CUYAMACA WATER COMPANY San Diego, California.

VREELAND & EVERTS
PUBLIC ACCOUNTANTS
SANDIEGO, CALIFORNIA

MAIN OFFICE 726-727 AMERICAN BUILDING SAN DIEGO, CALIFORNIA

IMPERIAL VALLEY OFFICE 108-105 FIRST NATIONAL BANK BUILDING EL CENTRO, CALIFORNIA

#### VREELAND & EVERTS

PUBLIC ACCOUNTANTS

SAN DIEGO, CALIFORNIA

February 21, 1919

Cuyamaca Water Company, San Diego, California. Gentlemen:

Pursuant to request, we have made an audit of your books of account for the year ending December 31, 1918 and an inspection of the distributing system from Normal Heights to Monte pumping station, and submit herewith our report in the form of comments and in exhibits and schedules designated below:

Exhibit A. Financial Statement, December 31, 1918.

Schedule I. Reconciliation of Bank Accounts and Cash on Hand.

Schedule II. Accounts Receivable.

Schedule III. Water System and Equipment.

Schedule IV. Prepaid Expense.

Schedule V. Accounts Payable.

Schedule VI. Notes Payable.

Schedule VII. Consumers Deposits.

Schedule VIII. Surplus Based on Lane Appraisal.

Schedule IX. Operating Deficit Account.

Exhibit B. Statement of Income and Expense, Jan. 1,1918 to December 31, 1918.

Exhibit C. Trial Balance after Closing, Dec. 31, 1918.

Exhibit D. Reconciliation of Report and Exhibit C.

whibit E. Errors in Irrigation Invoices, Jan. 1 to Dec. 31,1918.

Respectfully submitted,

VREEZAND & EXERTS,

By Melana

#### COMMENTS

#### PERIOD COVERED:

The period covered during the course of this audit extended from January 1, 1918 to December 31, 1918.

#### WORK PERFORMED AND CONDITIONS FOUND:

All cancelled checks were checked in detail to the cash book, cash receipts checked to bank deposits, deposits checked to bank statements, and bank accounts reconciled with the ledger account. The cash on hand was counted, cash book footings were proven and all postings checked to the general ledger. All cash received was properly accounted for. Various test checks were made of cash received to deposit slips and in a few instances were verified by communicating with the party making the payment.

All cash disbursements were supported by proper vouchers and invoices.

All disbursement vouchers were examined as to distribution and approval and were checked in detail to the voucher register. The payroll vouchers were checked, footings proven and distribution checked to the recapitulation in the voucher register. All footings in the register were proven, checked to the recapitulation. Recapitulation totals were proven and checked to the journal vouchers.

The journal vouchers were examined and checked to the journal.

All journal entries were checked to the general ledger. The ledger accounts were footed and balances proven.

Invoices for water sold for irrigation purposes were checked as to extensions and footings resulting in additional charges being made to consumers on account of errors, as shown on Exhibit F of this report. The closing entries for the year were supervised and new accounts set up for prepaid taxes, rents and interest. All operating accounts were closed with the exception of the account entitled interest on advances. It has been the custom to charge same to this account, which is carried on the books as an asset. Crediting interest on capital which is not being earned is not considered proper and this item has therefore been eliminated in the preparation of this statement. It was stated that the management desired this account to remain as it was. Adjusting entries should have been made on the books to bring same into accord with this report, but were omitted for the same reason.

The work on the books has been handled in a satisfactory manner, being neat and mathematically correct, ho errors in posting, or in extending balances being discovered.

Assistance was given the secretary in compiling the figures for the annual report to the railroad commission but no responsibility is accepted for the values shown. The report as completed is in accord with the books but does not agree with this report in certain details.

It was necessary to check the voucher and consumers deposit accounts back to the opening of the accounts in order to make a reconciliation of the balances as of December 31, 1918. The consumers deposit accounts and accounts receivable should be proven once a month and the list of accounts filed for future reference.

#### EXHIBIT A. FINANCIAL STATEMENT

No responsibility is accepted for the values shown in this statement, other than for the cash on hand, this examination having been limited to the clerical work on the books for the period under review and to other records and information on file in the office. Some of the asset and liability accounts were analyzed for several years prior to January 1, 1918 in order to show the various items making up the accounts. This analysis was confined to the journal entries and ledger accounts and to various statements and reports to and from the railroad commission on file.

SCHEDULE I. CASH ON HAND (\$3,993.57):

The cash on hand as shown by the cash book on January 1, 1918 was \$100,634.71 while the actual cash on hand and subject to the check of the company was \$634.71. The item of \$100,000.00 shown as a balance in the Southern Trust and Commerce Bank was not subject to the checks of the company but was advanced in installments from time to time as needed for the construction of the Murray Dam. A note in favor of Jas. A. Murray, Agent for \$100,000.00, secured by a mortgage on the property to run two years at 7% interest had been given and entered on the books as a note payable. This amount should have been charged to Jas. A. Murray, Agent, and not to cash, this account being credited as the money was received.

A summary of the cash receipts and disbursements for the period under review is presented on this schedule, together with a reconciliation of the book balance and the bank statement of the First National Bank as of December 31, 1918. As there were no outstanding checks on the Bank of La Mesa and the East San Diego State Bank, no reconciliation was necessary.

#### SCHEDULE II. ACCOUNTS RECEIVABLE (\$4.894.01):

As shown on this schedule, many of these accounts are delinquent, of these \$893.93 are balances carried over from 1917, being for water sold for irrigation purposes.

It was stated that most of these accounts would be collected eventually, as no further deliveries of water would be made until the delinquent accounts were paid. It is evident however that considerable loss will be sustained by the time final settlement of these accounts is obtained.

Of the domestic consumers accounts, there are 13% delinquent and it is recommended that a more vigorous policy towards collection be adopted.

#### INVENTORY, MATERIAL AND SUPPLIES (\$3,097.43):

This amount was accepted as shown by the books as it was stated that the figures of the physical inventory would not be available for some time. The cost of a carload of cement received in October 1918 and charged to an account entitled "reinforcing 20 inch steel pipe line" was transferred to material and supplies account as of Dec. 31, 1918, a portion of this cement having been used on other construction or repair work during 1918 and the cost of same charged to the various accounts affected and credited to material and supplies account. This entry was necessary therefore, to adjust.

#### DOUBTFUL ACCOUNT RECEIVABLE (\$1,666.97):

This amount consists of a charge against the Baker Iron Works on the books and has been presented on this report as a separate item under this caption. According to the records, this represents expenditures made on account of a faulty pipe line installed by the Baker Iron Works. Other charges exceeding \$13,000.00 in amount were made against them and invoices and statements sent them but no entries made on the books. Offsetting this is a doubtful liability of \$12,047.63, being the account of the Baker Iron Works against the Cuyamaca Water

Company for balance due on the installation of this pipe line, which we have presented in this statement as a separate item under the caption of accounts payable in dispute.

#### DOUBTFUL NOTE RECEIVABLE (\$500.00):

This item represents a note signed by Ira E. Bennett, dated June 26, 1916, for 90 days @ 5%. No record was found of interest having been received or charged against this note and it appears to be an item which should be charged off.

#### SCHEDULE III. WATER SYSTEM AND EQUIPMENT (\$1.186.602.86):

The account on the books entitled fixed capital installed was analyzed in order to determine of what the balance was composed. The schedule as presented does not agree in detail with that shown in the report to the railroad commission, but is in accordance with the ledger account, except than an item of \$25,000.56, interest during construction, has been credited to this account and charged back to advances. This item is of the nature of interest on invested capital, which is not considered a proper charge under the circumstances.

#### SUNDRY ITEMS IN SUSPENSE (\$26,476.70):

This amount is presented in detail on Exhibit D of this report.

The various amounts are for preliminary expenses in connection with various proposed projects but no construction work having been started, they are being held in suspense. If the projects are carried out, these items should be included in the cost of same, otherwise it will be necessary to write them off.

#### SCHEDULE IV. PREPAID EXPENSE (\$594.19):

Prepaid taxes, interest and rents have been set up in order to show the true expense for the year 1918. Prepaid or unearned insurance

has been carried on the books but no account has been kept of other prepaid expense.

#### SCHEDULE V. ACCOUNTS PAYABLE (\$11,737.47):

This amount includes the accounts payable contained in the voucher account, as evidenced by unpaid vouchers on hand and the account of Sharp and Fellows Contracting Company. The accounts shown on Exhibit C, amounting to \$24,504.22, were deducted from the voucher account balance. The following items, amounting to \$3,656.59, which were included in the balance of accounts payable on the books have been deducted by us and credited to deficit account, as they appear to have been settled in some other way, the vouchers being receipted in full.

Sweet, Forward & Sterns 346.26

A. H. Sweet 1,064.12

San Diego Con.Gas & Elec.Co. 96.21

P. E. Harroun 600.00

Britton & Gray 1,550.00

3,656.59

#### SCHEDULE VI. NOTES PAYABLE \$19.000.00:

The items presented in this schedule are all current liabilities.

