



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.

annual report

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

## COMPANY SIZE (based on Annual Revenue)

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

## FOR THE CALENDAR YEAR

2020

## COMPANY NAME

Avion Water Company, Inc.

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

## 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 **in Excel ONLY with formulae intact** 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 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 971-209-0533 OR EMAIL AT  
RUSSELL.BEITZEL@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:	www.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 President/Director	(541) 382-5342	jan@avionwater.com
Richard C. Bailey	Secretary-Treasurer/Director	(541) 382-5342	rick@avionwater.com
Christine M. Wick	Director	(541) 382-5342	
David L. Nelsen	Director	(503) 704-5543	
Jordan D. 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	Attorney	(541) 617-1309	kwuepper@brixlaw.com
Wesley B. Price III	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/Director/Exec. Vice President
	Address	60813 Parrell Road, Bend, OR 97702
	# shares owned	16,155.00
2	Name of stockholder/director/officer	Christine M. Wick
	Title	Stockholder/Director
	Address	60813 Parrell Road, Bend, OR 97702
	# shares owned	16,495.00
3	Name of stockholder/director/officer	David L. Nelsen
	Title	Stockholder/Director
	Address	365 SE Gabbert Road, Gresham, OR 97080
	# shares owned	3,950.00
4	Name of stockholder/director/officer	Jordan D. Wick
	Title	Stockholder/Director
	Address	5335 Meadows Road, Suite 370, Lake Oswego, OR 97035
	# shares owned	23,500.00

**Part C: Corporation - Shares Outstanding**

	Common Stock	Preferred Stock
# shares authorized	100000	
# shares issued at year end	91450	
Par or stated value per share:	\$ 0.4767	
Dividends declared per share during the year:	\$ (2)	

Part B: Corporations-Continued

5	Name of Stockholder/director/officer		Jason J. Wick
	Title	Stockholder/director/President	
	Address	60813 Parrell Road, Bend, OR 97702	
	# of shares owned	25,528.00	
6	Name of Stockholder/director/officer		Megan Wick
	Title	Stockholder	
	Address	60813 Parrell Road, Bend, OR 97702	
	# of shares owned	2,222.00	
7	Name of Stockholder/director/officer		Leah E. Wick
	Title	Stockholder	
	Address	5335 Meadows Road, Suite 370, Lake Oswego, OR 97035	
	# of shares owned	1,200.00	
8	Name of Stockholder/director/officer		Adam D. Wick
	Title	Stockholder	
	Address	5335 Meadows Road, Suite 370, Lake Oswego, OR 97035	
	# of shares owned	1,200.00	
9	Name of Stockholder/director/officer		Joseph J. Wick
	Title	Stockholder	
	Address	60813 Parrell Road, Bend, OR 97702	
	# of shares owned	1,200.00	
10	Name of Stockholder/director/officer		Richard C. Bailey
	Title	Director/Secretary-Treasurer	
	Address	60813 Parrell Road, Bend, OR 97702	
	# of shares owned	-	

**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
Jan M. Wick	Salary and Benefits	Order No. 07-081	\$ 171,045
Jan & Christine Wick	Guarantee Fee	Order No. 07-417	\$ 55,543
Jason J. Wick	Guarantee Fee		\$ 55,543
Jordan D. Wick	Guarantee Fee		\$ 55,543
			\$ 337,674

TOTAL \$ (337,674)

Explanations or Notes



**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	13,648	13,782	293,282,214	\$ 7,605,100
Metered sales to COMMERCIAL customers	461.2	337	422	82,758,649	\$ 1,123,404
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				\$ 31,659
Private fire protection revenue	462.2				
Other Sales to public authorities	464				
Sales to irrigation customers	465	781	780		\$ 493,844
Sales for resale	466				\$ 72,019
Water Sales to golf course/recreation revenue	467				
Special contract/agreement revenue	468				
<b>TOTAL</b>		<b>14,766</b>	<b>14,984</b>	<b>376,040,863</b>	<b>\$ 9,326,026</b>

**Revenue other than water sales**

	Act #	revenues
Forfeited discounts	470	
Miscellaneous service revenues	471	\$ 187,187
Rents from water property	472	
Interdepartmental rents	473	
Other	474	\$ 1,740,616
Cross Connection sales & services revenues	475	\$ 246,618
<b>Total</b>		<b>\$ 2,174,421</b>

