



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 201 High Street SE Suite 100, Salem, OR 97301.



# 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

2016

## COMPANY NAME

Avion Water Company, Inc.

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

REV 12/14/16

## 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

**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.

<b>Select business type</b> Private/Investor Owned	<b>Select ownership type</b> Corporation	<b>Select accounting method</b> accrual
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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	17,275.00
2	Name of stockholder/director/officer	Christine M. Wick
	Title	Stockholder/Director
	Address	60813 Parrell Road, Bend, OR 97702
	# shares owned	17,615.00
3	Name of stockholder/director/officer	David L. Nelsen
	Title	Stockholder/Director
	Address	14927 N.E. Newport Street, Portland, OR 97023
	# shares owned	4,500.00
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	94240	
Par or stated value per share:	\$ 0.4767	
Dividends declared per share during the year:	\$ (9)	

**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	\$ 176,382
Jan and Christine Wick	Guarantee Fee	Order #07-417	\$ 46,848
Jason J. Wick	Salary and benefits		\$ 197,895
Jason J. Wick	Guarantee Fee		\$ 46,848
Jordan Wick	Guarantee Fee		\$ 46,848
			\$ 514,821

TOTAL \$ (514,821)

Explanations or Notes

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**Revenues**

Avion Water Company, 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	12,157	12,522	276,896,483	\$ 6,561,397
Metered sales to COMMERCIAL customers	461.2	305	298	42,332,114	\$ 799,030
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				\$ 29,048
Private fire protection revenue	462.2				
Other Sales to public authorities	464				
Sales to irrigation customers	465	789	791		\$ 372,174
Sales for resale	466				\$ 28,417
Water Sales to golf course/recreation revenue	467				
Special contract/agreement revenue	468				
<b>TOTAL</b>		<b>13,251</b>	<b>13,611</b>	<b>319,228,597</b>	<b>\$ 7,790,066</b>

**Revenue other than water sales**

	Act #	revenues
Forfeited discounts	470	
Miscellaneous service revenues	471	\$ 104,521
Rents from water property	472	
Interdepartmental rents	473	
Other	474	\$ 187,176
Cross Connection sales & services revenues	475	\$ 244,535
<b>Total</b>		<b>\$ 536,232</b>

Total Operating Revenue

\$ 8,326,298

**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	1869.987189	44.31160771
Metered sales to COMMERCIAL customers	461.2	11700.41846	220.8485351
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		39.25886076
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	\$	276,248
408.12	Payroll Tax	\$	164,541
408.13	Other Tax Other Than Income Tax	\$	118,116
408.2	Nonutility Taxes Other Than Income Tax		
		TOTAL	\$ 558,905

**Act # INCOME TAXES**

409.1	Federal Income Tax	\$	495,614
409.11	State Income Tax	\$	119,951
409.13	Other Income Tax		
409.2	Nonutility Income Tax		
		TOTAL	\$ 615,565

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

410.1	Deferred Federal Income Taxes – Utility Operations	\$	(210,397)
410.11	Deferred State Income Taxes – Utility Operations	\$	(66,223)
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	\$ (276,620)

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

Description	Amount
Scrap	\$ 1,318
Service trucks	\$ 110
Total	\$ 1,428

## Expenses

Avion Water Company, Inc.

