



ANNUAL RESULTS OF OPERATIONS REPORT

COMPANY SIZE (based on Annual Revenue)

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

FOR THE CALENDAR YEAR

2019

COMPANY NAME

Roats Water System, Inc.

OREGON PUBLIC UTILITY COMMISSION
PO BOX 1088
SALEM OR 97308-1088

INSTRUCTIONS

Roats Water System, 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 1st of the year following that for which the report is made. Attach the completed report **in Excel ONLY with formulae intact** and any supplementary pages to an email addressed to the following address: puc.filingcenter@state.or.us.

- Interpret all accounting words and phrases in accordance with the USOA.
- Special or unusual entries and all discrepancies must be fully explained. 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 CONTACT RUSS BEITZEL AT 503-378-6628 OR EMAIL AT
RUSSELL.BEITZEL@STATE.OR.US**

OATH

Roats Water System, Inc.

Complete Address of Reporting Utility

Line 1:	61147 SW Hamilton Lane
Line 2:	
City:	Bend
State:	Oregon
Zip:	97702
phone:	(541) 382-3029
email:	bill@roatswater.com
fax:	(541) 382-2292
website:	www.roatswatersystem.com

Name and title of person responsible for report

Name:	William K. Roats
Title:	President
Phone:	(541) 382-3029
Email:	bill@roatswater.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.

INFORMATION

Roats Water System, Inc.

Provide the following information for the contact person regarding this report

Name:	Charles F. Peters, CPA Retired
Address:	61147 SW Hamilton Lane
Phone:	(541) 382-3029
Email:	chuck@roatswater.com

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

Name:	Roats Water System, Inc.
Address:	61147 SW Hamilton Lane
Phone:	(541) 382-3029
Email:	chuck@roatswater.com

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

Name:	
Address:	
Phone:	
Email:	

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

8/15/1963

Provide the following information for all utility officers and directors

Name	Title	Phone #	Email
William K. Roats	President	(541) 382-3029	bill@roatswater.com
William C. Roats	Vice President	(541) 382-3029	
Shirley Roats	Secretary	(541) 382-3029	

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

Name	Title	Phone #	Email
Wesley B. Price	CPA	(541) 382-4791	price@bendcpa.com
Neil R. Bryant	Attorney	(541) 382-4331	

ORGANIZATION

Roats Water System, 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)	
2	Name of owner or partner	
	Address	
	% interest or equity	
	Principal duty (if employed by company)	
3	Name of owner or partner	
	Address	
	% interest or equity	
	Principal duty (if employed by company)	
4	Name of owner or partner	
	Address	
	% interest or equity	
	Principal duty (if employed by company)	

Part B: Corporation

1	Name of stockholder/director/officer	William K. and Shirley Roats
	Title	President and Secretary
	Address	61147 SW Hamilton Lane, Bend, OR, 97702
	# shares owned	44.00
2	Name of stockholder/director/officer	William C. Roats
	Title	Vice President
	Address	61147 SW Hamilton Lane, Bend, OR, 97702
	# shares owned	6.00
3	Name of stockholder/director/officer	Michelle Berg
	Title	Director
	Address	61147 SW Hamilton Lane, Bend, OR, 97702
	# shares owned	6.00
4	Name of stockholder/director/officer	
	Title	
	Address	
	# shares owned	

Part C: Corporation - Shares Outstanding

	Common Stock	Preferred Stock
# shares authorized	500	
# shares issued at year end	56	
Par or stated value per share:	\$ 122.8200	
Dividends declared per share during the year:		

AFFILIATED INTERESTS

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500.00 in any one year, entered into between the company and an affiliated business or financial organization, firm, partnership, or individual. An Affiliated Interest is defined, in part, as every corporation and/or person owning or holding directly or indirectly **5 percent** or more of the voting securities of the utility. For a complete definition of affiliated interest, 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
			\$ -

Products or Services PURCHASED from Affiliated Interests

Name of Affiliate	Description of product or service	Contract or Agreement effective date	Cost
William K. Roats	Facility rents	Approved affiliated interest	\$ 126,036
Roats Excavation, LLC	Construction services	Approved affiliated interest	\$ -
William K. Roats	Salary, health and retirement benefits	Approved affiliated interest	\$ 106,812
			\$ 232,848

TOTAL \$ (232,848)

Explanations or Notes

REVENUES

Roats Water System, Inc.