Total Operating Revenue

\$ 11,500,447
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**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	1782.003974	46.20913841
Metered sales to COMMERCIAL customers	461.2	18172.73803	246.685112
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		52.72731155
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	\$	337,315
408.12	Payroll Tax	\$	191,037
408.13	Other Tax Other Than Income Tax	\$	361,474
408.2	Nonutility Taxes Other Than Income Tax		
		TOTAL	\$ 889,825

**Act # INCOME TAXES**

409.1	Federal Income Tax	\$	1,189,198
409.11	State Income Tax	\$	455,529
409.13	Other Income Tax		
409.2	Nonutility Income Tax		
		TOTAL	\$ 1,644,727

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

410.1	Deferred Federal Income Taxes – Utility Operations	\$	67,792
410.11	Deferred State Income Taxes – Utility Operations	\$	16,718
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	\$ 84,510

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

Description	Amount
Abandoned transmission main	\$ (2,229)
Vehicle disposals	\$ 9,574
Computer disposals	\$ (619)
Total	\$ 6,726

## EXPENSES

Act #		Expense amount
601	Salaries and Wages - employees	\$ 1,933,818
603	Salaries and Wages – officers, directors, and majority stockholders	\$ 518,328
604	Employee Pensions & Benefits	\$ 878,874
610	Purchased Water	\$ 306,324
611	Telephone/Communications	\$ 98,812
615	Purchased Power	\$ 1,108,764
616	Fuel for Power Production	
617	Utilities - Other (garbage, natural gas)	\$ 11,284
618	Chemicals & testing	\$ 1,286
619	Office Supplies (excluding postage)	\$ 7,619
619.1	Postage	\$ 3,647
620	Materials & Supplies (O&M)	\$ 257,076
621	Repairs of Water Plant	\$ 291,109
631	Contractual Services - engineering	\$ 1,225
632	Contractual Services - accounting	\$ 17,449
633	Contractual Services - legal	\$ 43,155
634	Contractual Services - management	\$ -
635	Contractual Services – testing / sampling	\$ 26,903
636	Contractual Services – labor	\$ -
637	Contractual Services - billing/collections	\$ 102,501
638	Contractual Services - meter reading	\$ 160,673
639	Contractual Services - other	\$ 63,313
641	Rental of Building / Real Property	\$ 26,665
642	Rental of Equipment	\$ 45,809
643	Small Tools	\$ 10,222
648	Computer and electronic Expenses	\$ 61,371
650	Transportation Expenses	\$ 282,268
656	Insurance - Vehicle	\$ 21,985
657	Insurance – General Liability	\$ 45,640
658	Insurance – Workman’s Compensation	\$ 35,566
659	Insurance – Other	\$ 12,473
660	Public Relation / Advertising Expense	\$ -
666	Amortization of Rate Case Expense	\$ -
667	Regulatory Commission Fee (Gross Rev Fee)	\$ 34,241
668	Conservation Expense	\$ 3,355
670	Bad Debt Expense	\$ 11,728
671.1	Cross Connection Control Program Expense	\$ 70
671.2	Cross Connection Testing & Maintenance Services	\$ 985
673	Training & Certification Expense	\$ 32,587
674	Consumer Confidence Report	\$ 1,350
675	Miscellaneous Expense	\$ 279,527
	TOTAL	\$ 6,738,002