Act #		Expense amount
601	Salaries and Wages - employees	\$ 1,564,370
603	Salaries and Wages – officers, directors, and majority stockholders	\$ 471,168
604	Employee Pensions & Benefits	\$ 774,888
610	Purchased Water	\$ 267,361
611	Telephone/Communications	\$ 52,676
615	Purchased Power	\$ 898,402
616	Fuel for Power Production	\$ -
617	Utilities - Other (garbage, natural gas)	\$ 7,739
618	Chemicals & testing	\$ -
619	Office Supplies (excluding postage)	\$ 7,206
619.1	Postage	\$ 5,265
620	Materials & Supplies (O&M)	\$ 329,115
621	Repairs of Water Plant	\$ 115,545
631	Contractual Services - engineering	\$ 3,322
632	Contractual Services - accounting	\$ 15,078
633	Contractual Services - legal	\$ 22,626
634	Contractual Services - management	\$ -
635	Contractual Services – testing / sampling	\$ 47,246
636	Contractual Services – labor	\$ -
637	Contractual Services - billing/collections	\$ 88,882
638	Contractual Services - meter reading	\$ 133,551
639	Contractual Services - other	\$ 60,993
641	Rental of Building / Real Property	\$ 23,615
642	Rental of Equipment	\$ 3,026
643	Small Tools	\$ 5,880
648	Computer and electronic Expenses	\$ 30,612
650	Transportation Expenses	\$ 148,709
656	Insurance - Vehicle	\$ 15,762
657	Insurance – General Liability	\$ 41,481
658	Insurance – Workman’s Compensation	\$ 24,782
659	Insurance – Other	\$ 10,094
660	Public Relation / Advertising Expense	\$ -
666	Amortization of Rate Case Expense	\$ -
667	Regulatory Commission Fee (Gross Rev Fee)	\$ 22,376
668	Conservation Expense	\$ 15,906
670	Bad Debt Expense	\$ 23,647
671.1	Cross Connection Control Program Expense	\$ -
671.2	Cross Connection Testing & Maintenance Services	\$ -
673	Training & Certification Expense	\$ 21,807
674	Consumer Confidence Report	\$ 8,695
675	Miscellaneous Expense	\$ 214,962
	TOTAL	\$ 5,476,787

**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	\$ 2,077,424	\$ 100,091			\$ 2,177,515
304	Structures & improvements	\$ 1,635,616	\$ 2,773			\$ 1,638,389
305	Collecting & impounding reservoirs	\$ 4,769				\$ 4,769
306	Lake, river & other intakes	\$ 33,478				\$ 33,478
307	Wells & springs	\$ 1,566,682	\$ 157,029			\$ 1,723,711
308	Infiltration galleries & tunnels	\$ 106				\$ 106
309	Supply mains	\$ 430,208	\$ 3,499			\$ 433,707
310	Power generation equipment	\$ 1,203				\$ 1,203
311	Pumping equipment	\$ 1,618,916	\$ 8,427			\$ 1,627,343
320	Water treatment equipment	\$ 17,411				\$ 17,411
330	Distribution reservoirs & standpipes	\$ 3,645,948				\$ 3,645,948
331	Transmission & distribution mains	\$ 34,510,625	\$ 2,140,565			\$ 36,651,190
333	Services	\$ 1,241,112	\$ 2,975			\$ 1,244,087
334	Meters & meter installations	\$ 1,069,068	\$ 108,185	\$ 7,548		\$ 1,169,705
335	Hydrants	\$ 151,202	\$ 7,362			\$ 158,564
336	Backflow prevention devices (utility owned)	\$ 178,973	\$ 25,438			\$ 204,411
339	Other plant & miscellaneous equipment	\$ 210,713				\$ 210,713
340	Office furniture & equipment	\$ 158,976				\$ 158,976
341	Transportation equipment	\$ 600,098	\$ 116,493	\$ 40,424		\$ 676,167
343	Tools, shop & garage equipment	\$ 123,432	\$ 4,142			\$ 127,574
344	Laboratory equipment	\$ -				\$ -
345	Power operated equipment	\$ 155,154				\$ 155,154
346	Communication equipment	\$ 107,162	\$ 57,012			\$ 164,174
347	Electronic & computer equipment	\$ 194,266	\$ 7,576			\$ 201,842
348	Miscellaneous equipment	\$ 17,431				\$ 17,431
	<b>TOTAL</b>	<b>\$ 49,750,184</b>	<b>\$ 2,741,569</b>	<b>\$ 47,972</b>	<b>\$ -</b>	<b>\$ 52,443,781</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	\$ 23,989,306
Added during the year:	
Capacity charge	\$ 158,639
Main line extension charges	
Customer connection charges	
Developer's property	\$ 310,052
Other	
Retired during the year	
End of year balance	\$ 24,457,997

**Accumulated Amortization of CIAC**

Beg of year balance	\$ 5,767,601
Add CIAC amortized during year	\$ 528,924
Subtract effects of CIAC disposals	
+/- other adjustments*	
Change in Accumulated Amortization during the year	\$ 528,924
End of year balance	\$ 6,296,525