gal or cf

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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	2,271	2,312	40,995,949	\$ 1,407,234
Metered sales to COMMERCIAL customers	461.2	193	193	11,563,910	\$ 306,364
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		2,499		\$ 14,926
Private fire protection revenue	462.2		41		\$ 14,382
Other Sales to public authorities	464				
Sales to irrigation customers	465		520		\$ 392,121
Sales for resale	466				
Water Sales to golf course/recreation revenue	467				
Special contract/agreement revenue	468				
TOTAL		2,464	5,565	52,559,859	\$ 2,135,027

Revenue other than water sales

	Act #	revenues
Forfeited discounts	470	
Miscellaneous service revenues	471	\$ 1,679
Rents from water property	472	
Interdepartmental rents	473	
Other	474	
Cross Connection sales & services revenues	475	\$ 55,249
Total		\$ 56,928

Total Operating Revenue

\$ 2,191,955

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	1490.870209	51.17586734
Metered sales to COMMERCIAL customers	461.2	4993.052677	132.2815199
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		0.497732426
Private fire protection revenue	462.2		29.23170732
Other Sales to public authorities	464		
Sales to irrigation customers	465		62.83990385
Sales for resale	466		
Water Sales to golf course/recreation revenue	467		
Special contract/agreement revenue	468		

TAXES AND PROPERTY SALES

Act # TAXES OTHER THAN INCOME TAX

408.11	Property Tax	\$	32,900
408.12	Payroll Tax	\$	57,374
408.13	Other Tax Other Than Income Tax		
408.2	Nonutility Taxes Other Than Income Tax		
		TOTAL	\$ 90,274

Act # INCOME TAXES

409.1	Federal Income Tax	\$	31,467
409.11	State Income Tax	\$	1,012
409.13	Other Income Tax		
409.2	Nonutility Income Tax		
		TOTAL	\$ 32,479

Act # DEFERRED AND PROVISION FOR DEFERRED INCOME TAXES

410.1	Deferred Federal Income Taxes – Utility Operations	\$	103,403
410.11	Deferred State Income Taxes – Utility Operations	\$	34,468
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	\$ 137,871

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

Description	Amount
Gain on sale of pump	\$ 21,454
Loss on disposition of various assets	\$ (308)
Total	\$ 21,146

EXPENSES

Act #		Expense amount
601	Salaries and Wages - employees	\$ 251,489
603	Salaries and Wages – officers, directors, and majority stockholders	\$ 221,389
604	Employee Pensions & Benefits	\$ 124,061
610	Purchased Water	\$ 94,860
611	Telephone/Communications	\$ 16,568
615	Purchased Power	\$ 172,794
616	Fuel for Power Production	
617	Utilities - Other (garbage, natural gas)	\$ 2,754
618	Chemicals & testing	\$ 12,798
619	Office Supplies (excluding postage)	\$ 15,732
619.1	Postage	\$ 650
620	Materials & Supplies (O&M)	\$ 117,595
621	Repairs of Water Plant	\$ 7,566
631	Contractual Services - engineering	\$ 8,123
632	Contractual Services - accounting	\$ 47,792
633	Contractual Services - legal	\$ 748
634	Contractual Services - management	
635	Contractual Services – testing / sampling	
636	Contractual Services – labor	
637	Contractual Services - billing/collections	\$ 21,821
638	Contractual Services - meter reading	
639	Contractual Services - other	\$ 18,550
641	Rental of Building / Real Property	\$ 132,576
642	Rental of Equipment	\$ 595
643	Small Tools	\$ 11,116
648	Computer and electronic Expenses	\$ 3,923
650	Transportation Expenses	\$ 94,056
656	Insurance - Vehicle	\$ 11,540
657	Insurance – General Liability	\$ 12,428
658	Insurance – Workman’s Compensation	\$ 3,319
659	Insurance – Other	\$ 85
660	Public Relation / Advertising Expense	\$ 254
666	Amortization of Rate Case Expense	
667	Regulatory Commission Fee (Gross Rev Fee)	\$ 6,335
668	Conservation Expense	\$ 9,906
670	Bad Debt Expense	\$ 3,465
671.1	Cross Connection Control Program Expense	\$ 1,780
671.2	Cross Connection Testing & Maintenance Services	\$ 60,338
673	Training & Certification Expense	\$ 1,595
674	Consumer Confidence Report	\$ 812
675	Miscellaneous Expense	\$ 20,847
	TOTAL	\$ 1,510,260