**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	\$ 2,280,253	\$ 498,205			\$ 2,778,458
304	Structures & improvements	\$ 1,677,454	\$ 101,173			\$ 1,778,627
305	Collecting & impounding reservoirs	\$ 4,769				\$ 4,769
306	Lake, river & other intakes	\$ 34,925				\$ 34,925
307	Wells & springs	\$ 2,231,965	\$ 947,936			\$ 3,179,901
308	Infiltration galleries & tunnels	\$ 106				\$ 106
309	Supply mains	\$ 433,707				\$ 433,707
310	Power generation equipment	\$ 1,203				\$ 1,203
311	Pumping equipment	\$ 1,628,430	\$ 34,682			\$ 1,663,112
320	Water treatment equipment	\$ 21,100				\$ 21,100
330	Distribution reservoirs & standpipes	\$ 3,669,297				\$ 3,669,297
331	Transmission & distribution mains	\$ 42,104,874	\$ 3,274,703			\$ 45,379,577
333	Services	\$ 1,338,620	\$ 75,393			\$ 1,414,013
334	Meters & meter installations	\$ 1,645,474	\$ 231,619	\$ 6,878		\$ 1,870,215
335	Hydrants	\$ 169,620				\$ 169,620
336	Backflow prevention devices (utility owned)	\$ 336,416	\$ 35,792			\$ 372,208
339	Other plant & miscellaneous equipment	\$ 210,713				\$ 210,713
340	Office furniture & equipment	\$ 125,485				\$ 125,485
341	Transportation equipment	\$ 665,762	\$ 1,315	\$ 228,404		\$ 438,673
343	Tools, shop & garage equipment	\$ 116,067	\$ 4,172			\$ 120,239
344	Laboratory equipment	\$ -				\$ -
345	Power operated equipment	\$ 170,192				\$ 170,192
346	Communication equipment	\$ 174,713	\$ 47,562			\$ 222,275
347	Electronic & computer equipment	\$ 284,190	\$ 61,779	\$ 2,799		\$ 343,170
348	Miscellaneous equipment	\$ 14,162				\$ 14,162
	<b>TOTAL</b>	<b>\$ 59,339,708</b>	<b>\$ 5,314,331</b>	<b>\$ 238,081</b>	<b>\$ -</b>	<b>\$ 64,415,958</b>

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	\$ 28,053,064
Added during the year:	
Capacity charge	\$ 1,235,890
Main line extension charges	
Customer connection charges	
Developer's property	\$ 2,517,210
Other	
Retired during the year	\$ (175,130)
End of year balance	\$ 31,631,033

**Accumulated Amortization of CIAC**

Beg of year balance	\$ 8,019,619
Add CIAC amortized during year	\$ 661,256
Subtract effects of CIAC disposals	
+/- other adjustments*	
Change in Accumulated Amortization during the year	\$ 661,256
End of year balance	\$ 8,680,875

\* Explain any adjustments:

**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	\$ 38,390	\$ 731,218	\$ 38,390		\$ 769,608
305	Collecting & impounding reservoirs	\$ 104	\$ 3,513	\$ 104		\$ 3,617
306	Lake, river & other intakes	\$ 711	\$ 21,749	\$ 711		\$ 22,460
307	Wells & springs	\$ 102,224	\$ 758,624	\$ 102,224		\$ 860,848
308	Infiltration galleries & tunnels	\$ 2	\$ 92	\$ 2		\$ 94
309	Supply mains	\$ 8,673	\$ 50,984	\$ 8,673		\$ 59,657
310	Power generation equipment	\$ 22	\$ 1,072	\$ 22		\$ 1,094
311	Pumping equipment	\$ 34,889	\$ 1,396,284	\$ 34,889		\$ 1,431,173
320	Water treatment equipment	\$ 1,055	\$ 7,117	\$ 1,055		\$ 8,172
330	Distribution reservoirs & standpipes	\$ 99,949	\$ 1,700,835	\$ 99,949		\$ 1,800,784
331	Transmission & distribution mains	\$ 879,810	\$ 12,046,048	\$ 879,810		\$ 12,925,858
333	Services	\$ 34,165	\$ 743,540	\$ 34,165		\$ 777,705
334	Meters & meter installations	\$ 79,363	\$ 667,213	\$ 79,363	\$ 6,878	\$ 739,698
335	Hydrants	\$ 3,478	\$ 78,244	\$ 3,478		\$ 81,722
336	Backflow prevention devices (utility owned)	\$ 23,621	\$ 140,308	\$ 23,621		\$ 163,929
339	Other plant & miscellaneous equipment	\$ 5,297	\$ 131,928	\$ 5,297		\$ 137,225
340	Office furniture & equipment	\$ 1,071	\$ 110,954	\$ 1,071		\$ 112,025
341	Transportation equipment	\$ 50,044	\$ 479,209	\$ 50,044	\$ 206,206	\$ 323,048
343	Tools, shop & garage equipment	\$ 4,762	\$ 69,619	\$ 4,762		\$ 74,381
344	Laboratory equipment	\$ -	\$ -	\$ -		\$ -
345	Power operated equipment	\$ 6,770	\$ 133,772	\$ 6,770		\$ 140,542
346	Communication equip	\$ 9,548	\$ 115,482	\$ 9,548		\$ 125,030
347	Electronic & computer Equipment	\$ 36,344	\$ 196,792	\$ 36,344	\$ 980	\$ 232,156
348	Miscellaneous Equipment	\$ 1,016	\$ 12,296	\$ 1,016		\$ 13,312
	<b>TOTAL</b>	<b>\$ 1,421,307</b>	<b>\$ 19,596,893</b>	<b>\$ 1,421,307</b>	<b>\$ 214,063</b>	<b>\$ 20,804,137</b>