ORIGINAL CASH INVESTMENT \$150,000.00

SURPLUS ACCOUNT, BASED ON LANE APPRAISAL \$465,681.66:

In the preparation of this report, an asset account termed "Intangible Capital" which is carried on the books at \$159,543.00 has been eliminated because it is not considered to be of any value. The item was set up from the Lane report and consists of operating deficit up to the time of the report and besides actual operating loss, contains interest on the amount of the appraised investment. This has the effect of reducing the liability account carried on the books under the caption of "Investments" to \$615,681.66 which latter item we show in this report as Original Cash Investment \$150,000.00 and Surplus Account, based on

Lane Appraisal \$465,681.66. From this latter item has been deducted operating deficit of \$171,832.01.

#### CAPITAL ADVANCES \$444.343.93:

This item consists of capital advanced from time to time by the members of the partnership and credits transferred from personal accounts payable of the partners, but does not include the original cost of the system of \$150,000.00 shown as original cash investment.

#### EXHIBIT B. STATEMENT OF INCOME & EXPENSE

On this exhibit is presented a statement of the operating income and expense for the year of 1918. The difference between the deficit as shown and the ledger account is occasioned by the fact that the tool expense account was not closed in 1917, the total expense for two years being shown as 1918 expense on the ledger. In this report the expense for 1917 was charged direct to the deficit account.

## EXHIBIT C. TRIAL BALANCE AFTER CLOSING December 31, 1918.

On this exhibit is presented a trial balance of the ledger as of December 31, 1918, after the bookkeeper had made the adjusting and closing entries for the year. This exhibit is presented for the purpose of comparison with Exhibit A, which is in our opinion the correct method of stating the assets and liabilities of the business.

## EXHIBIT D. RECONCILIATION OF REPORT & EXHIBIT C.

On this exhibit is presented a statement of reconciliation between this report and Exhibit C.

#### EXHIBIT E. ERRORS IN IRRIGATION INVOICES (\$243.80)

On this exhibit is presented a detailed statement of errors in

extensions. The discrepancies shown are the result of an exhaustive check of the extensions on all irrigation invoices for the period under review. The various amounts have been charged to the individual accounts in the ledgers by the bookkeeper, and the balances unpaid are included in the accounts receivable, Schedule II.

#### CONSTRUCTIVE SUGGESTIONS:

In order to simplify the office work and eliminate unnecessary detail, the use of one cash book has been discontinued. A new cash book with more columns and some changes in headings has been installed.

The recapitulation of totals in the voucher register has been discontinued, the totals being posted direct to the ledger accounts. This also eliminates the journalizing of all voucher register footings and recapitulations.

The following recommendations are made:

The extensions of all irrigation invoices should be checked by another employee.

All penalties collected should be credited to the miscellaneous earnings account as usual, but permits sold at the office should not be credited to this account. Such permits are of the same character as those issued at the various reservoirs or lakes and should be credited to the same account.

All interest paid should be charged to account 107 (other interest deductions) instead of to account 105b (interest expenses) as at present. Account 105b, according to the Railroad Commission, should contain any expense arising in connection with procuring interest on investments, as collection, investigations, enforcing payment, etc. It should not contain any interest paid.

It is understood that the superintendent prepares the pay rolls and that the manager inspects same. It is thought however, that the written

approval of both manager and superintendent should appear on the payrolls.

The elimination of all detail in the journal is recommended as full details appear on the journal vouchers. At present the entry is made up in memorandum form, a typewritten voucher made which in turn is copied in detail into the journal. Journal vouchers should be approved by the manager.

It is recommended that a periodical audit be made of the books and an annual report rendered. It is also recommended that entries be made on the books to bring them into accord with this report.

#### REPORT ON PHYSICAL CONDITION OF SYSTEM

Pursuant to your request, on Jan. 28, 1919 one of our representatives accompanied by your superintendent, Mr. Harriott made a cursory examination of your distributing system, commencing at Normal Heights and going as far as Monte pumping station. The results of his inspection follows, grouped under the various districts visited:

#### NORMAL HEIGHTS:

This district comprises about 450 users of domestic service, about two-thirds of which do not use more than the minimum of \$1.00. The prospect for new business does not appear very encouraging, this being a rather poor community with no buildings under construction. Only one leak in the mains was observed, and the few fire hydrants throughout the district appear to be in good condition.

#### NORMAL HEIGHTS REPAIR SHOP AND BUILDINGS:

There is stored at this place a quantity of 7/16 wire and cement, also various fittings, the buildings though old are in good condition, the various supplies and repair parts are easily accessible and are kept in good order.

#### KENSINGTON PARK:

The mains in this district appeared to be in good condition, no leaks were observed.

#### LA MESA PUMPING STATION:

At this station was found an 8" pump with 100 H.P. motor, all in good condition. It was stated that this equipment had not been in use for several years but was kept as an emergency outfit to pump back water to the high service, which includes Lemon Grove, Spring Valley and La Mesa, should anything happen to the Cuyamaca Supply.

#### MURRAY DAM:

This is apparently a very good piece of concrete work. The guage showed 71° of water at time of visit.

#### EUCALYPTUS RESERVOIR AND ADJOINING BUILDINGS:

This is the terminal of the flume proper. The connections to the mains at this point were all in good condition, no leaks showing. A blacksmith forge, power drill and various repair tools are stored here. Considering that this repair equipment is mainly used for repairs on the distributing system, it would seem advisable to have it more centrally located.

#### GROSSMONT PUMPING PLANT & RESERVOIRS:

The building and equipment at this station are in very good condition. Two pumps are located here, one, an 8" pump, was working. It was stated that this station was pumping continually an average of approximately 18 hours per day. The flume guage registered .41 foot of water or about 95 inches of water running through the flume at this point.

#### MAIN FLUME LINE:

An inspection made at several points did not reveal any serious condition, the flumeis old, however and great deterioration must be expected. Constant watch should be exercised. It would appear that the present method of measuring water to the consumer could be improved upon. A slide in an opening on the side of the flume is now used, and the consumer is charged according to the width of the opening. There is nothing to prevent the consumer opening the slide wider, and thereby getting a great deal more water than he is paying for. The feasibility of using a register of some kind that could be controlled by the flume walker should be investigated. If this proves too expensive, a lock

should be attached to the slide.

#### HAWLEY PIPE LINE:

The district supplied by this line appeared to be well under cultivation. No serious defects were noticed along the line with the exception that the Hydromatic meter, located at the junction of the pipe line and main flume, was not working. We were told this would be fixed at once.

#### CRESSON & HILLSDALE BRANCH FLUMES:

These two systems water a very rich country that is being improved rapidly. A number of new orchards have been recently set out. It was stated that with moderate expense, the water supply could be doubled. This should be investigated, as this district will undoubtedly require more water in the very near future.

#### MONTE PUMPING PLANT:

This is an old plant that has been idle for a number of years. There is stored here an 8" pump and a 200 H.P. motor, both in good condition. It would appear good business to keep the motor and pump here as in case of emergency, water could be pumped into the flume from wells located at the river bed. The original wells were filled in during the flood three years ago, but we were advised that for approximately \$1,000.00 wells could be dug and connections made, that would supply 200 inches of water.

#### CONCRETING 20" PIPE TO REPLACE 14" PIPE LAID BY BAKER IRON WORKS:

The necessity of completing this work was quite apparent. Within the space of one mile, three leaks were being repaired in the 14" pipe, two men working on each leak. The records show that over \$6,000.00 was spent from Jan. 1 to Dec. 31, 1918 in repairing 1038 leaks in the 14" pipe and 249 leaks in the 16" pipe. Indications are, that the

upkeep for the coming year will be at least 50% greater than that of the year 1918. The cost of this work from figures produced by your superintendent is approximately \$4.00 per running foot. This covers reinforcing wire and 4" of concrete, using about a 1 to 5 mixture and labor of mixing by hand. By using a mixer and getting more forms, the work could be done much cheaper. There is approximately 8,000 feet to lay.