PLANT

Roats Water System, 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					\$ -
302	Franchises					\$ -
303	Land & land rights					\$ -
304	Structures & improvements	\$ 435,832	\$ 9,461			\$ 445,293
305	Collecting & impounding reservoirs					\$ -
306	Lake, river & other intakes					\$ -
307	Wells & springs	\$ 200,837				\$ 200,837
308	Infiltration galleries & tunnels					\$ -
309	Supply mains					\$ -
310	Power generation equipment	\$ 83,464	\$ 34,756			\$ 118,220
311	Pumping equipment	\$ 335,744		\$ 75,435		\$ 260,309
320	Water treatment equipment	\$ 400				\$ 400
330	Distribution reservoirs & standpipes	\$ 1,250,248		\$ 6,256		\$ 1,243,992
331	Transmission & distribution mains	\$ 2,780,213	\$ 253,329			\$ 3,033,542
333	Services	\$ 320,092	\$ 49,107			\$ 369,199
334	Meters & meter installations	\$ 289,398				\$ 289,398
335	Hydrants	\$ 2,500				\$ 2,500
336	Backflow prevention devices (utility owned)					\$ -
339	Other plant & miscellaneous equipment					\$ -
340	Office furniture & equipment	\$ 17,155	\$ 10,879	\$ 2,483		\$ 25,551
341	Transportation equipment	\$ 411,266	\$ 135,354			\$ 546,620
343	Tools, shop & garage equipment	\$ 58,913	\$ 9,504	\$ 304		\$ 68,113
344	Laboratory equipment					\$ -
345	Power operated equipment	\$ 530,651	\$ 324,108			\$ 854,759
346	Communication equipment	\$ 98,665	\$ 12,145	\$ 8,468		\$ 102,342
347	Electronic & computer equipment	\$ 43,669	\$ 5,477	\$ 29,046		\$ 20,100
348	Miscellaneous equipment	\$ 50,174		\$ 350		\$ 49,824
	TOTAL	\$ 6,909,221	\$ 844,120	\$ 122,342	\$ -	\$ 7,630,999

Explanation of unusual changes in utility plant during the year:

CIAC AND ADVANCES

NOTE: Include ALL donated capital or contributions in aid of construction (CIAC) on this page.

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	\$ 1,792,805
Added during the year:	
Capacity charge	
Main line extension charges	
Customer connection charges	
Developer's property	
Other	\$ 377,412
Retired during the year	\$ (32,278)
End of year balance	\$ 2,137,939

Accumulated Amortization of CIAC

Beg of year balance	\$ 708,697
Add CIAC amortized during year	\$ 60,124
Subtract effects of CIAC disposals	\$ (22,729)
+/- other adjustments*	
Change in Accumulated Amortization during the year	\$ 37,395
End of year balance	\$ 746,092

* Explain any adjustments:

DEPRECIATION

Roats Water System, 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	\$ 8,928	\$ 161,858	\$ 8,928		\$ 170,786
305	Collecting & impounding reservoirs			\$ -		\$ -
306	Lake, river & other intakes			\$ -		\$ -
307	Wells & springs	\$ 6,437	\$ 112,309	\$ 6,437		\$ 118,746
308	Infiltration galleries & tunnels			\$ -		\$ -
309	Supply mains			\$ -		\$ -
310	Power generation equipment	\$ 3,361	\$ 1,035	\$ 3,361		\$ 4,396
311	Pumping equipment	\$ 8,893	\$ 217,257	\$ 8,893	\$ 65,886	\$ 160,264
320	Water treatment equipment	\$ 20	\$ 380	\$ 20		\$ 400
330	Distribution reservoirs & standpipes	\$ 14,219	\$ 299,333	\$ 14,219	\$ 6,255	\$ 307,297
331	Transmission & distribution mains	\$ 72,136	\$ 915,950	\$ 72,136		\$ 988,086
333	Services	\$ 10,970	\$ 92,827	\$ 10,970		\$ 103,797
334	Meters & meter installations	\$ 10,823	\$ 135,129	\$ 10,823		\$ 145,952
335	Hydrants	\$ 62	\$ 2,349	\$ 62		\$ 2,411
336	Backflow prevention devices (utility owned)			\$ -		\$ -
339	Other plant & miscellaneous equipment			\$ -		\$ -
340	Office furniture & equipment	\$ 1,087	\$ 8,947	\$ 1,087	\$ 2,175	\$ 7,859
341	Transportation equipment	\$ 36,290	\$ 305,126	\$ 36,290		\$ 341,416
343	Tools, shop & garage equipment	\$ 1,658	\$ 39,672	\$ 1,658	\$ 304	\$ 41,026
344	Laboratory equipment			\$ -		\$ -
345	Power operated equipment	\$ 35,244	\$ 415,196	\$ 35,244		\$ 450,440
346	Communication equip	\$ 14,513	\$ 9,204	\$ 14,513		\$ 23,717
347	Electronic & computer Equipment	\$ 884	\$ 42,597	\$ 884	\$ 29,046	\$ 14,435
348	Miscellaneous Equipment	\$ 82	\$ 49,143	\$ 82		\$ 49,225
	TOTAL	\$ 225,607	\$ 2,808,312	\$ 225,607	\$ 103,666	\$ 2,930,253

