



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

2013

COMPANY NAME

Avion Water Company, Inc.

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

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 1st 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.

- 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 BRIAN BAHR AT 503-378-4362.

Oath

Avion Water Company, Inc.

Complete Address of Reporting Utility

Line 1:	60813 Parrell Road
Line 2:	
City:	Bend
State:	Oregon
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 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 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 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:	Harrigan Price Fronk & Co., LLP
Address:	975 SW Colorado Ave., Ste. 200, Bend, OR 97702
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 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, Ball Janik LLP	Attorney	(541) 617-1309	kwuepper@balljanik.com
Wesley B. Price, III, Harrigan Price Fronk & Co, LLP	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)		
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		Jan M. Wick
	Title	Stockholder/Chairman of the Board/Exec. Vice President	
	Address		60813 Parrell Road, Bend, OR 97702
	# shares owned	19,300	
2	Name of stockholder/director/officer		Christine M. Wick
	Title	Stockholder/Director	
	Address		60813 Parrell Road, Bend, OR 97702
	# shares owned	19,640	
3	Name of stockholder/director/officer		David Nelsen
	Title	Stockholder/Director	
	Address		14927 N.E. Newport Street, Portland, OR 97023
	# shares owned	4,950	
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	

Part C: Corporation - Shares Outstanding

	Common Stock	Preferred Stock
# shares authorized	100000	
# shares issued at year end	98890	
Par or stated value per share:	\$ 0.4767	
Dividends declared per share during the year:	\$ 1	

Part B: Corporation - Continued

5	Name of stockholder/director/officer	Jason J. Wick
	Title	Stockholder/Director/President
	Address	60813 Parrell Road, Bend, OR 97702
	# shares owned	27,900

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

7	Name of stockholder/director/officer	Adam Wick
	Title	Stockholder
	Address	5335 Meadows Road, Suite 370, Lake Oswego, OR 97035
	# shares owned	1,200

8	Name of stockholder/director/officer	Joseph Wick
	Title	Stockholder
	Address	60813 Parrell Road, Bend, OR 97702
	# shares owned	1,200

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
			\$ -

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 & benefits	Order #07-081	\$ 175,893
Jan and Christine Wick	Guarantee Fee	Order #07-417	\$ 38,195
David Nelsen	Salary & benefits	Order #07-296	\$ 52,787
Jason J. Wick	Salary & benefits		\$ 203,390
Jason J. Wick	Guarantee Fee		\$ 38,195
Jordan Wick	Guarantee Fee		\$ 38,195
			\$ 546,655

TOTAL \$ (546,655)

Explanations or Notes

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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	11,127	11,500	258,329,531	\$ 5,759,261
Metered sales to COMMERCIAL customers	461.2	320	323	39,452,493	\$ 690,710
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				\$ 27,232
Private fire protection revenue	462.2				
Other Sales to public authorities	464				
Sales to irrigation customers	465	787	788		\$ 315,448
Sales for resale	466				\$ 19,450
Water Sales to golf course/recreation revenue	467				
Special contract/agreement revenue	468				
TOTAL		12,234	12,611	297,782,024	\$ 6,812,101

Revenue other than water sales

	Act #	revenues
Forfeited discounts	470	
Miscellaneous service revenues	471	\$ 112,102
Rents from water property	472	
Interdepartmental rents	473	
Other	474	\$ 129,942
Cross Connection sales & services revenues	475	\$ 239,396
Total		\$ 481,440

Total Operating Revenue

\$ 7,293,541

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	1902.811766	42.42174541
Metered sales to COMMERCIAL customers	461.2	10226.15163	179.0331778
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		33.38074074
Sales for resale	466		
Water Sales to golf course/recreation revenue	467		
Special contract/agreement revenue	468		

Expenses

Avion Water Company, Inc.