\* 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	\$ 37,505	\$ 580,657	\$ 37,505		\$ 618,162
305	Collecting & impounding reservoirs	\$ 104	\$ 3,097	\$ 104		\$ 3,201
306	Lake, river & other intakes	\$ 669	\$ 18,961	\$ 669		\$ 19,630
307	Wells & springs	\$ 55,045	\$ 507,257	\$ 55,045		\$ 562,302
308	Infiltration galleries & tunnels	\$ 3	\$ 83	\$ 3		\$ 86
309	Supply mains	\$ 8,650	\$ 16,315	\$ 8,650		\$ 24,965
310	Power generation equipment	\$ 22	\$ 984	\$ 22		\$ 1,006
311	Pumping equipment	\$ 34,266	\$ 1,258,792	\$ 34,266		\$ 1,293,058
320	Water treatment equipment	\$ 871	\$ 3,301	\$ 871		\$ 4,172
330	Distribution reservoirs & standpipes	\$ 99,171	\$ 1,302,291	\$ 99,171		\$ 1,401,462
331	Transmission & distribution mains	\$ 709,425	\$ 9,019,738	\$ 709,425		\$ 9,729,163
333	Services	\$ 29,636	\$ 618,269	\$ 29,636		\$ 647,905
334	Meters & meter installations	\$ 49,785	\$ 445,251	\$ 49,785	\$ 7,548	\$ 487,488
335	Hydrants	\$ 3,467	\$ 64,721	\$ 3,467		\$ 68,188
336	Backflow prevention devices (utility owned)	\$ 12,780	\$ 72,130	\$ 12,780		\$ 84,910
339	Other plant & miscellaneous equipment	\$ 5,296	\$ 110,741	\$ 5,296		\$ 116,037
340	Office furniture & equipment	\$ 1,440	\$ 141,578	\$ 1,440		\$ 143,018
341	Transportation equipment	\$ 56,475	\$ 419,558	\$ 56,475	\$ 40,424	\$ 435,609
343	Tools, shop & garage equipment	\$ 4,307	\$ 84,347	\$ 4,307		\$ 88,654
344	Laboratory equipment		\$ -	\$ -		\$ -
345	Power operated equipment	\$ 5,240	\$ 112,689	\$ 5,240		\$ 117,929
346	Communication equip	\$ 2,585	\$ 90,972	\$ 2,585		\$ 93,557
347	Electronic & computer Equipment	\$ 11,771	\$ 162,314	\$ 11,771		\$ 174,085
348	Miscellaneous Equipment	\$ 1,420	\$ 10,152	\$ 1,420		\$ 11,572
	<b>TOTAL</b>	<b>\$ 1,129,933</b>	<b>\$ 15,044,198</b>	<b>\$ 1,129,933</b>	<b>\$ 47,972</b>	<b>\$ 16,126,159</b>

\*Explanation of any adjustments made:

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## Retained Earnings

Avion Water Company, Inc.

215	Unappropriated Retained Earnings (beginning of year balance)	\$	10,687,770
435	Balance transferred from income	\$	1,080,778
436	Appropriations of Retained Earnings	\$	-
437	Preferred Stock dividends declared	\$	-
438	Common Stock dividends declared	\$	(829,000)
439	Adjustments to Retained Earnings*	\$	244,005
215	Unappropriated Retained Earnings (as of year end)	\$	11,183,553

Explanation of any adjustments made to Retained Earnings

Stock redemption = \$371,410; Federal and state taxes = \$615,415

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	\$	52,443,781
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	\$	25,194
108	Accumulated Depreciation of Utility Plant in Service	\$	16,126,159
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	\$	591,462
132	Special Deposits		
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
142	Other Accounts Receivable	\$	301,734
143	Allowance for Uncollectible Accounts (Enter positive)	\$	30,173
144	Notes Receivable	\$	6,006
145	Accounts Receivable from Associated Companies		
146	Notes Receivable from Associated Companies		
151	Plant Materials and Supplies	\$	201,321
162	Prepayments	\$	69,832
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	\$	24,634
190	Accumulated Deferred Income Taxes		

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

Equity

201	Common Stock Issued	\$	44,924
204	Preferred Stock Issued	\$	-
207	Premium on Capital Stock	\$	180,630
211	Paid in Capital		
212	Discount on Capital Stock		
213	Capital Stock Expense		
214	Appropriated Retained Earnings		
215	Unappropriated Retained Earnings	\$	11,183,553
216	Reacquired Capital Stock	\$	75,000
218	Proprietary Capital		

