other, Net	(18,217)	-
Total Other Income/Expense, net	<u>1,264,786</u>	<u>1,282,499</u>
Provision/(Benefit) From Income Taxes	156,406	149,150
Net Income/Expense	<u>6,341,354</u>	<u>12,190,337</u>

NOTE: These financial statements are presented in accordance with generally accepted accounting principles, i.e. per book. They have not been prepared according to the NARUC chart of accounts and no adjustments have been made to the amounts presented.