#### CUYAMACA WATER COMPANY San Diego, Calif.

FINANCIAL STATEMENT December 31,1918

#### ASSETS

CURRENT:			
Cash on hand	(Schedule I)	3,993.57	
Accounts Receivable	(Schedule II)	4,894.01	
Inventory - Material & Supplies		3,097.43	
Total Current Assets			11,985.0
DOUBTFUL:			
Accounts Receivable		1,666.97	
Note Receivable		500.00	
Total Doubtful Assets			2,166.9
FIXED:			
. Water System & Equipment	(Sched.III)	1,186,602.86	
Less: Depreciation		183,347.27	
Book Value		1	,003,255.5
DEFERRED:			J. F. J.
Sundry Items in Suspense		26,476.70	
Prepaid Expense	(Schedule IV)	594.19	
Total Deferred Assets			27,070.8
TOTAL ASSETS			,044,478.4
	APPENDING TO SECURITY OF STREET STREET, STREET	2000年1月1日 1000年100日 1000年100日 1000日	\$440,295120700805457 N°C/PO803034050

## San Diego, Calif.

FINANCIAL STATEMENT
December 31,1918

#### LIABILITIES

OURRENT:			
Accounts Payable	(Schedul	e V) 11,737.4	7
Payroll Payable		2,417.1	1
Partners' Personal Accou	nts Payable	10,826.9	7
Notes Payable	(Schedul	e VI) 19,000.00	0
Mortgage Payable		100,000.00	0
Consumers Deposits	(Schedule	e VII) 255.70	<u>o</u>
Total Current	Liabilities		144,237.25
Account Payable in Dispute			12,047.63
CAPITAL:			
Original Cash Investment		150,000.00	
Capital Advances		444,343.93	3
Surplus Created by Lane (Schedule VIII)	Appraisal 465,681	L. 66	
Less: Operating Deficit Jan. 1, 1918	146,686.41		
Operating Deficit for 1918	25,145.60 171,832	2.01 293,849.6	<u>ī</u>
Total Capital	Liabilities		888,193.58
TOTAL LIAT	ILITIES		1,044,478.46

#### CUYAMACA WATER COMPANY. San Diego, Calif.

#### RECONCILIATION OF BANK ACCOUNTS AND CASH ON HAND December 31, 1918.

Cash as sl	on hand and in banks nown by cash book	January 1, 191	.8,	700 674 77	
	Less: Cash not on hard Joseph on hand J			100,634.71	
CASH	RECEIPTS 1918:				
	Consumers Irrigation Domestic City of San Diego	35,916.71 22,115.35 25,904.85	83,936.91		
	Accounts Receivable Consumers Deposits Advances (Partners) Murray Dam Constr. Miscellaneous		3,523.28 569.50 7,335.72 2,133.57 247.50		
	Total Cash Rece:	ipts		97,746.48	
4	Cash to be accor	inted for			98,381.19
CASH	DISBURSEMENTS 1918:				
	Accounts Payable Pay Rolls			49,091.67	
	Total Disburseme	ents		_	94,387.62
	Bar	in banks Dec. fice st Nat'l Bank ak of La Mesa San Diego Stat		74.03 3,901.33* 13.66 4.55	3,993.57 3,993.57
	Balance First Nat'l I	Bank per bank s	tatement,	4,204.05	
	Outstanding Checks:	A			
	11532 11823 11824 11843 11844	Amount 32.75 42.00 20.00 6.06 32.75			
	11892 11893 11897 11918	32.50 32.50 46.80 10.92			
	11922 11926 11928 11940	7.05 6.00 17.55 16.85		302.72	
		Book balance		3,901.33*	
12 J. S.		SANSON DE PRODUCTION DE SANS DE SANS DE SANS DE LE CONTRACTOR DE LA CONTRA	CONTRACTOR OF THE PROPERTY OF	COLUMN TO SECURE DE SENSE DE S	THE RESERVE OF THE PARTY OF THE

No Outstanding checks on Bank of La Mesa. No Outstanding checks on East San Diego State Bank.

## San Diego, Calif.

ACCOUNTS RECEIVABLE.
December 31, 1918

		1918		
	Jan.1 to Nov.30		Total	
NSUMERS:				
IRRIGATION:				
Lemon Grove		96.25	96.25	
Spring Valley	231.00	85.35	316.35	
Cresson Flume Line	86.15		86.15	
Main Flume Line	140.05	63.70	203.75	
Hawley Flume Line	385.08	10.50	395.58	
Hillsdale Flume Line Hoover Pipe Line	83.80	1.00	84.80	\
Hilton Pipe Line	32.75	24.20	56.95	
La Mesa Service	101.65	130.20	231.85	
Total	1,082.05	556.40	1,638.45	
Brown, B.	- DSTRICE	es as of Dec.3 64.35	T*1314	
Godbout, Jas. A.		15.05		
Healion, M. S.		10.79		
Kregear, Jno.		18.75		
Lannoye, Louis		55.70		
Martinez, F. F.		9.70		
Bates, Katherine		1.35		
Somers, E. S.		8.90		
Jensen, Marie C. Hille, Albert C.		81.35		
Mesick, F. P.		11.80 57.50		
Healion, M. C.		370.85		
Marshall, Rev. H. A.		187.84		
		893.93		
Less credit balances:				
Lenhouser, H. C. Estate	5.93			
Wentworth, C. E.	2.78			
Larkin, W. B.	.30	9.01	884.92	
Total Irrigation Acc	ouncs			2,523.37
DOMESTIC	Current	Delinquent	Total	
Kensington Park	127.65	19.70	147.35	
Normal Heights	470.80	53.60	524.40	
East San Diego La Mesa Townsite	321.25	19.05	340.30	
La Mesa	152.70		152.70	
Hawley Heights	55.05	8.79	63.84	
Grossmount	11.65 30.45	8.00	19.65	
El Cajon	38.35	17.35	47.80	
Lemon Grove	52.75	24.90	77.65	
	1.260.65	189.59	1,450.24	
Total Domestic Accoun	nts		-	1,450.24
(forward)				3,973.61
	CONTRACTOR OF THE PARTY OF THE	UNION POPAL SCHOOL AND AGRICULTURE PROPERTY OF THE PARTY	THE AND PROPERTY OF THE PARTY O	THE REPORT OF THE PARTY OF THE PARTY OF THE PARTY.

## CUYAMACA WATER COMPANY San Diego, Calif.

## ACCOUNTS RECEIVABLE December 31,1918

	Current	Delinquent	Total	
(forward)				3,973.61
MISCELLANEOUS:			more line	
Pacific Building Co.			10.00	
Reitz, H. M.			72.10	
Norman, H. J.			107.15	
Feeler, F. E.			9.00	
San Dieguito Water Co.			64.25	
Taylor, J. W. H.			7.40	
U. S. Gort, Otay Aviation	a		650.50	
/ Total				920.40
Total Account	ts Receivab	le		4,894.01

## CUYAMACA WATER COMPANY San Diego, Calif.

#### WATER SYSTEM AND EQUIPMENT December 31, 1918

Dec. 31, 1916	Book Value of System	821,958.78
	New Construction	221,652.15
Dec. 31, 1916	n n	13,719.99
	n n	7,382.95
Dec. 31, 1917	i i	5,181.31
Dec. 31, 1918	New Construction	10,963.99
	Murray Dam	127,449.56
	Total	1,208,308.73
LESS:		
May 31, 1916	Sales .	111.15
Dec. 31, 1916	Sales	85.00
	Depreciation	2,099.45
Dec. 31, 1917	Sales and Depreciation	19,410.27
	Total	21,705.87
	Balance (Exhibit A)	1,186,602.86

#### GUYAMACA WATER COMPANY San Diego, Calif.

## PREPAID EXPENSE December 31,1918

	Premium	Expiration	Prepaid	
NSURANCE:				
Palatine Ins.Co. Ltd. #140847 140848 " 140839 140827	10.00 10.00 12.00 9.00 7.50	12-27-19 12-27-19 9- 7-19 4- 5-19 7-13-19	9.88 9.87 8.30 2.37 4.05	
Globe Indemnity Co.Ax 444962  " Ax 444963  " Ax 444964  " Ax 444993  " Ax 454976	25.50 25.50 25.50 29.25 32.00	2-23-19 2-23-19 2-23-19 4- 5-19 12-15-19	3.74 3.74 3.74 7.72 30.67	
Phoenix Ins. Col 91441 91447 100568 100507 96255 100511	12.00 6.75 12.00 10.40 29.55 38.50	6-2- 19 6-2- 19 7-1- 19	1.65 1.01 6.00 .58 10.40 3.21	
Globe Indemnity Co. Deposit	100.00		100.00	
Total Insurance Prepaid	i.			206.93
TAXES: State & County tax prepaid Corporation Tax Total Taxes prepaid			95.69 100.00	195.69
Interest on Notes Payable	2 +4 ·			130,45
Rental of Pipe & Flume Lines				61.12
Total Prepaid Expense				594.19

#### CUYAMACA WATER COMPANY San Diego, Calif.

#### ACCOUNTS PAYABLE, December 31,1918.

oucher #	Favor of	Amount
3087	Gay, Mrs. Jno. H.	10.00
4342	Secretary of State	100.00
4343	Auto Tire Co.	6.98
4344	Arey Jones Co.	16.47
4345	Bank of La Mesa	4.24
4346	City Printing Co.	5.00
4347	Calif. Jewel Filter Co.	258.00
4348	Doyle Barnes Co.	79.84
4349	Frye & Smith	7.85
4350	Fletcher Co. Ed.	648.10
4351	Fairmount Water Co.	35.00
4352	Frost Hardward Lumber Co.	3.24 / _
4353	Huber, W. L.	353.90 √
4354	Hall, W. D. C.	134.18
4355	La Mesa Hardware Co.	18185
4356	La Mesa Lumber Co.	5.71
4357	Mathews, L. B.	10.00
4358	McCabe, C. W.	1.49
4359	Penn. Oil Delivery	87.96
4360	Peterson Bros.	7.50
4361	Ryan, David H.	20.00
4362	Rumsey Stones	23.77
4363	Russ Lumber & Mill Co.	4.00
4364	Sloan, H. G.	5.00
4365	Schirm Commercial Co.	90.86
4366	Stokes Rodney Co.	13.20
4368	Standard Oil Co.	4.10
4369	San Diego Supply Co.	65.49
4370	San Diego Consolidated Gas & Elec. Co. San Diego Sun	64.03
4371	San Diego Union	6.50
4372	Tribune Co.	14.40
4373	Sinclair, B. W.	106.81
4374	Triangle Transfer & Storage Co.	16.88
4375	Volcan Land & Water Co.	3.00
4376	Williams, Geo. L.	3.35
4377	Western Metal Supply Co.	38.27
4378	Worthington Co.	9.34
4379	Toms & Blair	582.00
4380	Crouch, C. C.	75.00
4381	Harritt, C.	17.95~
4382	Western Union Teleg. Co.	5.00
4385	Ahler e Chas.	10.00
4386	El Cajon Meat Market	23.76
4387	Sweet, Stearns & Forward	270.50
	Sharp & Fellows Contr. Co.	8,452.75

