



e-FILING REPORT COVER SHEET

COMPANY NAME: Avion Water Company, Inc.

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION?  No  Yes If yes, submit a redacted public version (or a cover letter) by email. Submit the confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

Select report type:  RE (Electric)  RG (Gas)  RW (Water)  RT (Telecommunications)  
 RO (Other, for example, industry safety information)

Did you previously file a similar report?  No  Yes, report docket number:

Report is required by:  OAR  
 Statute 757.125 and 757.135  
 Order  
Note: A one-time submission required by an order is a compliance filing and not a report (file compliance in the applicable docket)  
 Other  
(For example, federal regulations, or requested by Staff)

Is this report associated with a specific docket/case?  No  Yes, docket number:

List Key Words for this report. We use these to improve search results.

Send the completed Cover Sheet and the Report in an email addressed to [PUC.FilingCenter@state.or.us](mailto:PUC.FilingCenter@state.or.us)

Send confidential information, voluminous reports, or energy utility Results of Operations Reports to PUC Filing Center, PO Box 1088, Salem, OR 97308-1088 or by delivery service to 3930 Fairview Industrial Drive SE, Salem, OR 97302.



# ANNUAL RESULTS OF OPERATIONS REPORT

## SELECT COMPANY SIZE (based on Annual Revenue)

Class A Water Utility  
(Annual Gross Revenue of \$1,000,000 or more)

## FOR THE CALENDAR YEAR

2015

## COMPANY NAME

Avion Water Company, Inc.

OREGON PUBLIC UTILITY COMMISSION  
PO BOX 2148  
SALEM OR 97308-2148

REV 12/26/14

## Instructions

Avion Water Company, Inc.

The Annual Results of Operations Report, required by the Public Utility Commission (PUC or Commission) under the authority of the Oregon Revised Statutes (ORS) 757.125 and 757.135, is based on the utility's operations for a calendar or fiscal year and is a convenient method for the Commission's staff to monitor the utility's results of operations. It must be filed electronically with the PUC on or before April 1<sup>st</sup> of the year following that for which the report is made. Attach the completed report and any supplementary pages to an email addressed to the following address: [puc.filingcenter@state.or.us](mailto:puc.filingcenter@state.or.us).

- Interpret all accounting words and phrases in accordance with the USOA.
- Special or unusual entries and all discrepancies should be fully explained. If necessary, describe fully any unusual entries and discrepancies in a narrative explanation in the tab titled "Notes."
- If the utility has filed, or intends to file, a separate rate schedule in its tariff for non-contiguous portions of its water system, separate accounting for Operating Revenues, Operating Expense, Plant Investments, and related Reserve for Depreciation must be maintained by the utility for each portion of the water system relating to each separate rate schedule. This annual report, however, should include the combined financial data for the utility.
- Each incorporated utility is requested to file with this report a copy of its most recent annual report to stockholders, if one is prepared.
- All schedules that call for the balance at the beginning of the year should reflect the same end of year balance **exactly** as shown in the prior year's annual report. Any adjustments to the ending balances shown in the report for the previous year should be reflected in the current year's activity and reported along with an explanation in the annual report.

**FOR QUESTIONS ON EXCEL PROGRAM, ACCOUNTS, OR REPORTING, CONTACT GREG MILLER AT 503-373-7867 OR EMAIL AT GREG.MILLER@STATE.OR.US**

**Oath**

Avion Water Company, Inc.

**Complete Address of Reporting Utility**

Line 1:	60813 Parrell Road
Line 2:	
City:	Bend
State:	OR
Zip:	97702
phone:	(541) 382-5342
email:	rick@avionwater.com
fax:	(541) 382-5390
website:	avionwater.com

**Name and title of person responsible for report**

Name:	Richard C. Bailey
Title:	Secretary-Treasurer
Phone:	(541) 382-5342
Email:	rick@avionwater.com

**Oath & Signature**

THIS REPORT, INCLUDING ANY ACCOMPANYING SCHEDULES AND STATEMENTS, HAS BEEN EXAMINED BY ME, AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IS TRUE, CORRECT AND COMPLETE.

<input checked="" type="checkbox"/> By clicking this box I affirm the above statement.
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**Information**

Avion Water Company, Inc.

**Provide the following information for the contact person regarding this report**

Name:	Richard C. Bailey
Address:	60813 Parrell Road, Bend, OR 97702
Phone:	(541) 382-5342
Email:	rick@avionwater.com

**Provide the following information for where the utility's books and records are located**

Name:	Richard C. Bailey
Address:	60813 Parrell Road, Bend, OR 97702
Phone:	(541) 382-5342
Email:	rick@avionwater.com

**Provide the following information of any audit group reviewing records and/or operations**

Name:	Price/Fronk & Co.
Address:	2796 NW Clearwater Drive, Bend, OR 97703
Phone:	(541) 382-4791
Email:	price@bendcpa.com

**Date of original organization of the utility (month, day, year):**

1/1/1976
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**Provide the following information for all utility officers and directors**

Name	Title	Phone #	Email
Jason J. Wick	President/Director	(541) 382-5342	jason@avionwater.com
Jan M. Wick	Exec. Vice Pres./Chairman	(541) 382-5342	jan@avionwater.com
Richard C. Bailey	Secretary-Treasurer	(541) 382-5342	rick@avionwater.com
Christine M. Wick	Director	(541) 382-5342	
David L. Nelsen	Director	(503) 704-5543	
Jordan Wick	Director	(503) 639-0300	

**Provide the following information for legal counsel, accountants, and others not on utility's general payroll**

Name	Title	Phone #	Email
Kyle D. Wuepper, Brix Law LLP	Attorney	(541) 617-1309	kwuepper@brixlaw.com
Wesley B. Price III, Price/Fronk & Co.	CPA	(541) 382-4791	price@bendcpa.com

**Organization**

Avion Water Company, Inc.

