

SJW CORP  
Form 10-Q  
May 02, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 10-Q  
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended March 31, 2016  
Commission file number 1-8966  
SJW Corp.  
(Exact name of registrant as specified in its charter)

California 77-0066628  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

110 West Taylor Street, San Jose, CA 95110  
(Address of principal executive offices) (Zip Code)  
408-279-7800  
(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one)

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of April 20, 2016, there were 20,425,794 shares of the registrant's Common Stock outstanding.

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

SJW Corp. and Subsidiaries

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(UNAUDITED)

(in thousands, except share and per share data)

	Three months ended	
	March 31,	
	2016	2015
OPERATING REVENUE	\$61,112	62,112
OPERATING EXPENSE:		
Production Expenses:		
Purchased water	9,697	9,284
Power	1,237	1,172
Groundwater extraction charges	6,448	7,936
Other production expenses	3,232	2,997
Total production expenses	20,614	21,389
Administrative and general	11,705	11,296
Maintenance	3,811	3,368
Property taxes and other non-income taxes	3,218	3,095
Depreciation and amortization	11,183	10,159
Total operating expense	50,531	49,307
OPERATING INCOME	10,581	12,805
OTHER (EXPENSE) INCOME:		
Interest on long-term debt	(5,039 )	(5,339 )
Mortgage and other interest expense	(396 )	(313 )
Dividend income	45	43
Other, net	309	293
Income before income taxes	5,500	7,489
Provision for income taxes	2,122	2,794
NET INCOME	3,378	4,695
Other comprehensive income (loss), net of tax:		
Unrealized gain (loss) on investment	530	(15 )
COMPREHENSIVE INCOME	\$3,908	4,680
EARNINGS PER SHARE		
Basic	\$0.17	0.23
Diluted	\$0.16	0.23
DIVIDENDS PER SHARE	\$0.20	0.20
WEIGHTED AVERAGE SHARES OUTSTANDING		
Basic	20,413,742	20,326,897
Diluted	20,560,992	20,480,276

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.



SJW Corp. and Subsidiaries  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (UNAUDITED)  
 (in thousands, except share and per share data)

	March 31, 2016	December 31, 2015
<b>ASSETS</b>		
Utility plant:		
Land	\$ 17,861	17,853
Depreciable plant and equipment	1,464,809	1,438,321
Construction in progress	58,643	45,573
Intangible assets	23,904	22,675
	1,565,217	1,524,422
Less accumulated depreciation and amortization	498,798	487,659
	1,066,419	1,036,763
Real estate investments	74,888	74,641
Less accumulated depreciation and amortization	13,599	13,207
	61,289	61,434
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	8,692	5,239
Accounts receivable:		
Customers, net of allowances for uncollectible accounts	13,799	16,390
Income tax	2,351	10,852
Other	1,731	2,192
Accrued unbilled utility revenue	16,745	17,417
Current regulatory assets, net	14,977	16,542
Other current assets	4,331	4,744
	62,626	73,376
<b>OTHER ASSETS:</b>		
Investment in California Water Service Group	6,925	6,030
Net regulatory assets, less current portion	150,563	152,021
Other	7,754	7,701
	165,242	165,752
	\$ 1,355,576	1,337,325

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

SJW Corp. and Subsidiaries  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (UNAUDITED)  
 (in thousands, except share and per share data)

	March 31, 2016	December 31, 2015
<b>CAPITALIZATION AND LIABILITIES</b>		
<b>CAPITALIZATION:</b>		
Shareholders' equity:		
Common stock, \$0.521 par value; authorized 36,000,000 shares; issued and outstanding 20,425,794 shares on March 31, 2016 and 20,381,949 on December 31, 2015	\$ 10,639	10,616
Additional paid-in capital	69,286	68,636
Retained earnings	301,433	302,220
Accumulated other comprehensive income	2,841	2,311
Total shareholders' equity	384,199	383,783
Long-term debt, less current portion	365,823	377,187
	750,022	760,970
<b>CURRENT LIABILITIES:</b>		
Line of credit	39,500	34,600
Current portion of long-term debt	14,781	3,491
Accrued groundwater extraction charges, purchased water and power	5,771	7,163
Accounts payable	19,116	16,196
Accrued interest	5,773	6,193
Accrued property taxes and other non-income taxes	2,730	1,622
Accrued payroll	4,351	4,203
Other current liabilities	5,793	6,155