#### CUYAMACA WATER COMPANY San Diego, Calif.

## NOTES PAYABLE. December 31, 1918

te_	Favor of	Maturity -	Interest	Amount
Cet. 23, 1918	First National Bank, S.D.	Jan. 21, 1919	6%	5,000.00
Cet. 23, 1918	San Diego Con. Gas & Elec.	Apr.21,1919	7%	4,000.00
ov. 9, 1918	First National Bank, S.D.	Feb. 7,1919	6%	5,000.00
0. 19, 1918	First National Bank, S.D.	Mar. 19,1919	6% _	5,000.00
	Total			19,000.00

#### CUYAMACA WATER COMPANY, San Diego, Calif.

## CONSUMERS DEPOSITS December 31, 1918.

ate eceived	Receipt No.	Consumer	Amount
Leo. 9 -15	2	Gilman, N. A.	2.50
ec.13 -15	7	Ind. Sash & Door Co.	2,50
Mec.13 -15	8	Pitzer Nat. G.	2.50
Mec.15 -15	11	Nikune, G. T.	11.70
ec.16 -15	13	Day, G. F. P.	2.50
ec.18 -15	17	Meadham, D. J.	2.50 -
ec.23 -15	30	Pomeroy, J. A.	2.50
Mec. 23 -15	34	Tompson, F. N.	5.40
Mec. 27 -15	37	Robinson, R. T.	21.60
ec.29 -15	39	Frowise, Mrs. A. K.	2.50 —
eb. 9 -17	51	Wilson, Dr. W. E.	2.50
ar.22 -17	53	Penwarden, Dr. R. S.	2.50
	54	Granger, Paul	2.50
Mar. 24 -17	55	Connolly, M. T.	2.50
lar.31 -17	57	Ross, Miss W.	2.50
ay 14 -17 ay 14 -17	58	Kimball, Mrs. S. M.	2.50
une 27-17	· 62	Straughn, W. T.	2.50
A STATE OF THE PROPERTY OF THE PARTY OF THE	77	Miyamato, O.	35.00
eb. 9 -18		Marshall, G. E.	2.50
ar. 2 -18	81 83	Terry, C. P.	2.50
ar. 8 -18		Huff, H. L., Agt.	2.50
pr. 1 -18	86	London, Wilfred	2.50 _
pr. 2 -18	87		50.00
pr.23 -18	92 95	Manshita, M. Jones, S. H.	3.00
lay 1 -18	점시 (1) [1] 이 [2] 4 [1] 1 (1) 1 (1) [2] 1 [2] 1 [2] 1 [2] 1 [2] 1 [2] 1 [2] 1 [2] 1 [2] 1 [2] 1 [2] 1		2.50
ay 1 -18	96 97	Stromberg, W. Sibley, J. M.	2.50
ay 15 -18 ay 21 -18	99	Fuller, C. R.	2.50
une 22-18	102	Casillas, F.	5.00
une 26-18	103	Stahl, Mrs. Wm. D.	2.50
uly 5 -18	104	Reed, Mrs. Lewis	3.50
uly 12-18	105	Seelig, Mrs. Al	2.50
uly 23-18	106	New. D. V.	3.00
July 26-18	108	Adler, Mrs. Francis	2.50
uly 30-18	109	Stone, Mrs. Ada L.	2.50
ug. 12-18	110	Watson, R. Y.	5.00
ug. 26-18	111	Weed, Ino. K.	2.50
ept.4 -18	113	Berry, Mrs. H. M.	2.50
ept.4 -18	114	Richardson, Mrs. E.	2.50
ept.18-18	.116	Jessano, Jno.	30.00
Mept. 25-18	117	Van Beek.	2.50
ct. 1 -18	118	Thomas, F. F.	2.50
Mot. 19-18	120	Hunnicut, B. C.	2.50
Oct. 23-18	121	McClellan, S. E.	2.50
ot. 29-18	122	Irwin, C. E.	2.50

465,681.66

#### GUYAMACA WATER COMPANY San Diego, Calif.

## SURPLUS BASED ON LANE APPRAISAL December 31, 1918.

CEMBER 31, 1917:		
Appraisal of System	796,100.00	
Furniture & Fixtures	704.50	
Materials & Supplies	3,389.00	
Tools & Equipment	3,535.00	
Western Investment Co.	20,000.00	
Total		823,728.50
is:		
Cash Invested	150,000.00	
Plant a/c Charged off	149,060.00	
Murray Hill Reservoir	49,709.30	
Raising Dam	9,000.00	
Suspense Account	277.54	
Total		358,046.84

Balance (Exhibit A)

#### CUYAMACA WATER COMPANY, San Diego, Calif.

## OPERATING DEFICIT ACCOUNT December 31,1918.

Ethic Sub					
lay	31, 1912	Operating Deficit		10,307.78	
ec.	31,1912	" "		3,390.39	
ec.	31,1913	in in		15,842.56	
ec.	31,1914	i ii		9,208.22	
ec.	81,1915	in in		27,539.35	
lec.	31,1916	18 18		40,605.49	
ea.	31,1917		45,391.01		
	Less Inco	me credited in 1918	128.12	45,262.89	
ec.	31,1918	Less previous year	•	5.00	
		- Total			152,161.68
ess	<u>:</u>				
lay	31,1911	Operating Surplus			2,050.26
		Balance per ledge	r before closing		150,111.42
DJU	STMENTS:				
dd:	Tool Expe	nse 1917			231.58
					150,343.00
ess	: Accounts	Payable Charged of:	<b>f</b>		3,656.59
		Balance before clo	osing (Exhibit A)		146,686.41
		Operating Deficit	1918 (Exhibit B)		25,145.60
		Deficit from June 1,1910 (Exhibit A)	operations, to 12/31/18 (inc.)		171,832.01
S. Charle					

#### CUYAMACA WATER COMPANY San Diego, Calif.

## Jan. 1. 1918 to December 31,1918

1710 0000	-	-			-
PORT III	P.I	e v			$\alpha \approx$
I	IV	ŁA	93	YE.	-
-	m.	-		شالة	<b>.</b>

WATER SALES:	WA	TER	SA	LES:
--------------	----	-----	----	------

City of San Diego	25,904.85	82,024.94
Domestic	21,928.94	
Irrigation	34,191.15	

#### MISCELLANEOUS:

Boat Rental	1.000.60
Permits	931.50
Pipe line Rental	455.36
Telephone Rental	36.00
Penalties, etc.	231.60 2.655.06

Gross Income 84,680.00

#### EXPENSE

Pumping	3,347.83
Distribution	39,980.12
Commercial	991.97
Office and Management	12,132.68
Legal	568.95
Railroad Commission	129.96
Insurance	1,363.78
Repairs to Structures and Equipment	632.31
Taxes	3,552.30
Depreciation	43,524.00
Interest Paid	1,169.15
Rentals	608.88
General	1,823.67

Total Expense

109,825.60 25,145.60

Deficit for 1918

## CUYAMACA WATER COMPANY San Diego, Calif.

#### TRIAL BALANCE AFTER CLOSING December 31, 1918

	Debit	Credit
ASSETS		
Cash on hand Accounts Receivable, Consumers Materials and Supplies Prepaid Insurance Notes Receivable U. S. Gov't Otay Aviation Jas. A. Murray, Personal Fixed Capital Installed Intangible Capital Interest Accrued on Advances Transmission Mains Camp Kearny Reinforcing 20" Steel Pipe Line Diversion Dam, Fletcher Dam Boulder Creek El Capitan Reservoir Conejos Reservoir Murray Reservoir Accounts Receivable, Miscellaneous Prepaid Taxes Prepaid Interest Prepaid Rent	3,993.57 3,973.61 3,097.43 206.93 500.00 650.50 1,027.03 1,084,153.86 159,543.00 120,695.93 3,136.92 5,535.65 1,256.73 2,934.82 10,721.08 2,891.50 127,449.56 1,936.87 195.69 130.45 61.12	
<u> LIABILITIES</u>		
Investments Reserve for Accrued Depreciation Notes Payable Sharp & Fellows Contracting Co. Pay Roll Account Toucher Account Tas. A. Murray Advances Ed Fletcher Advances Ed Fletcher Personal Wm. G. Henshaw Advances Deposits from Consumers Corporate Deficit	175.488.60	775,224.66 183,347.27 119,000.00 8,452.75 2,417.11 27,788.94 517,603.46 50,069.26 3,054.00 22,367.70 255.70
	1,709,580.85	1,709,580.85