Act #		Expense amount
601	Salaries and Wages - employees	\$ 1,328,857
603	Salaries and Wages – officers, directors, and majority stockholders	\$ 459,890
604	Employee Pensions & Benefits	\$ 635,856
610	Purchased Water	\$ 188,279
611	Telephone/Communications	\$ 29,739
615	Purchased Power	\$ 764,296
616	Fuel for Power Production	
617	Utilities - Other (garbage, natural gas)	\$ 5,248
618	Chemicals & testing	
619	Office Supplies (excluding postage)	\$ 5,908
619.1	Postage	\$ 8,668
620	Materials & Supplies (O&M)	\$ 291,185
621	Repairs of Water Plant	\$ 121,133
631	Contractual Services - engineering	\$ 1,590
632	Contractual Services - accounting	\$ 8,086
633	Contractual Services - legal	\$ 13,225
634	Contractual Services - management	\$ 25
635	Contractual Services – testing / sampling	\$ 36,241
636	Contractual Services – labor	
637	Contractual Services - billing/collections	\$ 79,510
638	Contractual Services - meter reading	\$ 134,941
639	Contractual Services - other	\$ 68,390
641	Rental of Building / Real Property	\$ 23,316
642	Rental of Equipment	\$ 13,811
643	Small Tools	\$ 11,159
648	Computer and electronic Expenses	\$ 31,886
650	Transportation Expenses	\$ 164,720
656	Insurance - Vehicle	\$ 13,492
657	Insurance – General Liability	\$ 40,280
658	Insurance – Workman’s Compensation	\$ 20,461
659	Insurance – Other	\$ 11,402
660	Public Relation / Advertising Expense	\$ 468
666	Amortization of Rate Case Expense	
667	Regulatory Commission Fee (Gross Rev Fee)	\$ 17,675
668	Conservation Expense	\$ 60,701
670	Bad Debt Expense	\$ 27,708
671.1	Cross Connection Control Program Expense	
671.2	Cross Connection Testing & Maintenance Services	
673	Training & Certification Expense	\$ 12,739
674	Consumer Confidence Report	\$ 7,497
675	Miscellaneous Expense	\$ 161,479
	TOTAL	\$ 4,799,861

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	\$ 1,894,801	\$ 48,729			\$ 1,943,530
304	Structures & improvements	\$ 1,476,643	\$ 63,183			\$ 1,539,826
305	Collecting & impounding reservoirs	\$ 4,769				\$ 4,769
306	Lake, river & other intakes	\$ 33,478				\$ 33,478
307	Wells & springs	\$ 1,485,682	\$ 25,000			\$ 1,510,682
308	Infiltration galleries & tunnels	\$ 106				\$ 106
309	Supply mains	\$ 141,432				\$ 141,432
310	Power generation equipment	\$ 1,203				\$ 1,203
311	Pumping equipment	\$ 1,612,687				\$ 1,612,687
320	Water treatment equipment	\$ 16,002				\$ 16,002
330	Distribution reservoirs & standpipes	\$ 3,402,058	\$ 205,240			\$ 3,607,298
331	Transmission & distribution mains	\$ 31,023,810	\$ 1,949,974			\$ 32,973,784
333	Services	\$ 1,216,957	\$ 2,168			\$ 1,219,125
334	Meters & meter installations	\$ 818,905	\$ 122,461	\$ 20,564		\$ 920,802
335	Hydrants	\$ 151,521				\$ 151,521
336	Backflow prevention devices (utility owned)	\$ 137,579	\$ 11,851			\$ 149,430
339	Other plant & miscellaneous equipment	\$ 210,713				\$ 210,713
340	Office furniture & equipment	\$ 150,955	\$ 7,241			\$ 158,196
341	Transportation equipment	\$ 489,407	\$ 72,199			\$ 561,606
343	Tools, shop & garage equipment	\$ 90,665	\$ 20,900			\$ 111,565
344	Laboratory equipment					\$ -
345	Power operated equipment	\$ 105,654				\$ 105,654
346	Communication equipment	\$ 93,449	\$ 1,778			\$ 95,227
347	Electronic & computer equipment	\$ 163,561	\$ 18,204			\$ 181,765
348	Miscellaneous equipment	\$ 17,431				\$ 17,431
	TOTAL	\$ 44,739,679	\$ 2,548,928	\$ 20,564	\$ -	\$ 47,268,043

