



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 757.125 and 757.135

Statute

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)

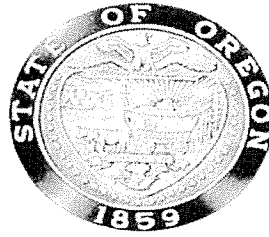
Is this report associated with a specific docket/case? No Yes, docket number:

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

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

Class A Water Utility(Annual Gross or more)
 Class B Water Utility(Annual Gross ,000 and \$999,999)
 Class C Water Utility(Annual Gross ,999)



ANNUAL RESULTS OF OPERATIONS REPORT

2012
 2013
 2014
 2015
 2016
 2017
 2018
 2019
 2020
 2021
 2022
 2023
 2024
 2025
 2026
 2027
 2028
 2029
 2030

SELECT COMPANY SIZE (based on Annual Revenue)

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

FOR THE CALENDAR YEAR

2014

COMPANY NAME

Avion Water Company, Inc.

OREGON PUBLIC UTILITY COMMISSION

PO BOX 2148

SALEM OR 97308-2148

REV 12/26/14

Instructions

Avion Water Company, Inc.

The Annual Results of Operations Report, required by the Public Utility Commission (PUC or Commission) under the authority of the Oregon Revised Statutes (ORS) 757.125 and 757.135, is based on the utility's operations for a calendar or fiscal year and is a convenient method for the Commission's staff to monitor the utility's results of operations. It must be filed electronically with the PUC on or before April 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 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:	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 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:	Harrigan Price Fronk & Co., LLP
Address:	975 SW Colorado Ave., Suite 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 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, 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.

Sole Propri Partnership Corporation

Select business type

Private/Investor Owned

Private/Inv Associator Mobile Home

Select ownership type

Corporation

Select accounting method

accrual

accrual cash

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		18,625
2	Name of stockholder/director/officer		Christine M. Wick
	Title		Stockholder/Director
	Address		60813 Parrell Road, Bend, OR 97702
	# shares owned		18,965
3	Name of stockholder/director/officer		David L. Nelsen
	Title		Stockholder/Director
	Address		14927 N. E. Newport Street, Portland, OR 97023
	# shares owned		4,800.00
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

Part C: Corporation - Shares Outstanding

	Common Stock	Preferred Stock
# shares authorized	100000	
# shares issued at year end	97390	
Stated value per share:	\$ 0.4767	
Dividends declared per share during the year:	\$ (8)	

Part B: Corporation

5	Name of stockholder/director/officer		Jason J. Wick
	Title	Stockholder/Director/President	
	Address	60813 Parrell Road, Bend, OR 97702	
	# shares owned	27,900.00	
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	

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 and benefits	Order #07-081	\$ 175,050
Jan and Christine Wick	Guarantee fee	Order #07-417	\$ 46,946
Jason J. Wick	Salary and benefits		\$ 198,034
Jason J. Wick	Guarantee fee		\$ 46,946
Jordan Wick	Guarantee fee		\$ 46,946
			\$ 513,922

TOTAL \$ (513,922)

Explanations or Notes

Revenues

Avion Water Company, Inc.

gal or cf
cf

Consumption and Revenue

	Act #	# customers at year beginning	# customers at year end	Total Quantity water sold	revenues
Unmetered (flat rate) water sales	460				
Metered sales to RESIDENTIAL customers	461.1	11,500	11,733	217,747,992	\$ 6,263,128
Metered sales to COMMERCIAL customers	461.2	323	314	40,396,637	\$ 786,349
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				\$ 29,025
Private fire protection revenue	462.2				
Other Sales to public authorities	464				
Sales to irrigation customers	465	787	789		\$ 342,550
Sales for resale	466				\$ 17,869
Water Sales to golf course/recreation revenue	467				
Special contract/agreement revenue	468				
TOTAL		12,610	12,836	258,144,629	\$ 7,438,921