#### CUYAMACA WATER COMPANY, San Diego, Calif.

## RECONCILIATION OF REPORT AND EXHIBIT C December 31,1918

<u>Ledger</u>	Adjustments	Report
ounts Receivable, Consumers 3,973.61 ounts Receivable, Miscellaneous 1,936.87 .Gov't Otay Aviation 650.50		
Accounts Receivable, Doubtful		4,894.01
ed Capital Installed  Less: Interest during  Construction 1917  Add: Murray Dam Construction  Water System and Equipment	25,000.56 127,449.56	1,186,602.86
nsmission Mains, Camp Kearny 3,136.92 nforcing 20" Steel Pipe Line 5,535.65 ersion Dam - Fletcher Dam 1,256.73 lder Creek 2,934.82 Capitan Reservoir 10,721.08 elos Reservoir 2,891.50		
ejos Reservoir 2,891.50 Sundry Items in Suspense		26,476.70
cher Account  rp & Fellows Contr. Co.  Less: Accounts as follows,  Jas. A. Murray, Salary  Sweet, Forward & Stearns  Sweet, A. H.  Harroun, P. E.  Britton, & Gray  S. D. Gas & Elec. Co.  Accounts Payable		11,737.47 12,047.63
Accounts Payable in Dispute  restments Credit Bal. 775,224.66  angible Capital Debit Bal. 159,543.00  Original Cash Investment  Surplus Account		150,000.00 465,681.66
Fletcher Advances 517,603.46 G. Henshaw Advances 22,367.70 Total	590,040.42	
Less: Interest on Advances, Charged back Capital Advances	145,696.49	444,343.93
s. A. Murray, Personal, Debit Bal. 1,027.03 Fletcher, Personal Credit Bal. 3,054.00 Add: Jas. A. Murray Salary from Voucher Account		
Partners' Personal Accounts Payable		10,826.97

#### CUYAMACA WATER COMPANY San Diego, Calif.

## ERRORS IN IRRIGATION INVOICES Jan. let to December 31,1918.

Name	Nolou.ft. Oharged	Ou. ft. Should be	Amt. Ohgd.	Amt. Shd.be	Dif.
Mrs. Julia Liffreing	98,136	110,646	28.05	31.15	3.10
Roberts, El Cajon	49,536	74,304	15.90	22.10	6.20
Shields & Bacon	27,434	116,434	10.35	32.60	22.25
E. S. Vacher	20,730	41,464	8.70	13.85	5.15
S. Y. Fox	5,790	23,160	4.95	9.00	4.05
Ernest V. Clark	26,240	54,012	10.05	17.00	6.95
Dr. W. M. Edwards	10,944	21,888	6.25	8.95	2.70
McKinney	19,500	39,024	8.40	13.25	4.85
J. H. Guy	22,530	36,420	9.15	13.70	4.55
Frank M. Thompson	40,710	81,420	10.15	20.35	10.20
Henry Caraten	41,040	104,550	13.75	29.65	15.90
Carrie S. Walker	23,660	64,632	9.40	19.65	10.25
Mrs. T. Rowland	42,040	126,144	14.00	35.05	21.05
S. Y. Fox	66.130	74,440	20.05	22.10	2.05
Bacon & Shields	122,400	190,800	34.10	51.20	17.10
H. Culbertson	140,580	190,908	38.65	51.25	12.60
F. M. Hill	84,790	126,282	24.70	35.05	10.35
Carrie S. Walker	15,680	56,548	7.40	17.65	10.25
J. A. Murray	69,310	188,110	20.85	. 50.55	29.70
Geo. Sears	33,980	51,156	12.00	16.30	4.30
James Forward	19,080	36,160	8.25	12.55	4.30
J. H. Guy	51,840	54,288	16.45	17.20	.75
Alex. Legge	60,680	76,088	18.70	22.50	3.80
Mrs. J. H. Guy	37,980	53,604	13.00	16.90	3.90
F. M. H111	140,350	150,500	38.60	41.15	2.55
Bacon & Shields	133,050	160,704	36.75	43.70	6.95
James Forward	24,120	48,240	9.55	15.55	6.00
R. W. Martin	56,440	61,910	17.60	18.95	1.35
Mary G. Lea	27,200	42,600	10.30	14.15	3.85
B. G. Ryan	60,030	87,240	18.50	25.30	6.80
			494.55	738.35	243.80

#### ELDRED AND WANSLEY

PUBLIC ACCOUNTANTS

CONSULTANTS ON FEDERAL TAXATION

ELECTRIC BUILDING

SAN DIEGO, CALIFORNIA

September 9, 1927.

Cuyamaca Water Company, 920 - 8th St., San Diego, California.

Gentlemen:

We beg to report that we have completed the adjustment and closing of the books of the Cuyamaca Water Company, a Partnership, and the opening of the new books of the Cuyamaca Water Company, a Corporation.

The following is a brief resume of the work performed in this connection:

- (1) The books of the Partnership were adjusted for the period from January 1, 1910 to May 31, 1923, so that they were in a greement with the valuation of assets at cost less proper depreciation, and other adjustments on the basis indicated by report of the Bureau of Internal Revenue for 1917.
- (2) The valuations of all assets upon the Partnership books as of May 31, 1923, were adjusted to conform to the actual investment of the sole partners as of that date, namely, Ed. Fletcher and Chas. F. Stern.
- (3) The operating accounts of the new Partnership were adjusted and closed for the period from May 31, 1923 to December 31, 1926.
- (4) The profit on the sale of the assets of the Partnership in 1926 was calculated on the basis of the cost established as of May 31, 1923, and adjusted for subsequent additions and depreciation.
- (5) The books of the Partnership were closed, showing a final distribution of all proceeds of the sale, together with the remaining assets, to the two partners.
- (6) The income tax return of the Partnership for the year 1926 was prepared.
- (7) The books of the Cuyamaca Water Company, a Corporation, were opened showing the assets transferred to it by the partners after receiving same from the dissolved Partnership.

A summarisation of the adjustments and the results thereof are attached for your information, and are as follows:

(1) Trial Balance of the Partnership as of December 31, 1926, before closing and before adjustment.

This schedule shows the balances on the accounts of the Partnership prior to our examination and entries.

(2) Settlement Sheet of Chas. F. Stern and Ed. Fletcher, as of December 31, 1926.

This sheet shows the cost to the several partners their interests in the Partnership assets, their share of the profits and losses of operation and sale and the final distribution of both capital and profits as made to them by the Partnership upon its dissolution.

(3) Balance Sheet of the Cuyamaca Water Company, a Corporation, as of January 1, 1927.

This statement shows the opening balances of the Corporation after the transfer to it of the remaining assets of the Partnership and the issuance of all of its stock to the partners or to persons indicated by them.

The assets transferred from the Partnership are set up on the Corporation books at the cost used in determining the profit to the Partnership upon the sale of its assets, which were not transferred to the Corporation. This was done for the reason that these costs are the basis to be used in the determination of the profit upon the sale of any of these properties by the Corporation. The difference between the costs of the properties as so set up and the total issue of stock has been charged to an account called "Real Estate Adjustment Account."

(4) Thirty-six Journal Entries adjusting the books of the Partnership in accordance with the above stated plan as of May 31, 1923, and adjusting and closing same as of December 31, 1926.

These entries have been placed upon the books of the Partnership and copies thereof are attached hereto as a convenient form of informing you of the entries made.

An attempt has been made to make the explanations full and complete so that they may easily be understood at a later date.

Respectfully submitted,

ELDHED and WANSLEY

Vayen Millans

DOED AND WANGEY

# CUYAMACA WATER COMPANY, A PARTNERSHIP

San Diego, California

Trial Balance Sheet Before Closing as of December 31, 1926.