**Select business type**  
Private/Investor Owned

**Select ownership type**  
Corporation

**Select accounting method**  
accrual

INSTRUCTIONS: IF THE UTILITY IS A SOLE PROPRIETORSHIP OR PARTNERSHIP, COMPLETE PART A AND PROVIDE THE NAMES AND ADDRESSES OF ALL PERSONS HAVING ANY INTEREST OR EQUITY IN THE UTILITY AND THE AMOUNT OF SUCH EQUITY. IF THE UTILITY IS A CORPORATION, COMPLETE PARTS B AND C, AND PROVIDE THE NAMES AND ADDRESSES OF THE THREE LARGEST STOCKHOLDERS AND ALL OFFICERS AND DIRECTORS. STATE THE NUMBER OF SHARES HELD BY EACH.

**Part A: Sole Proprietorship or Partnership**

1	Name of owner or partner		
	Address		
	% interest or equity		
	Principal duty (if employed by company)		

**Part B: Corporation**

1	Name of stockholder/director/officer		Jan M. Wick	
	Title	Stockholder/Chairman of the Board/Exec. Vice President		
	Address			60813 Parrell Road, Bend, OR 97702
	# shares owned			17,950.00
2	Name of stockholder/director/officer		Christine M. Wick	
	Title	Stockholder/Director		
	Address			60813 Parrell Road, Bend, OR 97702
	# shares owned			18,290.00
3	Name of stockholder/director/officer		David L. Nelsen	
	Title	Stockholder/Director		
	Address			14927 N. E. Newport Street, Portland, OR 97023
	# shares owned			4,650.00
4	Name of stockholder/director/officer		Jordan Wick	
	Title	Stockholder/Director		
	Address			5335 Meadows Road, Suite 370, Lake Oswego, OR 97035
	# shares owned			23,500.00
5	Name of stockholder/director/officer		Jason J. Wick	
	Title	Stockholder/Director/President		
	Address			60813 Parrell Road, Bend, OR 97702
	# shares owned			27,750.00
6	Name of stockholder/director/officer		Leah E. Wick	
	Title	Stockholder		
	Address			5335 Meadows Road, Suite 370, Lake Oswego, OR 97035
	# shares owned			1,200.00
7	Name of stockholder/director/officer		Adam Wick	
	Title	Stockholder		
	Address			5335 Meadows Road, Suite 370, Lake Oswego, OR 97035
	# shares owned			1,200.00
8	Name of stockholder/director/officer		Joseph Wick	
	Title	Stockholder		
	Address			60813 Parrell Road, Bend, OR 97702
	# shares owned			1,200.00

**Part C: Corporation - Shares Outstanding**

	Common Stock	Preferred Stock
# shares authorized	100000	
# shares issued at year end	95740	
Par or stated value per share:	\$ 0.4767	
Dividends declared per share during the year:	\$ (7)	

**Affiliates**

Avion Water Company, Inc.

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any one year, entered into between the company and an affiliated business or financial organization, firm, partnership, or individual. For a definition of affiliated, see ORS 757.015.

**Products or Services SOLD to Affiliated Interests**

Name of Affiliate	Description of product or service	Contract or Agreement effective date	Revenue
N/A			
			\$ -

**Products or Services PURCHASED from Affiliated Interests**

Name of Affiliate	Description of product or service	Contract or Agreement effective date	Cost
Jan M. Wick	Salary and benefits	Order #07-081	\$ 173,597
Jan and Christine Wick	Guarantee Fee	Order #07-417	\$ 44,904
Jason J. Wick	Salary and benefits		\$ 194,742
Jason J. Wick	Guarantee Fee		\$ 44,904
Jordan Wick	Guarantee Fee		\$ 44,904
			\$ 503,051

TOTAL \$ (503,051)

Explanations or Notes

**Revenues**

Avion Water Company, Inc.

gal or cf

cf

**Consumption and Revenue**

	Act #	# customers at year beginning	# customers at year end	Total Quantity water sold	revenues
Unmetered (flat rate) water sales	460				
Metered sales to RESIDENTIAL customers	461.1	11,733	12,157	272,463,870	\$ 6,419,218
Metered sales to COMMERCIAL customers	461.2	314	305	40,915,870	\$ 797,188
Metered sales to INDUSTRIAL customers	461.3				
Other metered sales to public authorities	461.4				
Metered sales to multiple family dwellings	461.5				
Public fire protection revenue	462.1				\$ 29,296
Private fire protection revenue	462.2				
Other Sales to public authorities	464				
Sales to irrigation customers	465	789	789		\$ 368,232
Sales for resale	466				\$ 26,697
Water Sales to golf course/recreation revenue	467				
Special contract/agreement revenue	468				
<b>TOTAL</b>		<b>12,836</b>	<b>13,251</b>	<b>313,379,740</b>	<b>\$ 7,640,631</b>

**Revenue other than water sales**

	Act #	revenues
Forfeited discounts	470	
Miscellaneous service revenues	471	\$ 98,463
Rents from water property	472	
Interdepartmental rents	473	
Other	474	\$ 154,388
Cross Connection sales & services revenues	475	\$ 243,319
<b>Total</b>		<b>\$ 496,170</b>

Total Operating Revenue

\$ 8,136,801

**Average Monthly Consumption and Bill**

	Act #	Average Monthly Consumption per customer	Average Monthly Revenue per customer
Unmetered (flat rate) water sales	460		
Metered sales to RESIDENTIAL customers	461.1	1900.822311	44.78316116
Metered sales to COMMERCIAL customers	461.2	11016.65859	214.6439391
Metered sales to INDUSTRIAL customers	461.3		
Other metered sales to public authorities	461.4		
Metered sales to multiple family dwellings	461.5		
Public fire protection revenue	462.1		
Private fire protection revenue	462.2		
Other Sales to public authorities	464		
Sales to irrigation customers	465		38.89231834
Sales for resale	466		
Water Sales to golf course/recreation revenue	467		
Special contract/agreement revenue	468		



**Taxes & property sales**

Avion Water Company, Inc.