\*Explanation of any adjustments made:

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## RETAINED EARNINGS

Avion Water Company, Inc.

215	Unappropriated Retained Earnings (beginning of year balance)	\$	9,254,058
435	Balance transferred from income	\$	934,921
436	Appropriations of Retained Earnings	\$	-
437	Preferred Stock dividends declared	\$	-
438	Common Stock dividends declared	\$	(200,000)
439	Adjustments to Retained Earnings*	\$	(220,163)
215	Unappropriated Retained Earnings (as of year end)	\$	9,768,816

\* Explanation of any adjustments made to Retained Earnings

2020 stock redemptions (\$89,521.32); remainder of 2018 & 2019 UM 1936 tax deferral (\$129,369.68);UM 19
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**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	\$ 64,415,958
102	Utility Plant Leased to Others	
103	Property Held for Future Use	\$ -
104	Utility Plant Purchased or Sold	
105	Construction Work in Progress - Commission Approved	\$ 296,994
108	Accumulated Depreciation of Utility Plant in Service	\$ 20,804,137
110	Accumulated Amortization of Utility Plant in Service	
114	Utility Plant Acquisition Adjustments	\$ 99,090
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	\$ 1,892,023
132	Special Deposits	
134	Working Funds	
135	Temporary Cash Investments	
141	Customer Accounts Receivable	\$ 288,365
142	Other Accounts Receivable	
143	Allowance for Uncollectible Accounts (Enter positive)	\$ 17,302
144	Notes Receivable	
145	Accounts Receivable from Associated Companies	
146	Notes Receivable from Associated Companies	
151	Plant Materials and Supplies	\$ 302,398
162	Prepayments	\$ 93,712
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	\$ 43,238
190	Accumulated Deferred Income Taxes	

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

Equity		
201	Common Stock Issued	\$ 43,594
204	Preferred Stock Issued	\$ -
207	Premium on Capital Stock	\$ 175,282
211	Paid in Capital	
212	Discount on Capital Stock	
213	Capital Stock Expense	
214	Appropriated Retained Earnings	
215	Unappropriated Retained Earnings	\$ 9,768,816
216	Reacquired Capital Stock	\$ 75,000
218	Proprietary Capital	

Long Term Debt		
221	Bonds	
223	Advances from Associated Companies	
224	Other Long-Term Debt	\$ 9,546,931

Current and Accrued Liabilities		
231	Accounts Payable	\$ 344,526
232	Notes Payable	
233	Accounts Payable to Associated Companies	
234	Notes Payable to Associated Companies	
235	Customer Deposits	\$ 1,500
236	Accrued Taxes	\$ (151,091)
237	Accrued Interest	\$ 19,585
238	Accrued Dividends	
239	Matured Long-Term Debt	
240	Matured Interest	
241	Miscellaneous Current and Accrued Liabilities	\$ 761,988

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	\$ 31,631,033
272	Accumulated Amortization of CIAC	\$ 8,680,875