## DEBITS

Fixed Capital Prior Jan. 1, 1913 Fixed Capital Since Dec. 31, 1912	815688.86	
Cash	.02	
Notes Receivable	1019.79	
Accounts Receivable - Water Sales	998.19 p. 915.26	
Accounts Receivable - Cuyamaca Water Corp	p. 915.26	
James Mirray Estate	301,24	
James Murray Personal	2187.85 757856.73	
Stern & Metcher	757856.73	
Material & Supplies	737.06	
Prepaid Insurance	633.60	
Other Suspense:		
Mission Gorge Dam	100754.60	
Lake Helena Dam	2504730	
	35047.39 1153.92 4914.30	
High Line Survey	TT33.55	
Tule Springs		
Poverty Gulch		
Dye Canyon Project	102.44	
Camp Kearney	3613.74	
El Capitan Reservoir	33877.97	
Boulder Creek Project	18225.46	
Fletcher Dam	14166.63	
Sawyers Add North Milwaukec. Wisc.	182.86	
Due Diligence	732.34	
LaMesa-L.G. & S.V. Irrig. Dist.	3554.07	
LaMesa-L.G. & S.V. Irrig.Dist.		
Sundry Items	1415.39	
LaMesa-L.G.& S.V. Irrig.Dist.		
	2270 72	
Pater Purchased	2379.72	
Suit-City of San Diego	1 50574.52	
Corporate Deficit	29517.59 159567.60 544786.73 261.33	
Interest Accrued	244/00.73	
Non-Operating Expense Interest		
Non-Operating Expense Taxes	34.59	
Mon-Operating Expense- Miscl.	1036.15	
Other Interest Deductions	1693.43	
Rent Deductions	100.00	
Tool Expense	38.83	
Maintenance & Operation	2235.38	
Ed. Fletcher Withdrawal Account	221949.14	
Chas. F. Stern Withdrawal Account	25000.00	
City of San Diego Expense	540.00	
		2707204
Total Debits		3701204.07
CREDITS		
	202506 36	
Investments	597596.16	
Accounts Payable: Vouches	2482.45	
Payroll	302.09	
Deposits from Consumers	338.77	
Taps, Services, Meters	8344.15	
James Murray Advances	1129308.64	
Ed. Fletcher Advances	219421.91	
Ed. Fletcher Advances (Henshaw)	36625.98	
Ed Fletcher Personal	The state of the s	
Commission Accounts	875.00	
Donations in Aid of Contruction	8336.67	
Earned Interest-L.M. L.G. & S. Valley		
Reserved for Depreciation	418128.19	
Operating Revenue - Water Bales	6802.90	
Miscl. Earnings-Penalties	32.00	
一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个	THE RESERVE OF THE PROPERTY OF THE PARTY OF	A STATE OF THE PARTY OF THE PAR

## SETTLEMENT SHEET

# CHAS. F. STERN and ED. FLETCHER

# December 31, 1926

Fletcher 2 Original Interest 50000.00 39308.70 9469.15	Ed Fletcher 1/12 Henshaw Interest		l Fletcher 12 Murray Interest	C.F.Stern 5/12 Murray Interest
39308.70	90000.00			
9469.15	90000.00			
	90000.00			
	90000.00			
			5000.00	
			347500.00	347500.00
			13750.00	13750.00
79839.55	9000.00		227900.39	333750.00
4279.26				
4390.10		(1)	21950.60	(a) 21950.60
29367.04		(2)	146835.30	(b)146835.30
		(2)	110781.61	
	3) 12810.00	(3)	955.00	
				(b) 2194.95
		(2)	2194.95	
	102810.00		483791.06	482225.96
			20850.00	20850.00
			6562.50	6562.50
		(4)		(c) 12515.86
				333750.00
93436.22	102810.00		25702.92	25000.00
			2000.00	2000.00
			1000.00	1000.00
13636.36			68181.82	68181.82
			862.17	
1423.17			7115.78	7115.78
109095.75	102810.00		483791.06	482225.96
Ed Fleto	her C.F.Ste	III	Total	
shin Return				
8. 加入型用的10.A. ESTA A. ESTATE PORTE TO A SECURIT TO A SECURITATION TO A SECURIT TO A SECURIT TO A SECURIT TO A SECURIT TO A SECURITATION TO A SECURIT TO A SECURITATION TO A SECURIT TO A SECURITATION TO A SECURITATION TO A SECURIT TO A SECURITATION TO A SECURITATION TO A SECURIT TO A SECURITATION TO A SECURITAT				
12/204/09	.00 (b) 149030 .70 (a) 21950	25	433819.	25
	4390.10 29367.04 () 09095.75 93436.22 600.00 13636.36 1423.17 109095.75 Ed Fleto	4279.26 4390.10 29367.04  (3) 12810.00  93436.22 600.00  13636.36  1423.17  109095.75  102810.00  Ed Fletcher C.F.Stership Returns	79839.55 90000.00 4279.26 4390.10 (1) 29367.04 (2) (3) 12810.00 (3) (2)  09095.75 102810.00  (4)  93436.22 102810.00  13636.36  1423.17  109095.75 102810.00  Ed Fletcher C.F.Stern  ship Return:	4279.26 21396.31 4390.10 (1) 21950.60 29367.04 (2) 146835.30 (3) 12810.00 (3) 955.00  (2) 2194.95  09095.75 102810.00 483791.06  93436.22 102810.00 25702.92 2000.00 13636.36 68181.82 862.17 1423.17 7115.78 109095.75 102810.00 483791.06  Ed Fletcher C.F.Stern Total

#### CUYAMACA WATER COMPANY, A CORPORATION

#### San Diego, California

#### BALANCE SHEET

As of January 1, 1927.

#### ASSETS

Accounts Receivable		
Ed Fletcher Company	1166.43	1466.07
ater Consumers	277604	2400401
Real Estate		
Parcel #1. Poverty Gulch & Conejos Res.	747.78	
Parcel #2. Lake Helena Dam Side-Judson	1495.56	
Parcel #3. Lakeside El Monte Lands	373-89	
Parcel #4. Miles Reservoir	373-89	
Parcel #5. Cuyamaca above Contour	1121.67	
Parcel #6. Cuyamaca Island & Rancho	1869-45	
Parcel #7. Kulhner Property	1121.67	
Parcel #8. Ray Property	747-78	
Parcel #9. Marks Property	373-89	
Parcel #10. Club House - Murray Dam	1121.67	
Parcel #11. Lake Helena Dam	1121.67	
Parcel #12. Pauline Kulhner	1121.67	
second Purchase	2463.75	
Superintendent's House - Cuyamaca	84345.27	98399.61
Real Estate Adjustment Account	01317121	
Organization Expense		915.26
Total Assets		100780-94
LIABILITIES		
Deposits Due Consumers		780.94
CAPITAL STOCK		
	45400.00	
454 Shares Issued to C. F. Stern 454 Shares Issued to Ed. Fletcher	45400.00	
90 Shares Issued to Mary C.B.Fletcher	9000.00	
1 Share Issued to Mary E. Fletcher	100.00	
1 Share Issued to M. L. May	100.00	
1000 Shares Outstanding Stock		100000,00
Total Liabilities and Capital		100780.94
TO MET THEOLETS AND COME OF THE OWN		

CUYAMACA WATER COMPANY San Diego, California

A Co-partnership existing between Ed. Fletcher (6/11 Interest) and C. F. Stern (5/11 Interest) for the period from 5/31/23 to 12/31/26

The following entries were prepared by

ELDRED and WANSLEY Public Accountants 715-6 Electric Bldg. San Diego, California

to adjust the books to a proper basis of the above partnership as of 5/31/23 and to close the books as of 12/31/26

-1-

Summary of Properties  Fixed Capital prior to 1/1/13  Fixed Capital since 1/1/13  Other Suspense:	1943918.54	815688.86 915434.48
Mission Gorge Dam Lake Helena Dam High Line Survey Tule Springs Poverty Culch Dye Canyon Prospect Camp Keaney El Capitan Reservoir Bolder Creek Prospect Fletcher Dam Sawyers Addition Due Diligence		100754.60 35047.39 1153.92 23.55 4914.30 102.44 3613.74 3877.97 18225.46 14166.63 182.86 732.34

To close the above balances in property accounts on 12/31/26 into one property account for the purpose of further analysis and re-distribution

-2-

J. A. Murray Advances Ed. Fletcher Wm.G. Henshaw Capital Summary Account 1129308.64 219421.91 36625.98

1385356.53

To close the above balances in Capital Accounts on 12/31/26 into one Capital Account for the purpose of further analysis and redistribution.

ELDRED AND WANSLEY

Non-operative land, water rights and intangibles	699066.04	
Impounding and County Distribution System	620279.29	
City Distribution System Rolling Stock	194160.13	
Prepaid Casualty Insurance	159.95	
Summary of Properties		1524955.

To record as of 5/31/23 the cost of different classes of properties, following the costs established by Report of Internal Revenue Agent of U.S. Treasury Dept. for the year 1917. This Report established costs of different classes of properties to 12/31/21 and the above figures are the result of further analysis of accounts for the period from 12/31/21 to 5/31/23. The following is a reconciliation of the above analysis with the book balances on 5/31/23:-Fixed Capital 837067.52 prior to 1/1/13 Fixed Capital since 674333.68 1/1/13 Other Suspense 33554-25 (Real Estate, etc.) 1544955.45 Total Less: Adjustment for Donated property made on books 2/29/24 (See J.163) 20000.00 1524955.45 Total as above

-4-

	1000053-88
C.F. Stern Capital Account (5/11 Interest)	447240.04
Ed. Fletcher Capital Account (1/11 Original Interest)	72933·33 32640·47
Ed. Fletcher (Henshaw) Interest Ed. Fletcher Capital Account	32640.47
(5/11 Interest)	447240.04

To set up as of 5/31/23 the Capital Accounts upon the books, giving them their proper distinguishing names and dividing the credit representing the 10/12 interest of James A. Murray between C.F. Stern and Ed. Fletcher who acquired said interest from the Estate of James A. Murray, equally and jointly, as of that date.