Revenue other than water sales

	Act #	revenues
Forfeited discounts	470	
Miscellaneous service revenues	471	\$ 112,138
Rents from water property	472	
Interdepartmental rents	473	
Other	474	\$ 147,785
Cross Connection sales & services revenues	475	\$ 242,061
Total		\$ 501,984

Total Operating Revenue
\$ 7,940,905

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	1562.059657	44.92982683
Metered sales to COMMERCIAL customers	461.2	10569.50209	205.7428048
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		36.22567682
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	\$	285,450
408.12	Payroll Tax	\$	156,689
408.13	Other Tax Other Than Income Tax	\$	112,821
408.2	Nonutility Taxes Other Than Income Tax		
		TOTAL	\$ 554,960

Act # **INCOME TAXES**

409.1	Federal Income Tax	\$	516,482
409.11	State Income Tax	\$	161,230
409.13	Other Income Tax		
409.2	Nonutility Income Tax		
		TOTAL	\$ 677,712

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

410.1	Deferred Federal Income Taxes – Utility Operations	\$	(53,140)
410.11	Deferred State Income Taxes – Utility Operations	\$	26,059
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	\$ (27,081)

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

Description	Amount
Scrap sold	\$ 1,112
2009 chevy service truck (wrecked)	\$ 8,948
Total	\$ 10,060

Expenses

Avion Water Company, Inc.

Act #		Expense amount
601	Salaries and Wages - employees	\$ 1,412,013
603	Salaries and Wages – officers, directors, and majority stockholders	\$ 456,641
604	Employee Pensions & Benefits	\$ 668,891
610	Purchased Water	\$ 190,158
611	Telephone/Communications	\$ 43,266
615	Purchased Power	\$ 769,708
616	Fuel for Power Production	\$ -
617	Utilities - Other (garbage, natural gas)	\$ 6,245
618	Chemicals & testing	\$ -
619	Office Supplies (excluding postage)	\$ 8,061
619.1	Postage	\$ 5,014
620	Materials & Supplies (O&M)	\$ 310,338
621	Repairs of Water Plant	\$ 226,801
631	Contractual Services - engineering	\$ -
632	Contractual Services - accounting	\$ 9,110
633	Contractual Services - legal	\$ 22,848
634	Contractual Services - management	\$ -
635	Contractual Services – testing / sampling	\$ 44,793
636	Contractual Services – labor	\$ -
637	Contractual Services - billing/collections	\$ 83,997
638	Contractual Services - meter reading	\$ 135,917
639	Contractual Services - other	\$ 63,674
641	Rental of Building / Real Property	\$ 24,603
642	Rental of Equipment	\$ 7,064
643	Small Tools	\$ 6,632
648	Computer and electronic Expenses	\$ 24,655
650	Transportation Expenses	\$ 163,631
656	Insurance - Vehicle	\$ 12,909
657	Insurance – General Liability	\$ 40,902
658	Insurance – Workman’s Compensation	\$ 16,094
659	Insurance – Other	\$ 10,293
660	Public Relation / Advertising Expense	\$ 145
666	Amortization of Rate Case Expense	\$ -
667	Regulatory Commission Fee (Gross Rev Fee)	\$ 18,234
668	Conservation Expense	\$ 50,014
670	Bad Debt Expense	\$ 21,609
671.1	Cross Connection Control Program Expense	
671.2	Cross Connection Testing & Maintenance Services	
673	Training & Certification Expense	\$ 14,905
674	Consumer Confidence Report	\$ 8,220
675	Miscellaneous Expense	\$ 199,175
	TOTAL	\$ 5,076,560