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	\$ 22,378,000
Added during the year:	
Capacity charge	\$ 89,423
Main line extension charges	
Customer connection charges	
Developer's property	\$ 49,050
Other	
Retired during the year	\$ (10,589)
End of year balance	\$ 22,505,884

Accumulated Amortization of CIAC

Beg of year balance	\$ 4,268,388
Add CIAC amortized during year	\$ 494,851
Subtract effects of CIAC disposals	\$ (10,589)
+/- other adjustments*	
Change in Accumulated Amortization during the year	\$ 484,262
End of year balance	\$ 4,752,650

* 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	\$ 34,592	\$ 475,259	\$ 34,592		\$ 509,851
305	Collecting & impounding reservoirs	\$ 104	\$ 2,785	\$ 104		\$ 2,889
306	Lake, river & other intakes	\$ 670	\$ 16,951	\$ 670		\$ 17,621
307	Wells & springs	\$ 47,539	\$ 360,722	\$ 47,539		\$ 408,261
308	Infiltration galleries & tunnels	\$ 2	\$ 77	\$ 2		\$ 79
309	Supply mains	\$ 2,828	\$ 4,944	\$ 2,828		\$ 7,772
310	Power generation equipment	\$ 22	\$ 918	\$ 22		\$ 940
311	Pumping equipment	\$ 46,659	\$ 1,134,935	\$ 46,659		\$ 1,181,594
320	Water treatment equipment	\$ 800	\$ 860	\$ 800		\$ 1,660
330	Distribution reservoirs & standpipes	\$ 94,340	\$ 1,010,607	\$ 94,340		\$ 1,104,947
331	Transmission & distribution mains	\$ 635,312	\$ 7,050,885	\$ 635,312		\$ 7,686,197
333	Services	\$ 28,991	\$ 530,940	\$ 28,991		\$ 559,931
334	Meters & meter installations	\$ 35,782	\$ 372,801	\$ 35,782	\$ 20,564	\$ 388,019
335	Hydrants	\$ 3,642	\$ 57,166	\$ 3,642		\$ 60,808
336	Backflow prevention devices (utility owned)	\$ 9,567	\$ 41,282	\$ 9,567		\$ 50,849
339	Other plant & miscellaneous equipment	\$ 5,300	\$ 94,841	\$ 5,300		\$ 100,141
340	Office furniture & equipment	\$ 2,883	\$ 135,865	\$ 2,883		\$ 138,748
341	Transportation equipment	\$ 41,720	\$ 309,738	\$ 41,720		\$ 351,458
343	Tools, shop & garage equipment	\$ 2,609	\$ 74,525	\$ 2,609		\$ 77,134
344	Laboratory equipment	\$ -	\$ -	\$ -		\$ -
345	Power operated equipment	\$ 291	\$ 103,979	\$ 291		\$ 104,270
346	Communication equip	\$ 3,364	\$ 82,951	\$ 3,364		\$ 86,315
347	Electronic & computer Equipment	\$ 29,321	\$ 86,207	\$ 29,321		\$ 115,528
348	Miscellaneous Equipment	\$ 1,420	\$ 5,892	\$ 1,420		\$ 7,312
	TOTAL	\$ 1,027,758	\$ 11,955,130	\$ 1,027,758	\$ 20,564	\$ 12,962,324

*Explanation of any adjustments made:

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Retained Earnings

Avion Water Company, Inc.