Accumulated Deferred Income Taxes		
281	Accumulated Deferred Income Taxes - Accelerated Depreciation	\$ 3,184,051
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	\$ 2,778,458
304	Structures and Improvements	\$ 1,778,627
305	Collecting and Impounding Reservoirs	\$ 4,769
306	Lakes, River and Other Intakes	\$ 34,925
307	Wells and Springs	\$ 3,179,901
308	Infiltration Galleries and Tunnels	\$ 106
309	Supply Mains	\$ 433,707
310	Power Generation Equipment	\$ 1,203
311	Pumping Equipment	\$ 1,663,112
320	Water Treatment Equipment	\$ 21,100
330	Distribution Reservoirs and Standpipes	\$ 3,669,297
331	Transmission and Distribution Mains	\$ 45,379,577
333	Services	\$ 1,414,013
334	Meters and Meter Installations	\$ 1,870,215
335	Hydrants	\$ 169,620
336	Backflow Prevention Devices	\$ 372,208
339	Other Plant and Miscellaneous Equipment	\$ 210,713
340	Office Furniture and Equipment	\$ 125,485
341	Transportation Equipment	\$ 438,673
343	Tools, Shop and Garage Equipment	\$ 120,239
344	Laboratory Equipment	\$ -

345	Power Operated Equipment	\$ 170,192
346	Communication Equipment	\$ 222,275
347	Computer & electronic Equipment	\$ 343,170
348	Miscellaneous Equipment	\$ 14,162

INCOME ACCOUNTS (404-434)

Utility Operating Income		
400	Operating Revenue	\$ 11,500,447
401	Operating Expenses	\$ 6,738,002
403	Depreciation Expense	\$ 1,421,307
406	Amortization of Utility Plant Acquisition Adjustment	
407	Amortization Expense (no CIAC)	
408	Taxes Other than Income	\$ 889,825
409	Income Taxes	\$ 1,644,727
410	Provision for Deferred Income Taxes - Debit	\$ 84,510
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	\$ 6,726
415	Revenues from Merchandising, Jobbing, and Contract Work	\$ 28,829
416	Cost and Expenses of Merchandising, Jobbing, and Contract Work	\$ 4,789
419	Interest and Dividend Income	\$ 237
421	Nonutility Income	
426	Nonutility Expenses	\$ 21,556
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	\$ 457,858
428	Amortization of Debt Discount and Expense	
429	Amortization of Premium on Debt	

Retained Earnings Account (435-439)		
435	Balance Transferred from Income	\$ 934,921
436	Appropriations of Retained Earnings	
437	Preferred Stock Dividends Declared	\$ -
438	Common Stock Dividends Declared	\$ (200,000)
439	Adjustment to Retained Earnings	\$ (220,163)

OPERATING REVENUE ACCOUNTS (460-475)

460	Unmetered Water Revenue	\$ -
461	1 Metered Sales to Residential Customers	\$ 7,605,100
461	2 Metered Sales to Commercial Customers	\$ 1,123,404
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	\$ 31,659
462	2 Private Fire Protection	\$ -
464	Other Sales to Public Authorities	\$ -
465	Sales to Irrigation Customers	\$ 493,844
466	Sales for Resale	\$ 72,019
467	Interdepartmental Sales	\$ -
468	Special Contract/Agreement Revenue	\$ -
470	Forfeited Discounts	\$ -
471	Miscellaneous Service Revenues	\$ 187,187
472	Rents From Water Property	\$ -
473	Interdepartmental Rents	\$ -
474	Other Water Revenues	\$ 1,740,616
475	Cross Connection Sales & Services Revenues	\$ 246,618

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS (601-675)