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	\$ 1,943,530	\$ 62,154			\$ 2,005,684
304 Structures & improvements	\$ 1,539,826	\$ 1,947			\$ 1,541,773
305 Collecting & impounding reservoirs	\$ 4,769				\$ 4,769
306 Lake, river & other intakes	\$ 33,478				\$ 33,478
307 Wells & springs	\$ 1,510,682	\$ 46,000			\$ 1,556,682
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	\$ 3,607,298	\$ 30,000			\$ 3,637,298
331 Transmission & distribution mains	\$ 32,973,784	\$ 449,225			\$ 33,423,009
333 Services	\$ 1,219,125	\$ 5,166			\$ 1,224,291
334 Meters & meter installations	\$ 920,802	\$ 107,612	\$ 22,800		\$ 1,005,614
335 Hydrants	\$ 151,521				\$ 151,521
336 Backflow prevention devices (utility owned)	\$ 149,430	\$ 5,589			\$ 155,019
339 Other plant & miscellaneous equipment	\$ 210,713				\$ 210,713
340 Office furniture & equipment	\$ 158,196				\$ 158,196
341 Transportation equipment	\$ 561,606	\$ 67,599	\$ 31,160		\$ 598,045
343 Tools, shop & garage equipment	\$ 111,565	\$ 1,578			\$ 113,143
344 Laboratory equipment	\$ -				\$ -
345 Power operated equipment	\$ 105,654	\$ 49,500			\$ 155,154
346 Communication equipment	\$ 95,227	\$ 4,233			\$ 99,460
347 Electronic & computer equipment	\$ 181,765	\$ 8,555			\$ 190,320
348 Miscellaneous equipment	\$ 17,431				\$ 17,431
TOTAL	\$ 47,268,043	\$ 839,158	\$ 53,960	\$ -	\$ 48,053,241

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	\$ 22,505,884
Added during the year:	
Capacity charge	\$ 72,466
Main line extension charges	
Customer connection charges	
Developer's property	
Other	\$ 204,750
Retired during the year	
End of year balance	\$ 22,783,100

Accumulated Amortization of CIAC

Beg of year balance	\$ 4,752,650
Add CIAC amortized during year	\$ 500,073
Subtract effects of CIAC disposals	
+/- other adjustments*	
Change in Accumulated Amortization during the year	\$ 500,073
End of year balance	\$ 5,252,723

* 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	\$ 509,851	\$ 34,888			\$ 544,739
302	Franchises	\$ 2,889	\$ 104			\$ 2,993
303	Land & land rights	\$ 17,621	\$ 670			\$ 18,291
304	Structures & improvements	\$ 408,261	\$ 48,995			\$ 457,256
305	Collecting & impounding reservoirs	\$ 79	\$ 2			\$ 81
306	Lake, river & other intakes	\$ 7,772	\$ 2,828			\$ 10,600
307	Wells & springs	\$ 940	\$ 22			\$ 962
308	Infiltration galleries & tunnels	\$ 1,181,594	\$ 40,160			\$ 1,221,754
309	Supply mains	\$ 1,660	\$ 800			\$ 2,460
310	Power generation equipment	\$ 1,104,947	\$ 98,410			\$ 1,203,357
311	Pumping equipment	\$ 7,686,197	\$ 659,224			\$ 8,345,421
320	Water treatment equipment	\$ 559,931	\$ 29,070			\$ 589,001
330	Distribution reservoirs & standpipes	\$ 388,019	\$ 41,451	\$ 22,800		\$ 406,670
331	Transmission & distribution mains	\$ 60,808	\$ 3,640			\$ 64,448
333	Services	\$ 50,849	\$ 10,148			\$ 60,997
334	Meters & meter installations	\$ 100,141	\$ 5,300			\$ 105,441
335	Hydrants	\$ 138,748	\$ 1,402			\$ 140,150
336	Backflow prevention devices (utility owned)	\$ 351,458	\$ 44,919	\$ 22,627		\$ 373,750
339	Other plant & miscellaneous equipment	\$ 77,134	\$ 3,408			\$ 80,542
340	Office furniture & equipment	\$ -	\$ -			\$ -
341	Transportation equipment	\$ 104,270	\$ 3,178			\$ 107,448
343	Tools, shop & garage equipment	\$ 86,315	\$ 3,207			\$ 89,522
344	Laboratory equipment	\$ 115,528	\$ 28,764			\$ 144,292
345	Power operated equipment	\$ 7,312	\$ 1,420			\$ 8,732
346	Communication equip					
347	Electronic & computer Equipment					
348	Miscellaneous Equipment					
	TOTAL	\$ 12,962,324	\$ 1,062,010	\$ 45,427	\$ -	\$ 13,978,907

*Explanation of any adjustments made:

Retained Earnings

Avion Water Company, Inc.