**Act # TAXES OTHER THAN INCOME TAX**

408.11	Property Tax	\$	282,822
408.12	Payroll Tax	\$	159,891
408.13	Other Tax Other Than Income Tax	\$	115,863
408.2	Nonutility Taxes Other Than Income Tax		
		TOTAL	\$ 558,576

**Act # INCOME TAXES**

409.1	Federal Income Tax	\$	692,112
409.11	State Income Tax	\$	197,113
409.13	Other Income Tax		
409.2	Nonutility Income Tax		
		TOTAL	\$ 889,225

**Act # DEFERRED AND PROVISION FOR DEFERRED INCOME TAXES**

410.1	Deferred Federal Income Taxes – Utility Operations	\$	(103,696)
410.11	Deferred State Income Taxes – Utility Operations	\$	(44,277)
410.2	Provision for Deferred Income Taxes – Other Income and Deductions		
411.1	Provision for Deferred Income Taxes – Credit – Utility Operations		
411.2	Provision for Deferred Income Taxes – Credit – Other income & Deductions		
		TOTAL	\$ (147,973)

**GAINS AND LOSSES FROM UTILITY PROPERTY SALE - ACCOUNT 414 (enter losses as negative amounts)**

Description	Amount
Land	\$ 16,961
Srap sold	\$ 1,400
cell phones	\$ (1,590)
Total	\$ 16,771

**Expenses**

Avion Water Company, Inc.

<b>Act #</b>		<b>Expense amount</b>
601	Salaries and Wages - employees	\$ 1,453,461
603	Salaries and Wages – officers, directors, and majority stockholders	\$ 464,069
604	Employee Pensions & Benefits	\$ 683,268
610	Purchased Water	\$ 203,464
611	Telephone/Communications	\$ 48,976
615	Purchased Power	\$ 819,864
616	Fuel for Power Production	
617	Utilities - Other (garbage, natural gas)	\$ 7,693
618	Chemicals & testing	
619	Office Supplies (excluding postage)	\$ 8,761
619.1	Postage	\$ 7,348
620	Materials & Supplies (O&M)	\$ 414,191
621	Repairs of Water Plant	\$ 138,020
631	Contractual Services - engineering	
632	Contractual Services - accounting	\$ 10,580
633	Contractual Services - legal	\$ 20,414
634	Contractual Services - management	
635	Contractual Services – testing / sampling	\$ 37,018
636	Contractual Services – labor	\$ 1,648
637	Contractual Services - billing/collections	\$ 86,275
638	Contractual Services - meter reading	\$ 139,210
639	Contractual Services - other	\$ 54,212
641	Rental of Building / Real Property	\$ 26,396
642	Rental of Equipment	\$ 6,176
643	Small Tools	\$ 4,161
648	Computer and electronic Expenses	\$ 27,207
650	Transportation Expenses	\$ 145,503
656	Insurance - Vehicle	\$ 12,184
657	Insurance – General Liability	\$ 41,487
658	Insurance – Workman’s Compensation	\$ 19,619
659	Insurance – Other	\$ 9,771
660	Public Relation / Advertising Expense	
666	Amortization of Rate Case Expense	
667	Regulatory Commission Fee (Gross Rev Fee)	\$ 19,852
668	Conservation Expense	\$ 20,092
670	Bad Debt Expense	\$ 20,190
671.1	Cross Connection Control Program Expense	
671.2	Cross Connection Testing & Maintenance Services	
673	Training & Certification Expense	\$ 18,133
674	Consumer Confidence Report	\$ 8,316
675	Miscellaneous Expense	\$ 201,229
	<b>TOTAL</b>	<b>\$ 5,178,786</b>

**Plant**

Avion Water Company, Inc.

NOTE: Do **NOT** include any donated capital or contributions in aid of construction (CIAC) on this page.