215	Unappropriated Retained Earnings (beginning of year balance)	\$	(9,059,336)
435	Balance transferred from income	\$	(667,803)
436	Appropriations of Retained Earnings	\$	-
437	Preferred Stock dividends declared	\$	-
438	Common Stock dividends declared	\$	70,000
439	Adjustments to Retained Earnings*	\$	191,806
215	Unappropriated Retained Earnings (as of year end)	\$	(9,465,333)

Explanation of any adjustments made to Retained Earnings

State and Federal tax accruals - \$27,538; Stock redemption - (\$219,344)

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)

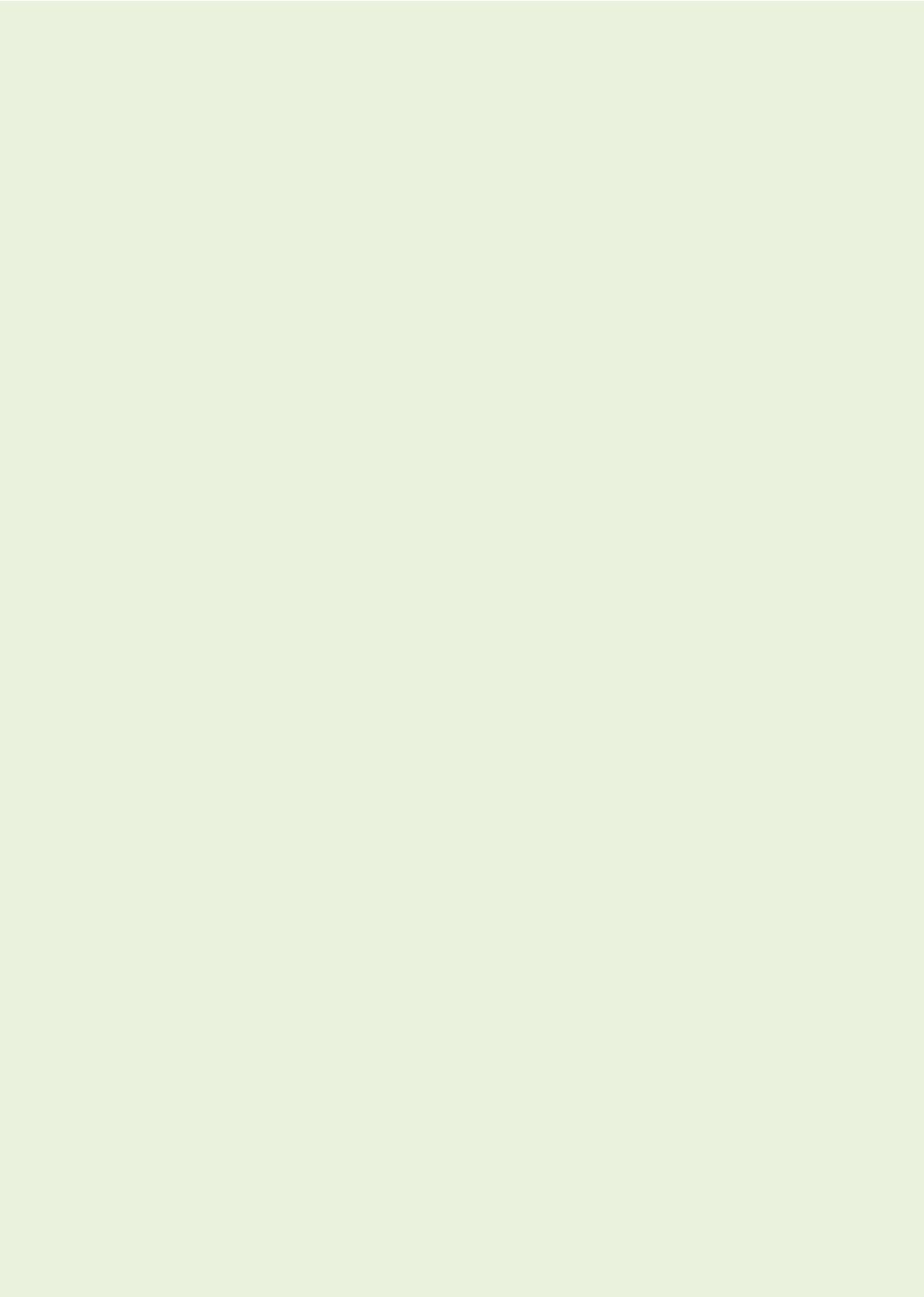
Utility Plant		
101	Utility Plant in Service	\$ 47,268,043
102	Utility Plant Leased to Others	
103	Property Held for Future Use	\$ 177,359
104	Utility Plant Purchased or Sold	
105	Construction Work in Progress - Commission Approved	\$ 20,563
108	Accumulated Depreciation of Utility Plant in Service	\$ 12,962,324
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	\$ 1,289,746
132	Special Deposits	
134	Working Funds	
135	Temporary Cash Investments	
141	Customer Accounts Receivable	\$ 294,300
142	Other Accounts Receivable	
143	Allowance for Uncollectible Accounts (Enter positive)	\$ 32,373
144	Notes Receivable	\$ 1,098
145	Accounts Receivable from Associated Companies	
146	Notes Receivable from Associated Companies	
151	Plant Materials and Supplies	\$ 180,222
162	Prepayments	\$ 61,618
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	\$ 26,994
190	Accumulated Deferred Income Taxes	
EQUITY, LIABILITIES, AND OTHER CREDITS (201-283)		
Equity		
201	Common Stock Issued	\$ 47,139
204	Preferred Stock Issued	\$ -
207	Premium on Capital Stock	\$ 189,542
211	Paid in Capital	
212	Discount on Capital Stock	
213	Capital Stock Expense	
214	Appropriated Retained Earnings	
215	Unappropriated Retained Earnings	\$ (9,465,333)