Long Term Debt

221	Bonds		
223	Advances from Associated Companies		
224	Other Long-Term Debt	\$	7,940,333

Current and Accrued Liabilities

231	Accounts Payable	\$	95,439
232	Notes Payable		
233	Accounts Payable to Associated Companies		
234	Notes Payable to Associated Companies		
235	Customer Deposits	\$	1,500
236	Accrued Taxes	\$	(137,580)
237	Accrued Interest	\$	12,140
238	Accrued Dividends		
239	Matured Long-Term Debt		
240	Matured Interest		
241	Miscellaneous Current and Accrued Liabilities	\$	57,164

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	\$	24,457,997
272	Accumulated Amortization of CIAC	\$	6,296,525

Accumulated Deferred Income Taxes

281	Accumulated Deferred Income Taxes - Accelerated Depreciation		
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		
283	Accumulated Deferred Income Taxes - Other	\$	279,506

WATER UTILITY PLANT ACCOUNTS (301-348)

301	Organization	\$	211
302	Franchises	\$	-
303	Land and Land Rights	\$	2,177,515
304	Structures and Improvements	\$	1,638,389
305	Collecting and Impounding Reservoirs	\$	4,769
306	Lakes, River and Other Intakes	\$	33,478
307	Wells and Springs	\$	1,723,711
308	Infiltration Galleries and Tunnels	\$	106
309	Supply Mains	\$	433,707
310	Power Generation Equipment	\$	1,203
311	Pumping Equipment	\$	1,627,343
320	Water Treatment Equipment	\$	17,411
330	Distribution Reservoirs and Standpipes	\$	3,645,948
331	Transmission and Distribution Mains	\$	36,651,190
333	Services	\$	1,244,087
334	Meters and Meter Installations	\$	1,169,705
335	Hydrants	\$	158,564
336	Backflow Prevention Devices	\$	204,411
339	Other Plant and Miscellaneous Equipment	\$	210,713
340	Office Furniture and Equipment	\$	158,976
341	Transportation Equipment	\$	676,167
343	Tools, Shop and Garage Equipment	\$	127,574
344	Laboratory Equipment	\$	-

345	Power Operated Equipment	\$	155,154
346	Communication Equipment	\$	164,174
347	Computer & electronic Equipment	\$	201,842
348	Miscellaneous Equipment	\$	17,431

INCOME ACCOUNTS (404-434)

Utility Operating Income

400	Operating Revenue	\$	8,326,298
401	Operating Expenses	\$	5,476,787
403	Depreciation Expense	\$	1,129,933
406	Amortization of Utility Plant Acquisition Adjustment		
407	Amortization Expense (no CIAC)		
408	Taxes Other than Income	\$	558,905
409	Income Taxes	\$	615,565
410	Provision for Deferred Income Taxes - Debit	\$	(276,620)
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	\$	1,428
415	Revenues from Merchandising, Jobbing, and Contract Work	\$	78,632
416	Cost and Expenses of Merchandising, Jobbing, and Contract Work	\$	49,127
419	Interest and Dividend Income	\$	186
421	Nonutility Income		
426	Nonutility Expenses	\$	18,290
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	\$	282,703
428	Amortization of Debt Discount and Expense		
429	Amortization of Premium on Debt		

Retained Earnings Account (435-439)

435	Balance Transferred from Income	\$	1,080,778
436	Appropriations of Retained Earnings		
437	Preferred Stock Dividends Declared	\$	-
438	Common Stock Dividends Declared	\$	(829,000)
439	Adjustment to Retained Earnings	\$	244,005

OPERATING REVENUE ACCOUNTS (460-475)

460	Unmetered Water Revenue	\$	-
461.1	Metered Sales to Residential Customers	\$	6,561,397
461.2	Metered Sales to Commercial Customers	\$	799,030
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	\$	29,048
462.2	2 Private Fire Protection	\$	-
464	Other Sales to Public Authorities	\$	-
465	Sales to Irrigation Customers	\$	372,174
466	Sales for Resale	\$	28,417
467	Interdepartmental Sales	\$	-
468	Special Contract/Agreement Revenue	\$	-
470	Forfeited Discounts	\$	-
471	Miscellaneous Service Revenues	\$	104,521
472	Rents From Water Property	\$	-
473	Interdepartmental Rents	\$	-
474	Other Water Revenues	\$	187,176
475	Cross Connection Sales & Services Revenues	\$	244,535