Act #		Beg Year Balance	Added during year	Retired during year	Adjustments	End of year balance
301	Organization	\$ 211				\$ 211
302	Franchises					\$ -
303	Land & land rights	\$ 2,005,684	\$ 110,240	\$ 38,500		\$ 2,077,424
304	Structures & improvements	\$ 1,541,773	\$ 93,843			\$ 1,635,616
305	Collecting & impounding reservoirs	\$ 4,769				\$ 4,769
306	Lake, river & other intakes	\$ 33,478				\$ 33,478
307	Wells & springs	\$ 1,556,682	\$ 10,000			\$ 1,566,682
308	Infiltration galleries & tunnels	\$ 106				\$ 106
309	Supply mains	\$ 141,432	\$ 288,776			\$ 430,208
310	Power generation equipment	\$ 1,203				\$ 1,203
311	Pumping equipment	\$ 1,612,687	\$ 6,229			\$ 1,618,916
320	Water treatment equipment	\$ 16,002	\$ 1,409			\$ 17,411
330	Distribution reservoirs & standpipes	\$ 3,637,298	\$ 8,650			\$ 3,645,948
331	Transmission & distribution mains	\$ 33,423,009	\$ 1,087,616			\$ 34,510,625
333	Services	\$ 1,224,291	\$ 16,821			\$ 1,241,112
334	Meters & meter installations	\$ 1,005,614	\$ 70,198	\$ 6,744		\$ 1,069,068
335	Hydrants	\$ 151,521	\$ 3,086	\$ 3,405		\$ 151,202
336	Backflow prevention devices (utility owned)	\$ 155,019	\$ 23,954			\$ 178,973
339	Other plant & miscellaneous equipment	\$ 210,713				\$ 210,713
340	Office furniture & equipment	\$ 158,196	\$ 780			\$ 158,976
341	Transportation equipment	\$ 598,045	\$ 2,053			\$ 600,098
343	Tools, shop & garage equipment	\$ 113,143	\$ 10,289			\$ 123,432
344	Laboratory equipment	\$ -				\$ -
345	Power operated equipment	\$ 155,154				\$ 155,154
346	Communication equipment	\$ 99,460	\$ 11,040	\$ 3,337		\$ 107,162
347	Electronic & computer equipment	\$ 190,320	\$ 3,946			\$ 194,266
348	Miscellaneous equipment	\$ 17,431				\$ 17,431
	<b>TOTAL</b>	<b>\$ 48,053,241</b>	<b>\$ 1,748,930</b>	<b>\$ 51,987</b>	<b>\$ -</b>	<b>\$ 49,750,184</b>

Explanation of unusual changes in utility plant during the year:

Avion Water Company, Inc.

**Advances for Construction**

Beg of year balance	
Additions during year	
Subtractions during year	
End of year balance	\$ -

**Contributions in Aid of Construction**

Beg of year balance	\$ 22,783,100
Added during the year:	
Capacity charge	\$ 271,173
Main line extension charges	
Customer connection charges	
Developer's property	
Other	\$ 935,033
Retired during the year	
End of year balance	\$ 23,989,306

**Accumulated Amortization of CIAC**

Beg of year balance	\$ 5,252,723
Add CIAC amortized during year	\$ 514,878
Subtract effects of CIAC disposals	
+/- other adjustments*	
Change in Accumulated Amortization during the year	\$ 514,878
End of year balance	\$ 5,767,601

\* Explain any adjustments:

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**Depreciation**

Avion Water Company, Inc.

NOTE: Do **NOT** include any contributions in aid of construction (CIAC) on this page.

<u>Act #</u>	<u>annual depreciation expense</u>	<u>acc dep balance beg of year</u>	<u>accruals booked to acc dep</u>	<u>plant retired charged to acc dep</u>	<u>Adjustments*</u>	<u>acc dep balance end of year</u>
301	Organization					
302	Franchises					
303	Land & land rights					
304	Structures & improvements	\$ 35,918	\$ 544,739	\$ 35,918		\$ 580,657
305	Collecting & impounding reservoirs	\$ 104	\$ 2,993	\$ 104		\$ 3,097
306	Lake, river & other intakes	\$ 670	\$ 18,291	\$ 670		\$ 18,961
307	Wells & springs	\$ 50,001	\$ 457,256	\$ 50,001		\$ 507,257
308	Infiltration galleries & tunnels	\$ 2	\$ 81	\$ 2		\$ 83
309	Supply mains	\$ 5,715	\$ 10,600	\$ 5,715		\$ 16,315
310	Power generation equipment	\$ 22	\$ 962	\$ 22		\$ 984
311	Pumping equipment	\$ 37,038	\$ 1,221,754	\$ 37,038		\$ 1,258,792
320	Water treatment equipment	\$ 841	\$ 2,460	\$ 841		\$ 3,301
330	Distribution reservoirs & standpipes	\$ 98,934	\$ 1,203,357	\$ 98,934		\$ 1,302,291
331	Transmission & distribution mains	\$ 674,317	\$ 8,345,421	\$ 674,317		\$ 9,019,738
333	Services	\$ 29,268	\$ 589,001	\$ 29,268		\$ 618,269
334	Meters & meter installations	\$ 45,325	\$ 406,670	\$ 45,325	\$ 6,744	\$ 445,251
335	Hydrants	\$ 3,679	\$ 64,448	\$ 3,679	\$ 3,405	\$ 64,721
336	Backflow prevention devices (utility owned)	\$ 11,133	\$ 60,997	\$ 11,133		\$ 72,130
339	Other plant & miscellaneous equipment	\$ 5,300	\$ 105,441	\$ 5,300		\$ 110,741
340	Office furniture & equipment	\$ 1,428	\$ 140,150	\$ 1,428		\$ 141,578
341	Transportation equipment	\$ 45,808	\$ 373,750	\$ 45,808		\$ 419,558
343	Tools, shop & garage equipment	\$ 3,805	\$ 80,542	\$ 3,805		\$ 84,347
344	Laboratory equipment		\$ -	\$ -		\$ -
345	Power operated equipment	\$ 5,241	\$ 107,448	\$ 5,241		\$ 112,689
346	Communication equip	\$ 2,876	\$ 89,522	\$ 2,876	\$ 1,426	\$ 90,972
347	Electronic & computer Equipment	\$ 18,022	\$ 144,292	\$ 18,022		\$ 162,314
348	Miscellaneous Equipment	\$ 1,420	\$ 8,732	\$ 1,420		\$ 10,152
	<b>TOTAL</b>	<b>\$ 1,076,866</b>	<b>\$ 13,978,907</b>	<b>\$ 1,076,866</b>	<b>\$ 11,576</b>	<b>\$ 15,044,197</b>

\*Explanation of any adjustments made:

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## Retained Earnings

Avion Water Company, Inc.