216	Reacquired Capital Stock	\$ 75,000
218	Proprietary Capital	
Long Term Debt		
221	Bonds	
223	Advances from Associated Companies	
224	Other Long-Term Debt	\$ 7,596,168
Current and Accrued Liabilities		
231	Accounts Payable	\$ 798,412
232	Notes Payable	
233	Accounts Payable to Associated Companies	
234	Notes Payable to Associated Companies	
235	Customer Deposits	\$ 1,500
236	Accrued Taxes	\$ (141,294)
237	Accrued Interest	\$ 13,761
238	Accrued Dividends	
239	Matured Long-Term Debt	
240	Matured Interest	
241	Miscellaneous Current and Accrued Liabilities	\$ 4,361
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	\$ 22,505,884
272	Accumulated Amortization of CIAC	\$ 4,752,650
Accumulated Deferred Income Taxes		
281	Accumulated Deferred Income Taxes - Accelerated Depreciation	\$ 731,180
282	Accumulated Deferred Income Taxes - Liberalized Depreciation	
283	Accumulated Deferred Income Taxes - Other	
WATER UTILITY PLANT ACCOUNTS (301-348)		
301	Organization	\$ 211
302	Franchises	\$ -
303	Land and Land Rights	\$ 1,943,530
304	Structures and Improvements	\$ 1,539,826
305	Collecting and Impounding Reservoirs	\$ 4,769
306	Lakes, River and Other Intakes	\$ 33,478
307	Wells and Springs	\$ 1,510,682
308	Infiltration Galleries and Tunnels	\$ 106
309	Supply Mains	\$ 141,432
310	Power Generation Equipment	\$ 1,203
311	Pumping Equipment	\$ 1,612,687
320	Water Treatment Equipment	\$ 16,002
330	Distribution Reservoirs and Standpipes	\$ 3,607,298
331	Transmission and Distribution Mains	\$ 32,973,784
333	Services	\$ 1,219,125
334	Meters and Meter Installations	\$ 920,802
335	Hydrants	\$ 151,521
336	Backflow Prevention Devices	\$ 149,430
339	Other Plant and Miscellaneous Equipment	\$ 210,713
340	Office Furniture and Equipment	\$ 158,196
341	Transportation Equipment	\$ 561,606
343	Tools, Shop and Garage Equipment	\$ 111,565
344	Laboratory Equipment	\$ -

