

FINANCIAL STATEMENTS

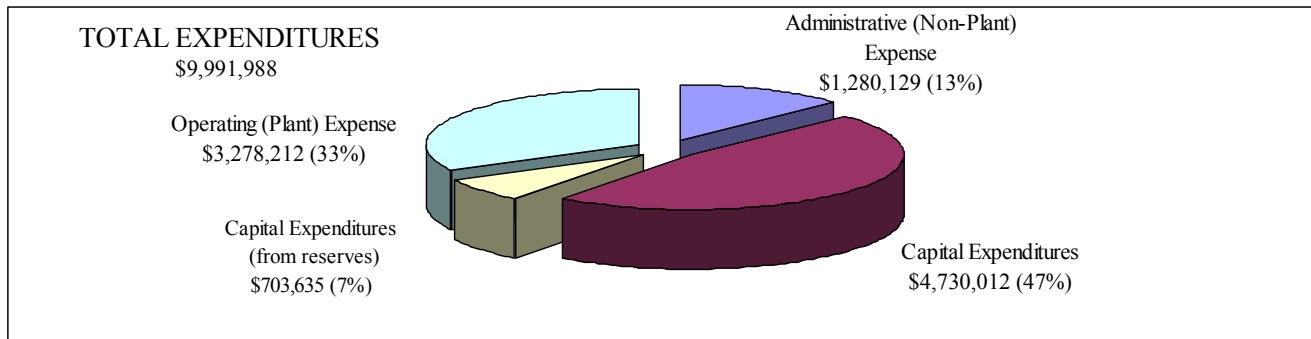
BALANCE SHEETS

	YEARS ENDED APRIL 30	
	2007	2006
Current Assets		
Cash and cash equivalents	\$ 3,846,415	\$ 1,250,553
Certificates of deposit	2,347,000	4,219,000
Accounts receivable	638,349	359,783
Inventory	423,132	364,880
Prepaid expenses	68,226	115,915
	<u>7,323,122</u>	<u>6,310,131</u>
Property and Equipment, net of accumulated depreciation	<u>33,272,181</u>	<u>28,430,904</u>
Long-term Investments	<u>82,016</u>	<u>631,716</u>
TOTAL ASSETS	<u>\$ 40,677,319</u>	<u>\$ 35,372,751</u>
Current Liabilities		
Accounts payable	\$ 162,459	\$ 131,590
Customer deposits	135,350	112,509
Accrued vacation and sick pay	156,408	254,344
Other accrued expenses	381,894	337,864
	<u>836,111</u>	<u>836,307</u>
Commitments and Contingencies		
Shareholders' Equity		
Common stock	107,383	107,447
Contributed capital	2,419,886	2,262,363
Retained earnings	37,313,939	32,166,634
	<u>39,841,208</u>	<u>34,536,444</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 40,677,319</u>	<u>\$ 35,372,751</u>

STATEMENTS OF OPERATIONS

	YEARS ENDED APRIL 30	
	2007	2006
Revenue		
Water sales	\$ 5,458,649	\$ 5,058,051
Meter installation and connection fees	3,698,887	2,947,595
Other revenue	130,817	92,552
	<u>9,288,353</u>	<u>8,098,198</u>
Plant Operating Expenses		
Salaries and wages	617,665	677,613
Benefits	361,700	361,349
Electricity and gas	708,631	697,566
Insurance	113,023	147,805
Repairs	359,721	393,641
Depreciation	686,761	647,930
Other plant expense	430,710	410,952
	<u>3,278,211</u>	<u>3,336,856</u>
Non-Plant Operating Expenses		
Office salaries and wages	520,347	542,300
Benefits	151,544	159,042
Meter reading service	123,865	113,151
Office expense	127,301	111,374
Professional fees	39,062	38,400
Insurance expense	26,234	34,282
Depreciation	51,212	48,846
Other non-plant expense	240,564	167,698
	<u>1,280,129</u>	<u>1,215,093</u>
Operating revenue	4,730,013	3,546,249
Non-Operating Revenue	<u>445,430</u>	<u>250,116</u>
Operating income	5,175,443	3,796,365
Income Tax Expense	<u>28,202</u>	<u>11,635</u>
NET REVENUE**	<u>\$ 5,147,241</u>	<u>\$ 3,784,730</u>

**AMWC Note: The net revenue does not reflect the \$5,433,648 and \$2,992,068 spent for capital improvements in 2007 and 2006, respectively.



This information is reprinted from AMWC's 2007 and 2006 financial reports, which were audited by Barbich, Longcrier, Hooper, and King. Copies of the complete report can be obtained at the AMWC office at 5005 El Camino Real, Atascadero, or by calling (805) 466-2428.

SECURITY OF RESERVES

AMWC invests all capital and operating reserves only in FDIC-insured bank certificates and government securities. Detailed investment guidelines have been established by the Board of Directors to ensure that the reserves are secure and are as close to 100% invested as possible. AMWC's Treasurer, General Manager, and Board of Directors review investments monthly.

Atascadero Mutual Water Company
P.O. Box 6075
Atascadero, CA 93423

Presorted Standard
U.S. Postage
PAID
Atascadero, CA
Permit #7



Printed on Recycled Paper

Water Watch



July 2007

ATASCADERO MUTUAL WATER COMPANY

5-Year Capital Improvement Plan

AMWC's capital improvement plan for the fiscal year 07/08 (05/01/07 – 04/30/08) anticipates nearly \$6.9 million in expenditures. Projects include the construction of a new administrative office on Sycamore Road and other site improvements, upgrading a pressure reducing station on San Gregorio Road, replacing the roof on the San Marcos tank, replacing the pumps at the El Verano booster station, and numerous other projects. The cost of these capital projects is in addition to the ongoing expenses associated with the operation and maintenance of AMWC's wells, booster stations, tanks, and distribution system.

Annual expenditures for capital projects in future fiscal years (FY 08/09 through FY 11/12) average \$3.5 million and include completing construction of the new administrative office, construction of recharge and recovery basins for the Nacimiento Water Project (NWP), replacing the roof on the Chalk Mountain tank, debt service for the NWP beginning in FY 11/12, and numerous other projects.

Automatic Payment Option Is Coming Soon!



AMWC is currently working on implementing an automatic payment option. This will allow customers to have their payments automatically deducted from their bank accounts each month. We will mail enrollment forms out in August and they will also be available at our office and on the website. Please check out our website at amwc.us for more information.