215	Unappropriated Retained Earnings (beginning of year balance)	\$	9,981,641
435	Balance transferred from income	\$	890,105
436	Appropriations of Retained Earnings	\$	-
437	Preferred Stock dividends declared	\$	-
438	Common Stock dividends declared	\$	(714,000)
439	Adjustments to Retained Earnings*	\$	530,024
215	Unappropriated Retained Earnings (as of year end)	\$	10,687,770

Explanation of any adjustments made to Retained Earnings

Stock redemption = \$359,051; Federal and state taxes = \$889,075

**Other Accounts**

Avion Water Company, Inc.

For account information not already entered, please enter amounts below, if applicable.

Category Act # Act Name  
**ASSETS AND OTHER DEBITS (101-190)**  
 Utility Plant

101	Utility Plant in Service	\$ 49,750,184
102	Utility Plant Leased to Others	
103	Property Held for Future Use	\$ 177,359
104	Utility Plant Purchased or Sold	
105	Construction Work in Progress - Commission Approved	\$ 658,144
108	Accumulated Depreciation of Utility Plant in Service	\$ 15,044,197
110	Accumulated Amortization of Utility Plant in Service	
114	Utility Plant Acquisition Adjustments	\$ 59,090
115	Accumulated Amortization of Utility Plant Acquisition Adjustments	

Other Property & Investments

121	Nonutility Property	
122	Accumulated Depreciation and Amortization of Nonutility Property	
123	Investment in Associated Companies	
124	Utility Investments	
125	Other Investments	
127	Other Special Funds	

Current & Accrued Assets

131	Cash	\$ 1,172,526
132	Special Deposits	
134	Working Funds	
135	Temporary Cash Investments	
141	Customer Accounts Receivable	\$ 295,021
142	Other Accounts Receivable	
143	Allowance for Uncollectible Accounts (Enter positive)	\$ 29,502
144	Notes Receivable	\$ 8,008
145	Accounts Receivable from Associated Companies	
146	Notes Receivable from Associated Companies	
151	Plant Materials and Supplies	\$ 196,472
162	Prepayments	\$ 63,695
171	Accrued Interest Receivable	
174	Miscellaneous Current and Accrued Assets	

Deferred Debits

181	Unamortized Debt Discount and Expense	
182	Extraordinary Property Losses	
186	Miscellaneous Deferred Debits	\$ 26,746
190	Accumulated Deferred Income Taxes	

**EQUITY, LIABILITIES, AND OTHER CREDITS (201-283)**

Equity

201	Common Stock Issued	\$ 45,639
204	Preferred Stock Issued	\$ -
207	Premium on Capital Stock	\$ 183,505
211	Paid in Capital	
212	Discount on Capital Stock	
213	Capital Stock Expense	
214	Appropriated Retained Earnings	
215	Unappropriated Retained Earnings	\$ 10,687,770
216	Reacquired Capital Stock	\$ 75,000
218	Proprietary Capital	

Long Term Debt

221	Bonds	
223	Advances from Associated Companies	
224	Other Long-Term Debt	\$ 7,361,491

Current and Accrued Liabilities

231	Accounts Payable	\$ 241,760
232	Notes Payable	
233	Accounts Payable to Associated Companies	
234	Notes Payable to Associated Companies	
235	Customer Deposits	\$ 1,500
236	Accrued Taxes	\$ (138,669)
237	Accrued Interest	\$ 11,270
238	Accrued Dividends	
239	Matured Long-Term Debt	
240	Matured Interest	
241	Miscellaneous Current and Accrued Liabilities	\$ 236,448

Deferred Credits

251	Unamortized Premium on Debt	
252	Advances for Construction	\$ -
253	Other Deferred Credits	

Operating Reserves

261	Property Insurance Reserve	
262	Injuries and Damages Reserve	
263	Pensions and Benefits Reserve	
265	Miscellaneous Operating Reserves	

Contributions in Aid of Construction

271	Contributions in Aid of Construction	\$ 23,989,306
272	Accumulated Amortization of CIAC	\$ 5,767,601

Accumulated Deferred Income Taxes

281	Accumulated Deferred Income Taxes - Accelerated Depreciation	
282	Accumulated Deferred Income Taxes - Liberalized Depreciation	
283	Accumulated Deferred Income Taxes - Other	\$ 556,126

**WATER UTILITY PLANT ACCOUNTS (301-348)**

301	Organization	\$ 211
302	Franchises	\$ -
303	Land and Land Rights	\$ 2,077,424
304	Structures and Improvements	\$ 1,635,616
305	Collecting and Impounding Reservoirs	\$ 4,769
306	Lakes, River and Other Intakes	\$ 33,478
307	Wells and Springs	\$ 1,566,682
308	Infiltration Galleries and Tunnels	\$ 106
309	Supply Mains	\$ 430,208
310	Power Generation Equipment	\$ 1,203
311	Pumping Equipment	\$ 1,618,916
320	Water Treatment Equipment	\$ 17,411
330	Distribution Reservoirs and Standpipes	\$ 3,645,948
331	Transmission and Distribution Mains	\$ 34,510,625
333	Services	\$ 1,241,112
334	Meters and Meter Installations	\$ 1,069,068
335	Hydrants	\$ 151,202
336	Backflow Prevention Devices	\$ 178,973
339	Other Plant and Miscellaneous Equipment	\$ 210,713
340	Office Furniture and Equipment	\$ 158,976
341	Transportation Equipment	\$ 600,098
343	Tools, Shop and Garage Equipment	\$ 123,432
344	Laboratory Equipment	\$ -