INCOME ACCOUNTS (404-434)		
Utility Operating Income		
400	Operating Revenue	\$ 7,293,541
401	Operating Expenses	\$ 4,799,861
403	Depreciation Expense	\$ 1,027,758
406	Amortization of Utility Plant Acquisition Adjustment	
407	Amortization Expense (no CIAC)	
408	Taxes Other than Income	\$ 544,982
409	Income Taxes	\$ 27,688
410	Provision for Deferred Income Taxes - Debit	\$ 355,879
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	\$ 1,235
415	Revenues from Merchandising, Jobbing, and Contract Work	\$ 69,504
416	Cost and Expenses of Merchandising, Jobbing, and Contract Work	\$ 27,716
419	Interest and Dividend Income	\$ 1,361
421	Nonutility Income	
426	Nonutility Expenses	\$ 15,930
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	\$ 392,875
428	Amortization of Debt Discount and Expense	
429	Amortization of Premium on Debt	
Retained Earnings Account (435-439)		
435	Balance Transferred from Income	\$ 667,803
436	Appropriations of Retained Earnings	
437	Preferred Stock Dividends Declared	\$ -
438	Common Stock Dividends Declared	\$ 70,000
439	Adjustment to Retained Earnings	\$ 191,806
OPERATING REVENUE ACCOUNTS (460-475)		
460	Unmetered Water Revenue	\$ -
461.1	Metered Sales to Residential Customers	\$ 5,759,261
461.2	Metered Sales to Commercial Customers	\$ 690,710
461.3	Metered Sales to Industrial Customers	\$ -
461.4	Metered Sales to Public Authorities	\$ -
461.5	Metered Sales to Multiple Family Dwellings	\$ -
462.1	Public Fire Protection	\$ 27,232
462.2	Private Fire Protection	\$ -
464	Other Sales to Public Authorities	\$ -
465	Sales to Irrigation Customers	\$ 315,448
466	Sales for Resale	\$ 19,450
467	Interdepartmental Sales	\$ -
468	Special Contract/Agreement Revenue	\$ -
470	Forfeited Discounts	\$ -
471	Miscellaneous Service Revenues	\$ 112,102
472	Rents From Water Property	\$ -
473	Interdepartmental Rents	\$ -
474	Other Water Revenues	\$ 129,942
475	Cross Connection Sales & Services Revenues	\$ 239,396
OPERATION AND MAINTENANCE EXPENSE ACCOUNTS (601-675)		
Source of Supply and Expenses		
601	Salaries and Wages - Employees	\$ 1,328,857
603	Salaries and Wages - Officers, Directors and Majority Stockholders	\$ 459,890
604	Employee Pensions and Benefits	\$ 635,856
610	Purchased Water	\$ 188,279
611	Telephone/Communications	\$ 29,739
615	Purchased Power	\$ 764,296
616	Fuel for Power Production	\$ -
617	Utilities - Other	\$ 5,248
618	Chemicals & testing	\$ -
619	Office Supplies (excluding postage)	\$ 5,908
619.1	Postage	\$ 8,668
620	Materials and Supplies	\$ 291,185
621	Repairs to Water Plant	\$ 121,133
631	Contractual Services - Engineering	\$ 1,590
632	Contractual Services - Accounting	\$ 8,086
633	Contractual Services - Legal	\$ 13,225
634	Contractual Services - Management Fees	\$ 25
635	Contractual Services - Testing/Sampling	\$ 36,241
636	Contractual Services - Other	\$ -
637	Contractual Services - Billing/Collections	\$ 79,510
638	Contractual Services - Meter Reading	\$ 134,941
639	Contractual Services - Other	\$ 68,390
641	Rental of Building/Real Property	\$ 23,316
642	Rental of Equipment	\$ 13,811
643	Small Tools	\$ 11,159
648	Computer & Electronic Expenses	\$ 31,886
650	Transportation Expenses	\$ 164,720
656	Insurance - Vehicle	\$ 13,492
657	Insurance - General Liability	\$ 40,280
658	Insurance - Workman's Compensation	\$ 20,461
659	Insurance - Other	\$ 11,402
660	Public Relations / Advertising Expense	\$ 468
666	Regulatory Commission Expense - Amortization of Rate Case Expense	\$ -
667	Regulatory Commission Expense - Other	\$ 17,675
668	Water Resource Conservation Expense	\$ 60,701
670	Bad Debt Expense	\$ 27,708
671.1	Cross Connection Control Program Expense	\$ -
671.2	Cross Connection Testin & Maintenance Services	\$ -
672	System Capacity Development Program Expense	\$ -
673	Training & Certification Expense	\$ 12,739
674	Consumer Confidence Report	\$ 7,497
675	Miscellaneous Expenses	\$ 161,479