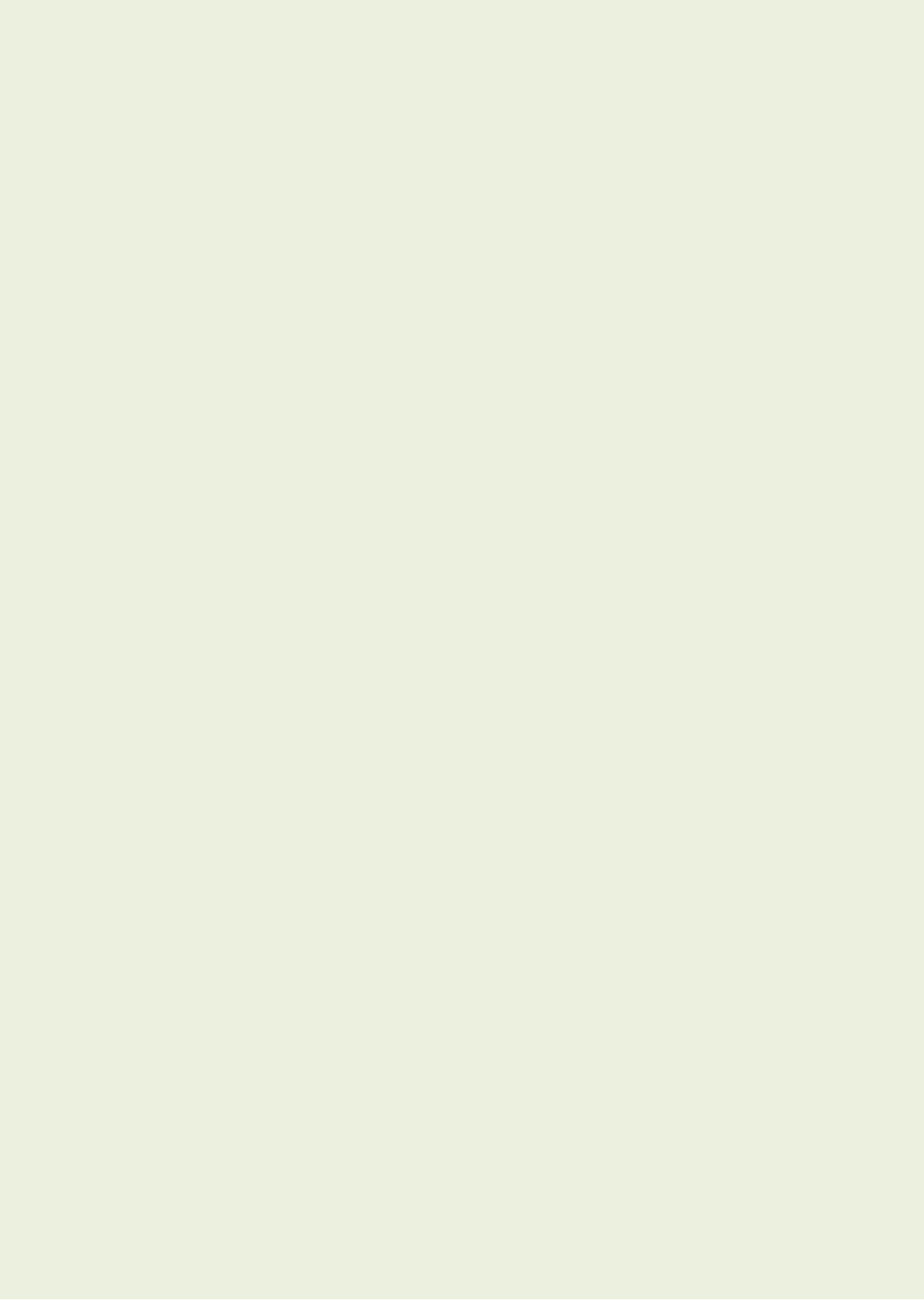
Source of Supply and Expenses		
601	Salaries and Wages - Employees	\$ 1,933,818
603	Salaries and Wages - Officers, Directors and Majority Stockholders	\$ 518,328
604	Employee Pensions and Benefits	\$ 878,874
610	Purchased Water	\$ 306,324
611	Telephone/Communications	\$ 98,812
615	Purchased Power	\$ 1,108,764
616	Fuel for Power Production	\$ -
617	Utilities - Other	\$ 11,284
618	Chemicals & testing	\$ 1,286
619	Office Supplies (excluding postage)	\$ 7,619
619.1	Postage	\$ 3,647
620	Materials and Supplies	\$ 257,076
621	Repairs to Water Plant	\$ 291,109
631	Contractual Services - Engineering	\$ 1,225
632	Contractual Services - Accounting	\$ 17,449
633	Contractual Services - Legal	\$ 43,155
634	Contractual Services - Management Fees	\$ -
635	Contractual Services - Testing/Sampling	\$ 26,903
636	Contractual Services - Other	\$ -
637	Contractual Services - Billing/Collections	\$ 102,501
638	Contractual Services - Meter Reading	\$ 160,673
639	Contractual Services - Other	\$ 63,313
641	Rental of Building/Real Property	\$ 26,665
642	Rental of Equipment	\$ 45,809
643	Small Tools	\$ 10,222
648	Computer & Electronic Expenses	\$ 61,371
650	Transportation Expenses	\$ 282,268
656	Insurance - Vehicle	\$ 21,985
657	Insurance - General Liability	\$ 45,640
658	Insurance - Workman's Compensation	\$ 35,566
659	Insurance - Other	\$ 12,473
660	Public Relations / Advertising Expense	\$ -
666	Regulatory Commission Expense - Amortization of Rate Case Expense	\$ -
667	Regulatory Commission Expense - Other	\$ 34,241
668	Water Resource Conservation Expense	\$ 3,355
670	Bad Debt Expense	\$ 11,728
671.1	Cross Connection Control Program Expense	\$ 70
671.2	Cross Connection Testin & Maintenance Services	\$ 985
672	System Capacity Development Program Expense	
673	Training & Certification Expense	\$ 32,587
674	Consumer Confidence Report	\$ 1,350
675	Miscellaneous Expenses	\$ 279,527