Reserve for Accrued Depreciation Corporate Deficit Reserve for Depreciation Im-	368536.78 47162.19
pound and Co. Distributing Sys.	200026.53
Reserve for Depreciation City Distributing System	114078.12
Reserve for DepreciationRoll-ing Stock	7269.94

This is a compound entry which records analysis of depreciation per books as of 5/31/23 and adjusts same to the basis established by Report of Internal Revenue Agent of U.S. Treasury Department for the year 1917 with a corresponding adjustment to Corporate Deficit for the difference between the depreciation per book and as adjusted for the period from 1/1/10 to 5/31/23. The Revenue Agent's Report established depreciation for the different classes of property based upon cost for the period from 1/1/10 to 12/31/21 and the above figures are the result of continuing the same rates upon cost of properties down to 5/31/23.

-6-

C.F. Stern Capital Account (5/11 Interest)	2500.00
Ed. Fletcher Capital Account (5/11 Interest)	2500.00

To credit Ed. Fletcher with 5000.00 advanced by him as original option deposit in connection with purchase of 10/12 interest by C.F. Stern

Ed. Fletcher Option Advance

and Ed. Fletcher from Estate of James A. Murray.

Capital Summary Account	150000.00	
C.F. Stern (Capital Account (5/11 Interest)		60000 00
Ed. Fletcher Capital Account		62500.00
(5/11 Interest)		62500.00
Ed. Fletcher Capital Account (1/11 Interest)		12500.00
Ed. Fletcher (Henshaw) Interest		12500.00
To credit proper Capital Accounts with original investment made on 1/1/10 as follows:-  Ed.Fletcher 25000.00  2/12 Interest  James A. Murray 125000.00  10/12 Interest  In 1913 Ed. Fletcher sold a 1/12 interest to Wm. G. Henshaw for 50000.00 and later repurchased same. The 10/12 interest of James A. Murray was purchased by Ed. Fletcher and C.F. Stern on May 31, 1923.  This entry is made as of May 31, 1923 to record as of that date the entry made on the books on 2/29/24. (See J.163)		
-8-		
C.F. Stern Capital Account		
(5/11 Interest)	62775.89	
Ed. Fletcher Capital Account (5/11 Interest)	62775.90	
Ed. Fletcher Capital Account		
(1/11 Interest) Ed. Fletcher (Henshaw) Interest	12555.18	
Corporate Deficit		150662.15
To charge net loss from  1/1/10 to 5/31/23 to the accounts representing and successors to the in- terests as they existed prior to 5/31/23. The deficit as distributed is the result of the fol- lowing adjustments:- Corporate Deficit 5/31/23 per books 189242.93 Less: Depreciation adjustment per pre- vious Journal entry of this date  47162.19  Add: Operating Loss per books from 1/1/23 to		
5/31/23 8581.41		

2 D Starm Condtal tonount		
C.F. Stern Capital Account  (5/11 Interest)  Ed. Fletcher Capital Account	182548.24	
(5/11 Interest) Ed. Fletcher Capital Account	182548.24	
(1/11 Interest) Ed. Fletcher (Henshaw) Interest	33624.63 9346.30	
Interest Accrued on Partners' Capital		408067.41
To charge interest on Capital Accounts from 1/1/10 to 5/31/23 to the accounts representing and successors to the interests as they existed prior to 5/31/23 which prior accounts were credited with interest now reversed.		
-10-		
Investment	597596.16	
Reserve for DepreciationImpound- ing and County Distribution System	57787-51	
Reserve for Depreciation City Dis- tribution System	32957-13	
Non-operative Land, Water Rights and Intangibles		201996.49
Impounding and County Distribu- tion System		179224.31
City Distribution System		56104.77
C.F. Stern Capital Account (5/11 Interest)		71834.09
Ed. Fletcher Capital Account (5/11) Interest)		71834.10
Ed. Fletcher Capital Account (Original 1/11 Interest) Ed. Fletcher (Henshaw) Interest		40586.03 66761.01
This entry is made to reverse appreciation of cost of properties as represented in "Investment" Account against values for properties on books as adjusted and also to adjust values of said properties to basis of cost of their interests to the partners. The basis of the individual Capital Accounts was arrived at as follows:  C.F. Stern Capital Account (5/11 Interest) on 5/31/23  † J.A. Murray advances per books 447240.04  Less: † Ed.Fletcher option advance 2500.00  Add: † J.A. Murray original invest. 62500.00  Deduct: 5/12 Loss  1/1/10 to 5/31/23 62775.89  Deduct: † Int. on  J.A. Murray Advances 182548.24  Add: Adjustment this		
entry 71834.09 Adjusted Balance 333750.00		

150662.15

Adjusted deficit
as above

g agreed purchase price of J.A. Mur-	250000 00
ray Interest Less: & Discount	350000.00
Less: & Ed. Fletch-	13750.00
er Advance Net Cost to C.F.	2500.00
Stern	333750.00
Ed. Fletcher Capital (5/11 Interest)	Account
vances per books Less: & Ed. Fletch-	447240.04
er option advance	2500.00
original invest.	62500.00
Deduct: 5/12 Loss 1/1/10 to 5/31/23	62775.89
Deduct: 1 Int. on J.A. Murray Advances	182548.24
Add: Adjustment this entry	71834.09
Adjusted Balance	333750.00
agreed purchase	
price of J.A. Mur- ray Interest	350000.00
Less: 1 Discount	13750.00
Less: & Ed.Fletch- er option advance	2500.00
Net Cost to Ed. Fletcher	333750.00
Ed. Fletcher Capital	
(Original 1/11 Int	
Book Balance on 5/31/23	72933 - 33
Add: Original In- vestment	12500.00
Less: 1/12 loss 1/1/10 to 5/31/23	12555.18
Less: Interest on advances	33624.63
Add: Adjustment	40586.03
Adjusted Balance	79839-55
Market value 3/1/13 as established by	77037-77
sale of like interest to Wm. G. Hen-	50000.00
Add: Ed. Fletcher Capital contribu- tion from 3/1/13	
to 5/31/23 Less: 1/12 operat- ing less from	39308.70
3/1/13 to 5/31/23 Adjusted basis of Ed. Fletcher origi-	9469.15
nal interest	79839.55

Ed. Fletcher Interest	(Henshaw)		
Book balance	on		
5/31/23 Add: Original	32640.47		
Investment	12500.00		
Less 1/12 loss 1/1/10-5/31/2 Less: Interes	3 12555.18		
on Advances	9346.30		
Add: Adjustmenthis entry	66761.01		
Adjusted balar agreed value			
on which Ed. Fletcher was	to		
receive intere	est		
bursement	90000.00		
The following of the adjustr			
to Asset Accou	ints to rever	:se	
in "Investment	to Account,		
less increase counts to esta	blish proper		
basis for each terest in new	set-up:	n-	
"Investment"	dondo/ o/		
Appreciation C.F. Stern	597596.16		
(5/11 Int.)	71834.09		
Ed. Fletcher Capital Acct.			
(5/11 Int.) Ed. Fletcher	71834.10		
Capital Acct. (1/11 Int.)	40586.03		
Ed. Fletcher (Henshaw) In-			
terest	66761.01		
Net Reduction of Assets	346580.93		
Account Affected	Book Figure	Change	Adjusted
City Distribution Sys. Impounding & County	194160.13	56104.77	138055.36
Distributing System Non-operative Land,	620279.29	179224.31	441054.98
Water Rights & In- tangibles	699066.04	203006 40	400060 ==
Depre. Res City Sys.	200026.53	57787.51	497069.55
" " County "	114078.12	32957.13	81120.99
Totals	1199400.81	346580.93	852819.88
		-0.0	THE RESERVE TO SHARE SHARE

Capital Summary Account Interest accrued on Partners' Capital

136719.32

136719.32

To reverse interest credited to Partners' advances for period from 5/31/23-12/31/26

-12-

Mission Gorge Dam Site Expense Capital Summary Account Summary of Properties

754.60

100754.60

To reverse Journal entry 1434, Folio 150 Jan. 31/24 crediting Ed. Fletcher advances and charging Real Estate with 100,000.00 as the transfer price of Mission Gorge Dam Site. This entry made to record return of same to Ed. Fletcher as transfer was never completed.

-13-

James A. Murray Personal Capital Summary Account

1416.67

1416.67

To reverse J. 251. This amount represents the individual 1/6 interest in El Monte lands sold to Ed. Fletcher. The entire cost of said El Monte lands (8500.) originally credited to James Murray Personal Account was subsequently transferred to his advance account. See entries in old ledger, Folio 247, Oct. 31, 1914 and Folio 311, June 30, 1917, also Journal entries on pages 213, 217 and 357 of old Journal.