*Explanation of any adjustments made:

RETAINED EARNINGS

Roats Water System, Inc.

215	Unappropriated Retained Earnings (beginning of year balance)	\$	943,712
435	Balance transferred from income	\$	249,787
436	Appropriations of Retained Earnings	\$	-
437	Preferred Stock dividends declared	\$	-
438	Common Stock dividends declared	\$	-
439	Adjustments to Retained Earnings*	\$	50,000
215	Unappropriated Retained Earnings (as of year end)	\$	1,243,499

* Explanation of any adjustments made to Retained Earnings

SEE NOTE 1

OTHER ACCOUNTS

Roats Water System, 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	\$ 7,630,999
102	Utility Plant Leased to Others	
103	Property Held for Future Use	\$ 78,785
104	Utility Plant Purchased or Sold	
105	Construction Work in Progress - Commission Approved	
108	Accumulated Depreciation of Utility Plant in Service	\$ 2,930,253
110	Accumulated Amortization of Utility Plant in Service	
114	Utility Plant Acquisition Adjustments	
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	\$ 122,308
132	Special Deposits	
134	Working Funds	
135	Temporary Cash Investments	\$ 870,996
141	Customer Accounts Receivable	\$ 200,954
142	Other Accounts Receivable	
143	Allowance for Uncollectible Accounts (Enter positive)	
144	Notes Receivable	
145	Accounts Receivable from Associated Companies	
146	Notes Receivable from Associated Companies	
151	Plant Materials and Supplies	\$ 25,000
162	Prepayments	\$ 41,076
171	Accrued Interest Receivable	
174	Miscellaneous Current and Accrued Assets	\$ 500

Deferred Debits		
181	Unamortized Debt Discount and Expense	
182	Extraordinary Property Losses	
186	Miscellaneous Deferred Debits	
190	Accumulated Deferred Income Taxes	

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

Equity		
201	Common Stock Issued	\$ 6,878
204	Preferred Stock Issued	\$ -
207	Premium on Capital Stock	
211	Paid in Capital	\$ 1,100,725
212	Discount on Capital Stock	
213	Capital Stock Expense	
214	Appropriated Retained Earnings	
215	Unappropriated Retained Earnings	\$ 1,243,499
216	Reacquired Capital Stock	
218	Proprietary Capital	

Long Term Debt		
221	Bonds	
223	Advances from Associated Companies	
224	Other Long-Term Debt	\$ 1,400,000

Current and Accrued Liabilities		
231	Accounts Payable	\$ 30,941
232	Notes Payable	
233	Accounts Payable to Associated Companies	
234	Notes Payable to Associated Companies	\$ 344,994
235	Customer Deposits	\$ 10,912
236	Accrued Taxes	\$ 6,000
237	Accrued Interest	\$ 81,039
238	Accrued Dividends	
239	Matured Long-Term Debt	
240	Matured Interest	
241	Miscellaneous Current and Accrued Liabilities	\$ 58,065

Deferred Credits		
251	Unamortized Premium on Debt	
252	Advances for Construction	\$ -
253	Other Deferred Credits	\$ 365,465

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	\$ 2,137,939
272	Accumulated Amortization of CIAC	\$ 746,092

Accumulated Deferred Income Taxes		
281	Accumulated Deferred Income Taxes - Accelerated Depreciation	
282	Accumulated Deferred Income Taxes - Liberalized Depreciation	
283	Accumulated Deferred Income Taxes - Other	