345	Power Operated Equipment	\$ 155,154
346	Communication Equipment	\$ 107,162
347	Computer & electronic Equipment	\$ 194,266
348	Miscellaneous Equipment	\$ 17,431

**INCOME ACCOUNTS (404-434)**

Utility Operating Income

400	Operating Revenue	\$ 8,136,801
401	Operating Expenses	\$ 5,178,786
403	Depreciation Expense	\$ 1,076,866
406	Amortization of Utility Plant Acquisition Adjustment	
407	Amortization Expense (no CIAC)	
408	Taxes Other than Income	\$ 558,576
409	Income Taxes	\$ 889,225
410	Provision for Deferred Income Taxes - Debit	\$ (147,973)
411	Provision for Deferred Income Taxes - Credit	\$ -
412	Investment Tax Credit	
413	Income from Utility Plant Leased to Others	
414	Gain/Loss from Utility Property Sales	\$ 16,771
415	Revenues from Merchandising, Jobbing, and Contract Work	\$ 104,026
416	Cost and Expenses of Merchandising, Jobbing, and Contract Work	\$ 37,883
419	Interest and Dividend Income	\$ 166
421	Nonutility Income	
426	Nonutility Expenses	\$ 17,825
433	Extraordinary Income	
434	Extraordinary Deductions	

Taxes Applicable to Nonutility Income and Deductions

408.2	Taxes Other than Income - Nonutility	\$ -
409.2	Income Taxes - Nonutility	\$ -
410.2	Provision for Deferred Income Taxes - Debit - Nonutility	\$ -
411.2	Provision for Deferred Income Taxes - Credit - Nonutility	\$ -

Interest Expense

427	Interest Expense	\$ 271,349
428	Amortization of Debt Discount and Expense	
429	Amortization of Premium on Debt	

Retained Earnings Account (435-439)

435	Balance Transferred from Income	\$ 890,105
436	Appropriations of Retained Earnings	
437	Preferred Stock Dividends Declared	\$ -
438	Common Stock Dividends Declared	\$ (714,000)
439	Adjustment to Retained Earnings	\$ 530,024

**OPERATING REVENUE ACCOUNTS (460-475)**

460	Unmetered Water Revenue	\$ -
461.1	Metered Sales to Residential Customers	\$ 6,419,218
461.2	Metered Sales to Commercial Customers	\$ 797,188
461.3	Metered Sales to Industrial Customers	\$ -
461.4	Metered Sales to Public Authorities	\$ -
461.5	Metered Sales to Multiple Family Dwellings	\$ -
462.1	1 Public Fire Protection	\$ 29,296
462.2	2 Private Fire Protection	\$ -
464	Other Sales to Public Authorities	\$ -
465	Sales to Irrigation Customers	\$ 368,232
466	Sales for Resale	\$ 26,697
467	Interdepartmental Sales	\$ -
468	Special Contract/Agreement Revenue	\$ -
470	Forfeited Discounts	\$ -
471	Miscellaneous Service Revenues	\$ 98,463
472	Rents From Water Property	\$ -
473	Interdepartmental Rents	\$ -
474	Other Water Revenues	\$ 154,388
475	Cross Connection Sales & Services Revenues	\$ 243,319