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS (601-675)

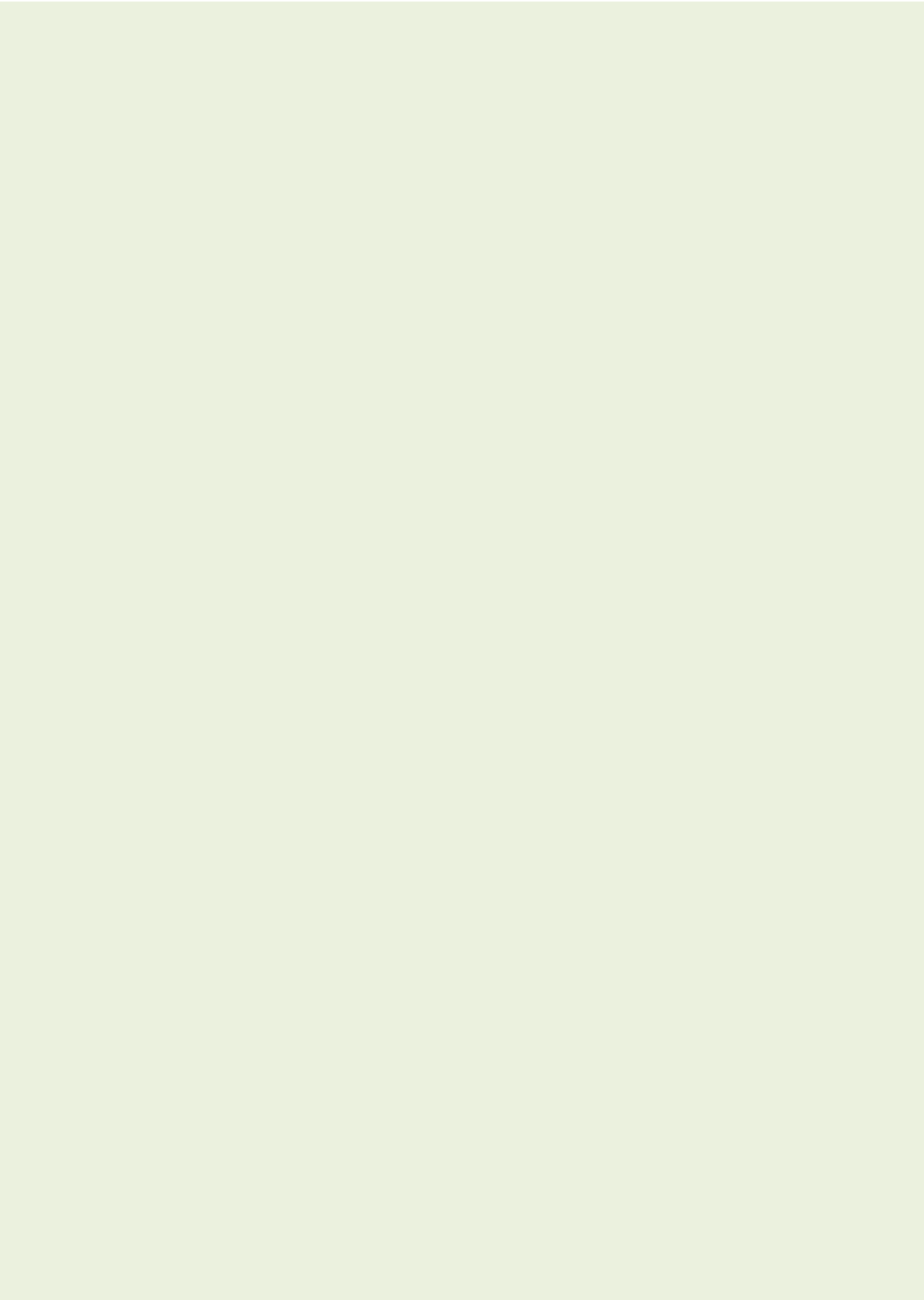
Source of Supply and Expenses

601	Salaries and Wages - Employees	\$	1,564,370
603	Salaries and Wages - Officers, Directors and Majority Stockholders	\$	471,168
604	Employee Pensions and Benefits	\$	774,888
610	Purchased Water	\$	267,361
611	Telephone/Communications	\$	52,676
615	Purchased Power	\$	898,402
616	Fuel for Power Production	\$	-
617	Utilities - Other	\$	7,739
618	Chemicals & testing	\$	-
619	Office Supplies (excluding postage)	\$	7,206
619.1	Postage	\$	5,265
620	Materials and Supplies	\$	329,115
621	Repairs to Water Plant	\$	115,545
631	Contractual Services - Engineering	\$	3,322
632	Contractual Services - Accounting	\$	15,078
633	Contractual Services - Legal	\$	22,626
634	Contractual Services - Management Fees	\$	-
635	Contractual Services - Testing/Sampling	\$	47,246
636	Contractual Services - Other	\$	-
637	Contractual Services - Billing/Collections	\$	88,882
638	Contractual Services - Meter Reading	\$	133,551
639	Contractual Services - Other	\$	60,993
641	Rental of Building/Real Property	\$	23,615
642	Rental of Equipment	\$	3,026
643	Small Tools	\$	5,880
648	Computer & Electronic Expenses	\$	30,612
650	Transportation Expenses	\$	148,709
656	Insurance - Vehicle	\$	15,762
657	Insurance - General Liability	\$	41,481
658	Insurance - Workman's Compensation	\$	24,782
659	Insurance - Other	\$	10,094
660	Public Relations / Advertising Expense	\$	-
666	Regulatory Commission Expense - Amortization of Rate Case Expense	\$	-