**NOTES**

Avion Water Company, Inc.

Notes and explanations:



## INCOME STATEMENT

Avion Water Company, Inc.

400 Operating Revenue	\$ 11,500,447
401 Operating Expenses	\$ 6,738,002
403 Depreciation Expense	\$ 760,051
406 Amortization of Utility Plant Acquisition Adjustment	\$ -
407 Amortization Expense	\$ -
408 Taxes Other Than Income Taxes (total)	\$ 889,825
409 Income Taxes	\$ 1,644,727
410.1 Provision for Deferred Income Taxes - debit	\$ 84,510
411.1 Provision for Deferred Income Taxes - credit	\$ -
412 Investment Tax Credit	\$ -
413 Income From Utility Plant Leased to Others	\$ -
419 Interest & Dividend Income	\$ 237
427 Interest Expense	\$ 457,858
428-429 Amortization of Premium/Discount on Debt	\$ -
414 Gains/Losses From Utility Property Disposition (net)	\$ 6,726
433-434 Extraordinary Income/deductions (net)	\$ -
NET UTILITY OPERATING INCOME	\$ 932,437
421 Nonutility Income	\$ -
415 Revenue From Merchandising, Jobbing, & Contracts	\$ 28,829
426 Nonutility Expense	\$ 21,556
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	\$ 4,789
Net Income	\$ 934,921