**OPERATION AND MAINTENANCE EXPENSE ACCOUNTS (601-675)**

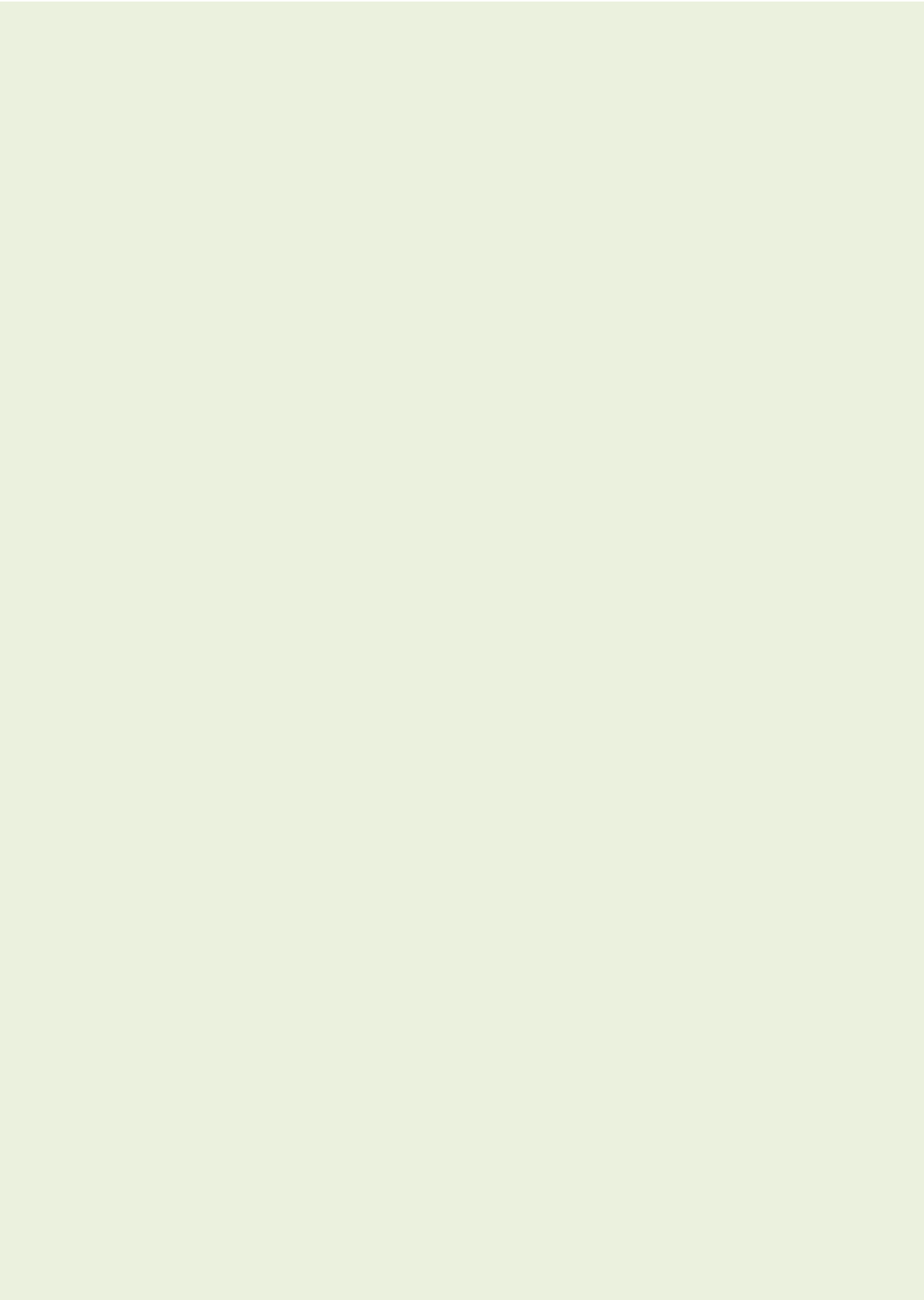
Source of Supply and Expenses

601	Salaries and Wages - Employees	\$ 1,453,461
603	Salaries and Wages - Officers, Directors and Majority Stockholders	\$ 464,069
604	Employee Pensions and Benefits	\$ 683,268
610	Purchased Water	\$ 203,464
611	Telephone/Communications	\$ 48,976
615	Purchased Power	\$ 819,864
616	Fuel for Power Production	\$ -
617	Utilities - Other	\$ 7,693
618	Chemicals & testing	\$ -
619	Office Supplies (excluding postage)	\$ 8,761
619.1	Postage	\$ 7,348
620	Materials and Supplies	\$ 414,191
621	Repairs to Water Plant	\$ 138,020
631	Contractual Services - Engineering	\$ -
632	Contractual Services - Accounting	\$ 10,580
633	Contractual Services - Legal	\$ 20,414
634	Contractual Services - Management Fees	\$ -
635	Contractual Services - Testing/Sampling	\$ 37,018
636	Contractual Services - Other	\$ 1,648
637	Contractual Services - Billing/Collections	\$ 86,275
638	Contractual Services - Meter Reading	\$ 139,210
639	Contractual Services - Other	\$ 54,212
641	Rental of Building/Real Property	\$ 26,396
642	Rental of Equipment	\$ 6,176
643	Small Tools	\$ 4,161
648	Computer & Electronic Expenses	\$ 27,207
650	Transportation Expenses	\$ 145,503
656	Insurance - Vehicle	\$ 12,184
657	Insurance - General Liability	\$ 41,487
658	Insurance - Workman's Compensation	\$ 19,619
659	Insurance - Other	\$ 9,771
660	Public Relations / Advertising Expense	\$ -
666	Regulatory Commission Expense - Amortization of Rate Case Expense	\$ -
667	Regulatory Commission Expense - Other	\$ 19,852
668	Water Resource Conservation Expense	\$ 20,092
670	Bad Debt Expense	\$ 20,190
671.1	Cross Connection Control Program Expense	\$ -
671.2	Cross Connection Testin & Maintenance Services	\$ -
672	System Capacity Development Program Expense	\$ -
673	Training & Certification Expense	\$ 18,133
674	Consumer Confidence Report	\$ 8,316
675	Miscellaneous Expenses	\$ 201,229

**Notes**

Avion Water Company, Inc.

Notes and explanations:





## Income Statement

Avion Water Company, Inc.

400 Operating Revenue	\$ 8,136,801
401 Operating Expenses	\$ 5,178,786
403 Depreciation Expense	\$ 561,988
406 Amortization of Utility Plant Acquisition Adjustment	\$ -
407 Amortization Expense	\$ -
408 Taxes Other Than Income Taxes (total)	\$ 558,576
409 Income Taxes	\$ 889,225
410.1 Provision for Deferred Income Taxes - debit	\$ (147,973)
411.1 Provision for Deferred Income Taxes - credit	\$ -
412 Investment Tax Credit	\$ -
413 Income From Utility Plant Leased to Others	\$ -
419 Interest & Dividend Income	\$ 166
427 Interest Expense	\$ 271,349
428-429 Amortization of Premium/Discount on Debt	\$ -
414 Gains/Losses From Utility Property Disposition (net)	\$ 16,771
433-434 Extraordinary Income/deductions (net)	\$ -
NET UTILITY OPERATING INCOME	\$ 841,787
421 Nonutility Income	\$ -
415 Revenue From Merchandising, Jobbing, & Contracts	\$ 104,026
426 Nonutility Expense	\$ 17,825
408.2 Nonutility Taxes Other Than Income Tax	\$ -
409.2 Nonutility Income Taxes	\$ -
410.2 Nonutility Deferred Income Taxes	\$ -
411.2 Nonutility Provision for Deferred Income Taxes Credit	\$ -
416 Cost & Expense of Merchandising, Jobbing, Contracts	\$ 37,883
Net Income	\$ 890,105