WATER UTILITY PLANT ACCOUNTS (301-348)

301	Organization	\$ -
302	Franchises	\$ -
303	Land and Land Rights	\$ -
304	Structures and Improvements	\$ 445,293
305	Collecting and Impounding Reservoirs	\$ -
306	Lakes, River and Other Intakes	\$ -
307	Wells and Springs	\$ 200,837
308	Infiltration Galleries and Tunnels	\$ -
309	Supply Mains	\$ -
310	Power Generation Equipment	\$ 118,220
311	Pumping Equipment	\$ 260,309
320	Water Treatment Equipment	\$ 400
330	Distribution Reservoirs and Standpipes	\$ 1,243,992
331	Transmission and Distribution Mains	\$ 3,033,542
333	Services	\$ 369,199
334	Meters and Meter Installations	\$ 289,398
335	Hydrants	\$ 2,500
336	Backflow Prevention Devices	\$ -
339	Other Plant and Miscellaneous Equipment	\$ -
340	Office Furniture and Equipment	\$ 25,551
341	Transportation Equipment	\$ 546,620
343	Tools, Shop and Garage Equipment	\$ 68,113
344	Laboratory Equipment	\$ -

345	Power Operated Equipment	\$ 854,759
346	Communication Equipment	\$ 102,342
347	Computer & electronic Equipment	\$ 20,100
348	Miscellaneous Equipment	\$ 49,824

INCOME ACCOUNTS (404-434)

Utility Operating Income		
400	Operating Revenue	\$ 2,191,955
401	Operating Expenses	\$ 1,510,260
403	Depreciation Expense	\$ 225,607
406	Amortization of Utility Plant Acquisition Adjustment	
407	Amortization Expense (no CIAC)	
408	Taxes Other than Income	\$ 90,274
409	Income Taxes	\$ 32,479
410	Provision for Deferred Income Taxes - Debit	\$ 137,871
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	\$ 21,146
415	Revenues from Merchandising, Jobbing, and Contract Work	
416	Cost and Expenses of Merchandising, Jobbing, and Contract Work	
419	Interest and Dividend Income	\$ 11,966
421	Nonutility Income	\$ 37,146
426	Nonutility Expenses	\$ 79
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	\$ 75,980
428	Amortization of Debt Discount and Expense	
429	Amortization of Premium on Debt	

Retained Earnings Account (435-439)		
435	Balance Transferred from Income	\$ 249,787
436	Appropriations of Retained Earnings	
437	Preferred Stock Dividends Declared	\$ -
438	Common Stock Dividends Declared	\$ -
439	Adjustment to Retained Earnings	\$ 50,000

OPERATING REVENUE ACCOUNTS (460-475)

460	Unmetered Water Revenue	\$ -
461.1	Metered Sales to Residential Customers	\$ 1,407,234
461.2	Metered Sales to Commercial Customers	\$ 306,364
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	\$ 14,926
462.2	Private Fire Protection	\$ 14,382
464	Other Sales to Public Authorities	\$ -
465	Sales to Irrigation Customers	\$ 392,121
466	Sales for Resale	\$ -
467	Interdepartmental Sales	\$ -
468	Special Contract/Agreement Revenue	\$ -
470	Forfeited Discounts	\$ -
471	Miscellaneous Service Revenues	\$ 1,679
472	Rents From Water Property	\$ -
473	Interdepartmental Rents	\$ -
474	Other Water Revenues	\$ -
475	Cross Connection Sales & Services Revenues	\$ 55,249

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS (601-675)