-14-

Summary of Properties City Distribution System Impounding & County Distribution System Rolling Stock

48397.59

42941.69

2245.43 3210.47

To credit properties with equipment abandoned and charged to depreciation reserves through old accounts during period from 5/31/23 to 12/31/26

是他是他的特殊的 经工程 医阿尔特氏征 医阿尔特氏	。 2.15、 1988年,1983年,1983年,1983年,1983年,1983年,1983年,1983年,1983年,1983年,1983年,1983年,1983年,1983年,1983年,1983年,1983年,	和特色性等的
	-15-	
Non-operative properties, War Rights and Intangibles	ter 78486.35	
City Distribution System	179863.86	
Impounding and County Distriction System Rolling Stock Casualty Insurance Summary of Properties  To record additions erties during the perform 5/31/23 to 12/33	104559.68 3654.99 1419.86 to prop-	367984.74
	-16-	
Surmary of Properties Non-operative properties Rights and Intangibles	21378.66 Water	21378.66
To give effect in ner to J. 157 on 2/29/24 counts.		
	-17-	
Donations in aid of Construct Summary of Properties City Distribution System Impounding and County Dis		20000.00
tion System		52799.32

52799.32 tion System Corporate Deficit To reverse credits to Dona-

tions in aid of construction for the period from 5/31/23 to 12/31/26 and to reduce properties to their true cost.

-18-

Reserve for Depreciation -- Impounding and County Distribution System 2245.43 Reserve for Depreciation -- City Dis-42941.69 tribution System Reserve for Depreciation -- Rolling 3210.47 Stock 48397-59 Reserve for accrued Depreciation

> To charge the several depreciation reserves with equipment abandoned during the period from 5/31/23 to 12/31/26

Reserve for Accrued Depreciation Profit and Loss Reserve for DepreciationIm- pounding & County Distribu- tion System	97989.00 16976.46	47274.81
Reserve for DepreciationCity Distribution System		63996.75
Reserve for DepreciationRoll-ing Stock		3693.90
To distribute book depreciation for the period from 5/31/23 to 12/31/25 to the proper reserve accounts and to write off to Profit & Loss the proper depreciation for 1926 on City Distribution System		
-20-		
La Mesa, Lemon Grove and Spring Valley Irrigation District	1192318.50	
Reserve for Depreciation-Impounding and County Distribution Sys.	187268.40	
Rolling Stock and Miscl. Equip.  Non-operative Land, Water Rights and Intangibles	7753-37	542586.65
Impounding and County Distribut-		
Rolling Stock & Miscl. Equip.		490569.91
Profit on sale to La Mesa, Lemon Grove & Spring Valley		11/34.70
Irrigation District		342449.15
To record profit on sale of above assets to La Mesa, Lemon Grove & Spring Valley Irrigation District in January, 1926.		
-21-		
Contract ReceivableSan Diego Reserve for DepreCity System Deposits and Services Loss on Sale to City of San Diego City Distribution System Taps, Services and Meters Expense Sale to City of San Diego	150000.00 102176.05 7901.98 19411.51	274835.13 4137.36 517.05
To record sale of City Dis- tribution System to City of San Diego on Oct. 15, 1926.		

Corporate Deficit Casualty Insurance	1579.81	1579.81
To write off to Corporate Deficit balance in this ac- count for period 5/31/23 to 12/31/25		
-23-		
Accounts Receivable Taps, Services & Meters Superintendent's House, Cuyamaca Ed. Fletcher Company Expense Sale to City of San Diego Ed. Fletcher Withdrawals C.F. Stern	299.64 4137.36 2463.75 1166.43 517.05 3600.00	
Profit and Loss	3000.00	15184.23

To record result of opera-tions for 1926 kept in sepa-rate set of books. Detail of Profit and Loss figures given above is as follows: 69096.12 4154.38 149.00 Water sales Non-operative Res. Penalties Interest 29.96 73429.46 Total Revenue Water purchased for sale 39597-56 Operating Labor & Rprs. to Transmissions 1684.00
" " Services 267.40 Collections & Pro-1332.79 6204.24 motions Salaries 207.00 Legal Expense Ry. Com. Expense Miscl. Genl. Exp. 298.75 Insurance Repairs Structures 162.23 and Equipment Taxes Maintenance and 52503.40 operations Loss on deposits 13.34 from consumers Taps, services, 651.10 34.15 62.21 Meters Tool Expense Material & Suppls. 1100.00 Rent Miscl. Non-operat-640.90 3221.52 18.61 ing deductions Non-operating Exp. Insurance Total Expense Net Profit 58245.23 15184.23 73429.46 Total

Profit and Loss	32734-07	
Cash Material & Supplies Vouchers Payable Commission Account	737.06 2482.45 875.00 6802.90	
Operating RevenueWater Sales  " Penalties  " Miscellaneous  Earned Interest La Mesa Dist.	32.00 38.95 6718.06	
Account Rec. Water Sales Prepaid Insurance Payroll Non-operating Interest Notes Receivable		998.19 633.60 302.09 261.33 1019.79
Accounts Receivable La Mesa District James Murray Estate James Murray Personal		7349.18 301.24 3604.52
Summary of Properties Mission Gorge Dam Site SuitCity of San Diego Non-operating Taxes Expense Miscl.		754.60 29517.59 34.59 1036.15
Other Interest Deductions Rent Tool Expense Maintenance & Operation City of San Diego Expense		1693.43 100.00 38.83 2235.38 540.00
To close sundry Revenue and Expense accounts and balances in accounts after adjustments and uncollectible accounts to Profit & Loss.		
-25-		
Corporate Deficit  C. E. Stern5/11 Interest  Ed. Fletcher " "  Ed. Fletcher 1/11 "	47071.88	21396.31 21396.31 4279.26
To apportion Corporate Earnings as adjusted to partners in proportion to their interest for the period from 5/31/23 to 12/31/25.		
-26-		
C. F. Stern 5/11 Interest Ed. Fletcher " " Ed. Fletcher 1/11 " Profit and Loss	15693.77 15693.77 3138.76	34526.30
for 1926 between the several interests entitled thereto.		

Ed. Fletcher Withdrawals C. F. Stern Contract Rec. City of San Diego	81818.18 68181.82	150000.0
To record transfer of City of San Diego Contract to Ed. Fletcher and C.F. Stern as individuals in accordance with their interests of 6/11 and 5/11 respectively.		
-28-		
Ed. Fletcher Withdrawals C. F. Stern Stern and Fletcher	378928·37 378928·36	757856.7
Entry to charge C. F. Stern and Ed. Fletcher each with one half of payments on account of Interest and Principal on pur chase of Murray lo/12 Interes	of -	
-29-		
Ed. Fletcher Withdrawals Ed. Fletcher Personal	862.17	862.17
To close his personal debit balance into his withdrawal account.		
-30-		
Ed. Fletcher Advances Ed. Fletcher Capital Reserve	110781.61	110781.61
Entry to record special bonus to Ed. Fletcher through sale of System to Stern & Fletcher by Murray Estate.		
-31-		
Frofit on Sale of System Ed. Fletcher Option Advance Rd. Fletcher (Henshaw) Interest	13765.00	955.00 12810.00
Interest to Ed. Fletcher as agreed:- Interest on Option advance of 5000.00 955.00 Interest on Henshaw Interest of 90000.00 12810.00		
Total 13765.00		

ELDRED AND WANSLEY

Profit on Sale of System  Ed. Fletcher Capital (5/11 Int.)  C. E. Stern  Ed. Fletcher " (1/11 ")	72.64 140578.47 140578.47 28115.70
To credit profits on sale of System to partners in proportion to their interests.	
-33-	
C. F. Stern Capital Account (5/11 Int.) 4729 C. F. Stern Withdrawals	15.23 472915.23
To close his withdrawals to his Capital Account.	
-34-	
" " (5/11 " ) 3621 " " Option Advance 59 " " (Henshaw) Interest 1028	72.58 33.62 55.00 10.00 81.61 689352.81
To close his Withdrawal Account against the several accounts representing credits to him on various agreements.	
	94.95
Fletcher Withdrawal Accounts in accordance with their final personal agreement.	
-36-	
Ed. Fletcher Original (1/11 Interest) Capital Account	15.78 23.17
Ed. Fletcher (5/11 Interest) Capital Account Deposits from Consumers Non-operative lands, etc. Accounts ReceivableWater " Cuyamaca Water Co., Corp. Superintendent's Home, Cuyamaca	15.78 80.94 11590.59 299.64 915.26 2463.75
Ed. Fletcher Company  To close partnership books as of 12/31/26 by transfer of assets to Cuyamaca Water Co., a Corporation	1166.43

#### CUYAMACA WATER COMPANY,

a Partnership

and

CUYAMACA WATER COMPANY,

a Corporation

Schedules in re

Settlement as of

December 31, 1927

Original

ELDRED AND WANSLEY

PUBLIC ACCOUNTANTS

CONSULTANTS ON FEDERAL TAXATION

ELECTRIC BUILDING

SAN DIEGO, CALIFORNIA

#### **Ed Fletcher Papers**

1870-1955

**MSS.81** 

Box: 54 Folder: 9

### **Business Records - Water Companies - Cuyamaca Water Company - Audit reports**



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