**Balance Sheet**

Avion Water Compa

**Please do not submit to PUC until figures are balanced.**

101 Utility Plant in Service (excluding CIAC)	\$	49,750,184
108-110 Accumulated Depreciation & Amortization	\$	15,044,197
Subtotal	\$	34,705,987
102-104 Other Utility Plant	\$	177,359
105 Commission Approved Construction Work in Progress (CWIP)	\$	658,144
114 Commission Approved Utility Plant Acquisition Adjustments	\$	59,090
115 Accumulated Amortization of Commission Approved Acquisition Adjustments	\$	-
190 Accumulated Deferred Income Taxes (asset)	\$	-
Subtotal	\$	894,593
Net Utility Plant	\$	35,600,580
131 Cash	\$	1,172,526
132 Special Deposits	\$	-
141-142 Accounts Receivable	\$	295,021
143 Accumulated Provision for Uncollectible Accounts	\$	29,502
144 Notes Receivable	\$	8,008
145-146 Accounts & Notes Receivable from Associated Companies	\$	-
151 Materials & Supplies Inventory	\$	196,472
133-135 & 162-174 Miscellaneous Current & Accrued Assets & Prepayments	\$	63,695
Net Current & Accrued Assets	\$	1,706,220
181-186 Deferred Debits	\$	26,746
Total Assets	\$	37,333,545
252 Advances for Construction	\$	-
271 CIAC	\$	23,989,306
272 Accumulated Amortization of CIAC	\$	5,767,601
Net CIAC & Advances for Construction	\$	18,221,705
121 Nonutility Property	\$	-
122 Accumulated Depreciation & Amortization (Nonutility)	\$	-
123-127 Miscellaneous Nonutility Investments	\$	-
Nonutility Plant & Investment	\$	-
221-224 Long-Term Debt	\$	7,361,491
231 Accounts Payable	\$	241,760
232 Notes Payable	\$	-
233 Accounts Payable to Affiliated Companies	\$	-
234 Notes Payable to Affiliated companies	\$	-
235 Customer Deposits	\$	1,500
236 Accrued Taxes	\$	(138,669)
237 Accrued Interest	\$	11,270
238-241 Miscellaneous Current and Accrued Liabilities	\$	236,448
Liabilities	\$	7,713,800
251 Premium on Unamortized Debt	\$	-
253 Other Deferred Credit	\$	-
261-265 Reserves	\$	-
Other	\$	-
281 Accumulated Deferred Income Taxes-Accelerated Amortization	\$	-
282 Accumulated Deferred Income Taxes-Liberalized Depreciation	\$	-
283 Accumulated Deferred Income Taxes-Other	\$	556,126
Total Liabilities	\$	8,269,926
201 Common Stock Issued	\$	45,639
204 Preferred Stock Issued	\$	-
207 Premium on Capital Stock	\$	183,505
211 Other Paid in Capital	\$	-
212 Discount on Capital Stock	\$	-
213 Capital Stock Expense	\$	-
214 Appropriated Retained Earnings	\$	-
215 Unappropriated Retained Earnings	\$	10,687,770
216 Reacquired Capital Stock	\$	75,000
218 Proprietary Capital (Proprietorships & Partnerships Only)	\$	-
Total Equity	\$	10,841,913
Total Liabilities and Equity	\$	37,333,545

**Stats**

Avion Water Company, Inc.

**Operating Revenues**

Flat Rate	\$	-
Metered - Residential	\$	6,419,218
Metered - Commercial	\$	797,188
Irrigation (including golf courses)	\$	368,232
Fire Protection	\$	29,296
Other Sales of Water	\$	26,697
Other Operating Revenue	\$	496,170
<b>Total Operating Revenues</b>	\$	<b>8,136,801</b>

**Operating Expenses**

Purchased Water	\$	203,464
Purchased Power	\$	819,864
Water Treatment	\$	37,018
Supplies and Expenses	\$	1,047,095
Repairs of Plant	\$	138,020
Administrative & General	\$	2,933,326
<b>Total Operating Expenses</b>	\$	<b>5,178,786</b>

**Other Revenue Deductions**

Depreciation & Amortization	\$	561,988
Operating Income Taxes	\$	741,252
Other Operating Taxes	\$	558,576
Uncollectible Revenue/Bad Debt Expense	\$	20,190
<b>Total Revenue Deductions</b>	\$	<b>1,882,006</b>

**Total Expenses and Deductions**

	\$	7,060,792
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Other Income	\$	166
Interest on Long-Term Debt		
Other Interest Charges	\$	271,349
Other Income Deductions	\$	147,973
<b>Net Operating Income (or Loss)</b>	\$	<b>656,853</b>

**Assets & Other Debits**

Utility Plant	\$	49,750,184
Less: Depreciation & Amortization Reserve	\$	15,044,197
Other Property & Investments	\$	1,172,526
Materials and Supplies	\$	196,472
Other Current & Accrued Assets	\$	1,231,815
Deferred Debits	\$	26,746
<b>Total Assets &amp; Other Debits</b>	\$	<b>37,333,545</b>

**Liabilities & Other Credits**

Capital/Common Stock	\$	154,144
Retained Earnings	\$	10,687,770
Long-Term Debt	\$	7,361,491
Customer Deposits	\$	1,500
Other Current & Accrued Liabilities	\$	350,809
Advances for Construction	\$	-
Other Deferred Credits	\$	-
Contributions in Aid of Construction	\$	18,221,705
Accumulated Deferred Income Taxes	\$	556,126
<b>Total Liabilities &amp; Other Credits</b>	\$	<b>37,333,545</b>

**Average Number of Customers**

Flat Rate	-
Metered - Residential	12,157
Metered - Commercial	305
Irrigation (including golf courses)	789
Fire Protection	-
Other	-
<b>Total Customers</b>	<b>13,251</b>