Source of Supply and Expenses		
601	Salaries and Wages - Employees	\$ 251,489
603	Salaries and Wages - Officers, Directors and Majority Stockholders	\$ 221,389
604	Employee Pensions and Benefits	\$ 124,061
610	Purchased Water	\$ 94,860
611	Telephone/Communications	\$ 16,568
615	Purchased Power	\$ 172,794
616	Fuel For Power Production	\$ -
617	Utilities - Other	\$ 2,754
618	Chemicals & testing	\$ 12,798
619	Office Supplies (excluding postage)	\$ 15,732
619.1	Postage	\$ 650
620	Materials and Supplies	\$ 117,595
621	Repairs to Water Plant	\$ 7,566
631	Contractual Services - Engineering	\$ 8,123
632	Contractual Services - Accounting	\$ 47,792
633	Contractual Services - Legal	\$ 748
634	Contractual Services - Management Fees	\$ -
635	Contractual Services - Testing/Sampling	\$ -
636	Contractual Services - Other	\$ -
637	Contractual Services - Billing/Collections	\$ 21,821
638	Contractual Services - Meter Reading	\$ -
639	Contractual Services - Other	\$ 18,550
641	Rental of Building/Real Property	\$ 132,576
642	Rental of Equipment	\$ 595
643	Small Tools	\$ 11,116
648	Computer & Electronic Expenses	\$ 3,923
650	Transportation Expenses	\$ 94,056
656	Insurance - Vehicle	\$ 11,540
657	Insurance - General Liability	\$ 12,428
658	Insurance - Workman's Compensation	\$ 3,319
659	Insurance - Other	\$ 85
660	Public Relations / Advertising Expense	\$ 254
666	Regulatory Commission Expense - Amortization of Rate Case Expense	\$ -
667	Regulatory Commission Expense - Other	\$ 6,335
668	Water Resource Conservation Expense	\$ 9,906
670	Bad Debt Expense	\$ 3,465
671.1	Cross Connection Control Program Expense	\$ 1,780
671.2	Cross Connection Testin & Maintenance Services	\$ 60,338
672	System Capacity Development Program Expense	
673	Training & Certification Expense	\$ 1,595
674	Consumer Confidence Report	\$ 812
675	Miscellaneous Expenses	\$ 20,847

NOTES

Roats Water System, Inc.

Notes and explanations:

Note 1 Retained Earnings adjustment. In a prior year an error was made resulting in overstating a liability account and an expense account by \$50,000. An adjustment was made in the current year to correct this error. An amended tax return was filed to correct the taxes paid.

INCOME STATEMENT

Roats Water System, Inc.

400 Operating Revenue	\$ 2,191,955
401 Operating Expenses	\$ 1,510,260
403 Depreciation Expense	\$ 165,483
406 Amortization of Utility Plant Acquisition Adjustment	\$ -
407 Amortization Expense	\$ -
408 Taxes Other Than Income Taxes (total)	\$ 90,274
409 Income Taxes	\$ 32,479
410.1 Provision for Deferred Income Taxes - debit	\$ 137,871
411.1 Provision for Deferred Income Taxes - credit	\$ -
412 Investment Tax Credit	\$ -
413 Income From Utility Plant Leased to Others	\$ -
419 Interest & Dividend Income	\$ 11,966
427 Interest Expense	\$ 75,980
428-429 Amortization of Premium/Discount on Debt	\$ -
414 Gains/Losses From Utility Property Disposition (net)	\$ 21,146
433-434 Extraordinary Income/deductions (net)	\$ -
NET UTILITY OPERATING INCOME	\$ 212,720
421 Nonutility Income	\$ 37,146
415 Revenue From Merchandising, Jobbing, & Contracts	\$ -
426 Nonutility Expense	\$ 79
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	\$ -
Net Income	\$ 249,787

BALANCE SHEET

Roats Water System

Please do not submit to PUC until figures are balanced.