667	Regulatory Commission Expense - Other	\$	22,376
668	Water Resource Conservation Expense	\$	15,906
670	Bad Debt Expense	\$	23,647
671.1	Cross Connection Control Program Expense	\$	-
671.2	Cross Connection Testin & Maintenance Services	\$	-
672	System Capacity Development Program Expense	\$	-
673	Training & Certification Expense	\$	21,807
674	Consumer Confidence Report	\$	8,695
675	Miscellaneous Expenses	\$	214,962

**Notes**

Avion Water Company, Inc.

Notes and explanations:





## Income Statement

Avion Water Company, Inc.

400 Operating Revenue	\$ 8,326,298
401 Operating Expenses	\$ 5,476,787
403 Depreciation Expense	\$ 601,009
406 Amortization of Utility Plant Acquisition Adjustment	\$ -
407 Amortization Expense	\$ -
408 Taxes Other Than Income Taxes (total)	\$ 558,905
409 Income Taxes	\$ 615,565
410.1 Provision for Deferred Income Taxes - debit	\$ (276,620)
411.1 Provision for Deferred Income Taxes - credit	\$ -
412 Investment Tax Credit	\$ -
413 Income From Utility Plant Leased to Others	\$ -
419 Interest & Dividend Income	\$ 186
427 Interest Expense	\$ 282,703
428-429 Amortization of Premium/Discount on Debt	\$ -
414 Gains/Losses From Utility Property Disposition (net)	\$ 1,428
433-434 Extraordinary Income/deductions (net)	\$ -
NET UTILITY OPERATING INCOME	\$ 1,069,563
421 Nonutility Income	\$ -
415 Revenue From Merchandising, Jobbing, & Contracts	\$ 78,632
426 Nonutility Expense	\$ 18,290
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	\$ 49,127
Net Income	\$ 1,080,778