Notes

Avion Water Company, Inc.

Notes and explanations:



Income Statement

Avion Water Company, Inc.

400 Operating Revenue	\$ 7,293,541
401 Operating Expenses	\$ 4,799,861
403 Depreciation Expense	\$ 532,907
406 Amortization of Utility Plant Acquisition Adjustment	\$ -
407 Amortization Expense	\$ -
408 Taxes Other Than Income Taxes (total)	\$ 544,982
409 Income Taxes	\$ 27,688
410.1 Provision for Deferred Income Taxes - debit	\$ 355,879
411.1 Provision for Deferred Income Taxes - credit	\$ -
412 Investment Tax Credit	\$ -
413 Income From Utility Plant Leased to Others	\$ -
419 Interest & Dividend Income	\$ 1,361
427 Interest Expense	\$ 392,875
428-429 Amortization of Premium/Discount on Debt	\$ -
414 Gains/Losses From Utility Property Disposition (net)	\$ 1,235
433-434 Extraordinary Income/deductions (net)	\$ -
NET UTILITY OPERATING INCOME	\$ 641,945
421 Nonutility Income	\$ -
415 Revenue From Merchandising, Jobbing, & Contracts	\$ 69,504
426 Nonutility Expense	\$ 15,930
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	\$ 27,716
Net Income	\$ 667,803

Balance Sheet

Avion Water Company, Inc.

101 Utility Plant in Service (excluding CIAC)	\$	47,268,043
108-110 Accumulated Depreciation & Amortization	\$	12,962,324
Subtotal	\$	34,305,719
102-104 Other Utility Plant	\$	177,359
105 Commission Approved Construction Work in Progress (CWIP)	\$	20,563
114 Commission Approved Utility Plant Acquisition Adjustments	\$	59,090
115 Accumulated Amortization of Commission Approved Acquisition Adjustments	\$	-
190 Accumulated Deferred Income Taxes (asset)	\$	-
Subtotal	\$	257,012
Net Utility Plant	\$	34,562,731
131 Cash	\$	1,289,746
132 Special Deposits	\$	-
141-142 Accounts Receivable	\$	294,300
143 Accumulated Provision for Uncollectible Accounts	\$	32,373
144 Notes Receivable	\$	1,098
145-146 Accounts & Notes Receivable from Associated Companies	\$	-
151 Materials & Supplies Inventory	\$	180,222
133-135 & 162-174 Miscellaneous Current & Accrued Assets & Prepayments	\$	61,618
Net Current & Accrued Assets	\$	1,794,611
181-186 Deferred Debits	\$	26,994
Total Assets	\$	36,384,336
252 Advances for Construction	\$	-
271 CIAC	\$	22,505,884
272 Accumulated Amortization of CIAC	\$	4,752,650
Net CIAC & Advances for Construction	\$	17,753,234
121 Nonutility Property	\$	-
122 Accumulated Depreciation & Amortization (Nonutility)	\$	-
123-127 Miscellaneous Nonutility Investments	\$	-
Nonutility Plant & Investment	\$	-
221-224 Long-Term Debt	\$	7,596,168
231 Accounts Payable	\$	798,412
232 Notes Payable	\$	-
233 Accounts Payable to Affiliated Companies	\$	-
234 Notes Payable to Affiliated companies	\$	-
235 Customer Deposits	\$	1,500
236 Accrued Taxes	\$	(141,294)
237 Accrued Interest	\$	13,761
238-241 Miscellaneous Current and Accrued Liabilities	\$	4,361
Liabilities	\$	8,272,908
251 Premium on Unamortized Debt	\$	-
253 Other Deferred Credit	\$	-
261-265 Reserves	\$	-
Other	\$	-
281 Accumulated Deferred Income Taxes-Accelerated Amortization	\$	731,180
282 Accumulated Deferred Income Taxes-Liberalized Depreciation	\$	-
283 Accumulated Deferred Income Taxes-Other	\$	-
Total Liabilities	\$	9,004,088
201 Common Stock Issued	\$	47,139
204 Preferred Stock Issued	\$	-
207 Premium on Capital Stock	\$	189,542
211 Other Paid in Capital	\$	-
212 Discount on Capital Stock	\$	-
213 Capital Stock Expense	\$	-
214 Appropriated Retained Earnings	\$	-
215 Unappropriated Retained Earnings	\$	9,465,333
216 Reacquired Capital Stock	\$	75,000
218 Proprietary Capital (Proprietorships & Partnerships Only)	\$	-
Total Equity	\$	9,627,014
Total Liabilities and Equity	\$	36,384,336