101 Utility Plant in Service (excluding CIAC)	\$	7,630,999
108-110 Accumulated Depreciation & Amortization	\$	2,930,253
Subtotal	\$	4,700,746
102-104 Other Utility Plant	\$	78,785
105 Commission Approved Construction Work in Progress (CWIP)	\$	-
114 Commission Approved Utility Plant Acquisition Adjustments	\$	-
115 Accumulated Amortization of Commission Approved Acquisition Adjustments	\$	-
190 Accumulated Deferred Income Taxes (asset)	\$	-
Subtotal	\$	78,785
Net Utility Plant	\$	4,779,531
131 Cash	\$	122,308
132 Special Deposits	\$	-
141-142 Accounts Receivable	\$	200,954
143 Accumulated Provision for Uncollectible Accounts	\$	-
144 Notes Receivable	\$	-
145-146 Accounts & Notes Receivable from Associated Companies	\$	-
151 Materials & Supplies Inventory	\$	25,000
133-135 & 162-174 Miscellaneous Current & Accrued Assets & Prepayments	\$	912,572
Net Current & Accrued Assets	\$	1,260,834
181-186 Deferred Debits	\$	-
Total Assets	\$	6,040,365
252 Advances for Construction	\$	-
271 CIAC	\$	2,137,939
272 Accumulated Amortization of CIAC	\$	746,092
Net CIAC & Advances for Construction	\$	1,391,847
121 Nonutility Property	\$	-
122 Accumulated Depreciation & Amortization (Nonutility)	\$	-
123-127 Miscellaneous Nonutility Investments	\$	-
Nonutility Plant & Investment	\$	-
221-224 Long-Term Debt	\$	1,400,000
231 Accounts Payable	\$	30,941
232 Notes Payable	\$	-
233 Accounts Payable to Affiliated Companies	\$	-
234 Notes Payable to Affiliated companies	\$	344,994
235 Customer Deposits	\$	10,912
236 Accrued Taxes	\$	6,000
237 Accrued Interest	\$	81,039
238-241 Miscellaneous Current and Accrued Liabilities	\$	58,065
Liabilities	\$	1,931,951
251 Premium on Unamortized Debt	\$	-
253 Other Deferred Credit	\$	365,465
261-265 Reserves	\$	-
Other	\$	365,465
281 Accumulated Deferred Income Taxes-Accelerated Amortization	\$	-
282 Accumulated Deferred Income Taxes-Liberalized Depreciation	\$	-
283 Accumulated Deferred Income Taxes-Other	\$	-
Total Liabilities	\$	2,297,416
201 Common Stock Issued	\$	6,878
204 Preferred Stock Issued	\$	-
207 Premium on Capital Stock	\$	-
211 Other Paid in Capital	\$	1,100,725
212 Discount on Capital Stock	\$	-
213 Capital Stock Expense	\$	-
214 Appropriated Retained Earnings	\$	-
215 Unappropriated Retained Earnings	\$	1,243,499
216 Reacquired Capital Stock	\$	-
218 Proprietary Capital (Proprietorships & Partnerships Only)	\$	-
Total Equity	\$	2,351,102
Total Liabilities and Equity	\$	6,040,365

STATS

Roats Water System, Inc.

Operating Revenues

Flat Rate	\$	-
Metered - Residential	\$	1,407,234
Metered - Commercial	\$	306,364
Irrigation (including golf courses)	\$	392,121
Fire Protection	\$	29,308
Other Sales of Water	\$	-
Other Operating Revenue	\$	56,928
Total Operating Revenues	\$	<u>2,191,955</u>

Operating Expenses

Purchased Water	\$	94,860
Purchased Power	\$	172,794
Water Treatment	\$	12,798
Supplies and Expenses	\$	524,804
Repairs of Plant	\$	7,566
Administrative & General	\$	697,438
Total Operating Expenses	\$	<u>1,510,260</u>

Other Revenue Deductions

Depreciation & Amortization	\$	165,483
Operating Income Taxes	\$	170,350
Other Operating Taxes	\$	90,274
Uncollectible Revenue/Bad Debt Expense	\$	3,465
Total Revenue Deductions	\$	<u>429,572</u>

Total Expenses and Deductions

Total Expenses and Deductions	\$	1,939,832
Other Income	\$	11,966
Interest on Long-Term Debt		
Other Interest Charges	\$	75,980
Other Income Deductions	\$	<u>(137,871)</u>
Net Operating Income (or Loss)	\$	325,980

Assets & Other Debits

Utility Plant	\$	7,630,999
Less: Depreciation & Amortization Reserve	\$	2,930,253
Other Property & Investments	\$	122,308
Materials and Supplies	\$	25,000
Other Current & Accrued Assets	\$	1,192,311
Deferred Debits	\$	-
Total Assets & Other Debits	\$	<u>6,040,365</u>

Liabilities & Other Credits

Capital/Common Stock	\$	1,107,603
Retained Earnings	\$	1,243,499
Long-Term Debt	\$	1,400,000
Customer Deposits	\$	10,912
Other Current & Accrued Liabilities	\$	521,039
Advances for Construction	\$	-
Other Deferred Credits	\$	365,465
Contributions in Aid of Construction	\$	1,391,847
Accumulated Deferred Income Taxes	\$	<u>-</u>
Total Liabilities & Other Credits	\$	<u>6,040,365</u>

Average Number of Customers

Flat Rate	-
Metered - Residential	2,312
Metered - Commercial	193
Irrigation (including golf courses)	520
Fire Protection	2,540
Other	<u>-</u>
Total Customers	<u>5,565</u>