**Balance Sheet**

Avion Water Compa

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

101 Utility Plant in Service (excluding CIAC)	\$	52,443,781
108-110 Accumulated Depreciation & Amortization	\$	16,126,159
Subtotal	\$	36,317,622
102-104 Other Utility Plant	\$	177,359
105 Commission Approved Construction Work in Progress (CWIP)	\$	25,194
114 Commission Approved Utility Plant Acquisition Adjustments	\$	59,090
115 Accumulated Amortization of Commission Approved Acquisition Adjustments	\$	-
190 Accumulated Deferred Income Taxes (asset)	\$	-
Subtotal	\$	261,643
Net Utility Plant	\$	36,579,265
131 Cash	\$	591,462
132 Special Deposits	\$	-
141-142 Accounts Receivable	\$	301,734
143 Accumulated Provision for Uncollectible Accounts	\$	30,173
144 Notes Receivable	\$	6,006
145-146 Accounts & Notes Receivable from Associated Companies	\$	-
151 Materials & Supplies Inventory	\$	201,321
133-135 & 162-174 Miscellaneous Current & Accrued Assets & Prepayments	\$	69,832
Net Current & Accrued Assets	\$	1,140,182
181-186 Deferred Debits	\$	24,634
Total Assets	\$	37,744,081
252 Advances for Construction	\$	-
271 CIAC	\$	24,457,997
272 Accumulated Amortization of CIAC	\$	6,296,525
Net CIAC & Advances for Construction	\$	18,161,472
121 Nonutility Property	\$	-
122 Accumulated Depreciation & Amortization (Nonutility)	\$	-
123-127 Miscellaneous Nonutility Investments	\$	-
Nonutility Plant & Investment	\$	-
221-224 Long-Term Debt	\$	7,940,333
231 Accounts Payable	\$	95,439
232 Notes Payable	\$	-
233 Accounts Payable to Affiliated Companies	\$	-
234 Notes Payable to Affiliated companies	\$	-
235 Customer Deposits	\$	1,500
236 Accrued Taxes	\$	(137,580)
237 Accrued Interest	\$	12,140
238-241 Miscellaneous Current and Accrued Liabilities	\$	57,164
Liabilities	\$	7,968,996
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	\$	279,506
Total Liabilities	\$	8,248,502
201 Common Stock Issued	\$	44,924
204 Preferred Stock Issued	\$	-
207 Premium on Capital Stock	\$	180,630
211 Other Paid in Capital	\$	-
212 Discount on Capital Stock	\$	-
213 Capital Stock Expense	\$	-
214 Appropriated Retained Earnings	\$	-
215 Unappropriated Retained Earnings	\$	11,183,553
216 Reacquired Capital Stock	\$	75,000
218 Proprietary Capital (Proprietorships & Partnerships Only)	\$	-
Total Equity	\$	11,334,107
Total Liabilities and Equity	\$	37,744,081

**Stats**

Avion Water Company, Inc.

**Operating Revenues**

Flat Rate	\$	-
Metered - Residential	\$	6,561,397
Metered - Commercial	\$	799,030
Irrigation (including golf courses)	\$	372,174
Fire Protection	\$	29,048
Other Sales of Water	\$	28,417
Other Operating Revenue	\$	536,232
<b>Total Operating Revenues</b>	\$	<b>8,326,298</b>

**Operating Expenses**

Purchased Water	\$	267,361
Purchased Power	\$	898,402
Water Treatment	\$	47,246
Supplies and Expenses	\$	989,708
Repairs of Plant	\$	115,545
Administrative & General	\$	3,158,525
<b>Total Operating Expenses</b>	\$	<b>5,476,787</b>

**Other Revenue Deductions**

Depreciation & Amortization	\$	601,009
Operating Income Taxes	\$	338,945
Other Operating Taxes	\$	558,905
Uncollectible Revenue/Bad Debt Expense	\$	23,647
<b>Total Revenue Deductions</b>	\$	<b>1,522,506</b>

**Total Expenses and Deductions**

	\$	6,999,293
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Other Income	\$	186
Interest on Long-Term Debt		
Other Interest Charges	\$	282,703
Other Income Deductions	\$	276,620
<b>Net Operating Income (or Loss)</b>	\$	<b>767,868</b>

**Assets & Other Debits**

Utility Plant	\$	52,443,781
Less: Depreciation & Amortization Reserve	\$	16,126,159
Other Property & Investments	\$	591,462
Materials and Supplies	\$	201,321
Other Current & Accrued Assets	\$	609,042
Deferred Debits	\$	24,634
<b>Total Assets &amp; Other Debits</b>	\$	<b>37,744,081</b>

**Liabilities & Other Credits**

Capital/Common Stock	\$	150,554
Retained Earnings	\$	11,183,553
Long-Term Debt	\$	7,940,333
Customer Deposits	\$	1,500
Other Current & Accrued Liabilities	\$	27,163
Advances for Construction	\$	-
Other Deferred Credits	\$	-
Contributions in Aid of Construction	\$	18,161,472
Accumulated Deferred Income Taxes	\$	279,506
<b>Total Liabilities &amp; Other Credits</b>	\$	<b>37,744,081</b>

**Average Number of Customers**

Flat Rate	-
Metered - Residential	12,522
Metered - Commercial	298
Irrigation (including golf courses)	791
Fire Protection	-
Other	-
<b>Total Customers</b>	<b>13,611</b>