Stats

Avion Water Company, Inc.

Operating Revenues

Flat Rate	\$	-
Metered - Residential	\$	5,759,261
Metered - Commercial	\$	690,710
Irrigation (including golf courses)	\$	315,448
Fire Protection	\$	27,232
Other Sales of Water	\$	19,450
Other Operating Revenue	\$	481,440
Total Operating Revenues	\$	<u>7,293,541</u>

Operating Expenses

Purchased Water	\$	188,279
Purchased Power	\$	764,296
Water Treatment	\$	36,241
Supplies and Expenses	\$	931,834
Repairs of Plant	\$	121,133
Administrative & General	\$	2,758,078
Total Operating Expenses	\$	<u>4,799,861</u>

Other Revenue Deductions

Depreciation & Amortization	\$	532,907
Operating Income Taxes	\$	383,567
Other Operating Taxes	\$	544,982
Uncollectible Revenue/Bad Debt Expense	\$	27,708
Total Revenue Deductions	\$	<u>1,489,164</u>

Total Expenses and Deductions

	\$	6,289,025
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Other Income	\$	1,361
Interest on Long-Term Debt		
Other Interest Charges	\$	392,875
Other Income Deductions	\$	(355,879)
Net Operating Income (or Loss)	\$	<u>968,881</u>

Assets & Other Debits

Utility Plant	\$	47,268,043
Less: Depreciation & Amortization Reserve	\$	12,962,324
Other Property & Investments	\$	1,289,746
Materials and Supplies	\$	180,222
Other Current & Accrued Assets	\$	581,655
Deferred Debits	\$	26,994
Total Assets & Other Debits	\$	<u>36,384,336</u>

Liabilities & Other Credits

Capital/Common Stock	\$	161,681
Retained Earnings	\$	9,465,333
Long-Term Debt	\$	7,596,168
Customer Deposits	\$	1,500
Other Current & Accrued Liabilities	\$	675,240
Advances for Construction	\$	-
Other Deferred Credits	\$	-
Contributions in Aid of Construction	\$	17,753,234
Accumulated Deferred Income Taxes	\$	731,180
Total Liabilities & Other Credits	\$	<u>36,384,336</u>

Average Number of Customers

Flat Rate	-
Metered - Residential	11,500
Metered - Commercial	323
Irrigation (including golf courses)	788
Fire Protection	-
Other	-
Total Customers	<u>12,611</u>