## BALANCE SHEET

Avion Water Compa

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

101 Utility Plant in Service (excluding CIAC)	\$	64,415,958
108-110 Accumulated Depreciation & Amortization	\$	20,804,137
Subtotal	\$	43,611,822
102-104 Other Utility Plant	\$	-
105 Commission Approved Construction Work in Progress (CWIP)	\$	296,994
114 Commission Approved Utility Plant Acquisition Adjustments	\$	59,090
115 Accumulated Amortization of Commission Approved Acquisition Adjustments	\$	-
190 Accumulated Deferred Income Taxes (asset)	\$	-
Subtotal	\$	356,084
Net Utility Plant	\$	43,967,906
131 Cash	\$	1,892,023
132 Special Deposits	\$	-
141-142 Accounts Receivable	\$	288,365
143 Accumulated Provision for Uncollectible Accounts	\$	17,302
144 Notes Receivable	\$	-
145-146 Accounts & Notes Receivable from Associated Companies	\$	-
151 Materials & Supplies Inventory	\$	302,398
133-135 & 162-174 Miscellaneous Current & Accrued Assets & Prepayments	\$	93,712
Net Current & Accrued Assets	\$	2,559,196
181-186 Deferred Debits	\$	43,238
Total Assets	\$	46,570,340
252 Advances for Construction	\$	-
271 CIAC	\$	31,631,033
272 Accumulated Amortization of CIAC	\$	8,680,875
Net CIAC & Advances for Construction	\$	22,950,158
121 Nonutility Property	\$	-
122 Accumulated Depreciation & Amortization (Nonutility)	\$	-
123-127 Miscellaneous Nonutility Investments	\$	-
Nonutility Plant & Investment	\$	-
221-224 Long-Term Debt	\$	9,546,931
231 Accounts Payable	\$	344,526
232 Notes Payable	\$	-
233 Accounts Payable to Affiliated Companies	\$	-
234 Notes Payable to Affiliated companies	\$	-
235 Customer Deposits	\$	1,500
236 Accrued Taxes	\$	(151,091)
237 Accrued Interest	\$	19,585
238-241 Miscellaneous Current and Accrued Liabilities	\$	761,988
Liabilities	\$	10,523,439
251 Premium on Unamortized Debt	\$	-
253 Other Deferred Credit	\$	-
261-265 Reserves	\$	-
Other	\$	-
281 Accumulated Deferred Income Taxes-Accelerated Amortization	\$	3,184,051
282 Accumulated Deferred Income Taxes-Liberalized Depreciation	\$	-
283 Accumulated Deferred Income Taxes-Other	\$	-
Total Liabilities	\$	13,707,490
201 Common Stock Issued	\$	43,594
204 Preferred Stock Issued	\$	-
207 Premium on Capital Stock	\$	175,282
211 Other Paid in Capital	\$	-
212 Discount on Capital Stock	\$	-
213 Capital Stock Expense	\$	-
214 Appropriated Retained Earnings	\$	-
215 Unappropriated Retained Earnings	\$	9,768,816
216 Reacquired Capital Stock	\$	75,000
218 Proprietary Capital (Proprietorships & Partnerships Only)	\$	-
Total Equity	\$	9,912,692
Total Liabilities and Equity	\$	46,570,340

## STATS

Avion Water Company, Inc.

### Operating Revenues

Flat Rate	\$	-
Metered - Residential	\$	7,605,100
Metered - Commercial	\$	1,123,404
Irrigation (including golf courses)	\$	493,844
Fire Protection	\$	31,659
Other Sales of Water	\$	72,019
Other Operating Revenue	\$	2,174,421
<b>Total Operating Revenues</b>	\$	<b>11,500,447</b>

### Operating Expenses

Purchased Water	\$	306,324
Purchased Power	\$	1,108,764
Water Treatment	\$	28,189
Supplies and Expenses	\$	1,272,552
Repairs of Plant	\$	291,109
Administrative & General	\$	3,731,064
<b>Total Operating Expenses</b>	\$	<b>6,738,002</b>

### Other Revenue Deductions

Depreciation & Amortization	\$	760,051
Operating Income Taxes	\$	1,729,237
Other Operating Taxes	\$	889,825
Uncollectible Revenue/Bad Debt Expense	\$	11,728
<b>Total Revenue Deductions</b>	\$	<b>3,390,841</b>

### Total Expenses and Deductions

	\$	10,128,843
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Other Income	\$	237
Interest on Long-Term Debt		
Other Interest Charges	\$	457,858
Other Income Deductions	\$	(84,510)
<b>Net Operating Income (or Loss)</b>	\$	<b>998,493</b>

### Assets & Other Debits

Utility Plant	\$	64,415,958
Less: Depreciation & Amortization Reserve	\$	20,804,137
Other Property & Investments	\$	1,892,023
Materials and Supplies	\$	302,398
Other Current & Accrued Assets	\$	720,859
Deferred Debits	\$	43,238
<b>Total Assets &amp; Other Debits</b>	\$	<b>46,570,340</b>

### Liabilities & Other Credits

Capital/Common Stock	\$	143,876
Retained Earnings	\$	9,768,816
Long-Term Debt	\$	9,546,931
Customer Deposits	\$	1,500
Other Current & Accrued Liabilities	\$	975,008
Advances for Construction	\$	-
Other Deferred Credits	\$	-
Contributions in Aid of Construction	\$	22,950,158
Accumulated Deferred Income Taxes	\$	3,184,051
<b>Total Liabilities &amp; Other Credits</b>	\$	<b>46,570,340</b>

### Average Number of Customers

Flat Rate	-
Metered - Residential	13,782
Metered - Commercial	422
Irrigation (including golf courses)	780
Fire Protection	-
Other	-
<b>Total Customers</b>	<b>14,984</b>