215	Unappropriated Retained Earnings (beginning of year balance)	\$	9,465,333
435	Balance transferred from income	\$	889,156
436	Appropriations of Retained Earnings	\$	-
437	Preferred Stock dividends declared	\$	-
438	Common Stock dividends declared	\$	(754,000)
439	Adjustments to Retained Earnings*	\$	381,152
215	Unappropriated Retained Earnings (as of year end)	\$	9,981,641

Explanation of any adjustments made to Retained Earnings

State and Federal taxes = \$677,562; stock redemption = \$296,410

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	\$ 48,053,241
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	\$ 118,004
108	Accumulated Depreciation of Utility Plant in Service	\$ 13,978,907
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	\$ 1,052,613
132	Special Deposits	
134	Working Funds	
135	Temporary Cash Investments	
141	Customer Accounts Receivable	\$ 334,493
142	Other Accounts Receivable	
143	Allowance for Uncollectible Accounts (Enter positive)	\$ 33,449
144	Notes Receivable	
145	Accounts Receivable from Associated Companies	
146	Notes Receivable from Associated Companies	
151	Plant Materials and Supplies	\$ 217,199
162	Prepayments	\$ 60,145
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	\$ 25,154
190	Accumulated Deferred Income Taxes	

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

Equity

201	Common Stock Issued	\$ 46,428
204	Preferred Stock Issued	\$ -
207	Premium on Capital Stock	\$ 186,667
211	Paid in Capital	
212	Discount on Capital Stock	
213	Capital Stock Expense	
214	Appropriated Retained Earnings	
215	Unappropriated Retained Earnings	\$ 9,981,641
216	Reacquired Capital Stock	\$ 75,000
218	Proprietary Capital	

Long Term Debt

221	Bonds	
223	Advances from Associated Companies	
224	Other Long-Term Debt	\$ 7,654,822

Current and Accrued Liabilities

231	Accounts Payable	\$ 182,013
232	Notes Payable	
233	Accounts Payable to Associated Companies	
234	Notes Payable to Associated Companies	
235	Customer Deposits	\$ 1,500
236	Accrued Taxes	\$ (144,120)
237	Accrued Interest	\$ 10,340
238	Accrued Dividends	
239	Matured Long-Term Debt	
240	Matured Interest	
241	Miscellaneous Current and Accrued Liabilities	\$ 6,177

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	\$ 22,783,100
272	Accumulated Amortization of CIAC	\$ 5,252,723

Accumulated Deferred Income Taxes

281	Accumulated Deferred Income Taxes - Accelerated Depreciation	\$ 704,099
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	\$ 2,005,684
304	Structures and Improvements	\$ 1,541,773
305	Collecting and Impounding Reservoirs	\$ 4,769
306	Lakes, River and Other Intakes	\$ 33,478
307	Wells and Springs	\$ 1,556,682
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	\$ 3,637,298
331	Transmission and Distribution Mains	\$ 33,423,009
333	Services	\$ 1,224,291
334	Meters and Meter Installations	\$ 1,005,614
335	Hydrants	\$ 151,521
336	Backflow Prevention Devices	\$ 155,019
339	Other Plant and Miscellaneous Equipment	\$ 210,713
340	Office Furniture and Equipment	\$ 158,196
341	Transportation Equipment	\$ 598,045
343	Tools, Shop and Garage Equipment	\$ 113,143
344	Laboratory Equipment	\$ -

345	Power Operated Equipment	\$ 155,154
346	Communication Equipment	\$ 99,460
347	Computer & electronic Equipment	\$ 190,320
348	Miscellaneous Equipment	\$ 17,431

INCOME ACCOUNTS (404-434)

Utility Operating Income

400	Operating Revenue	\$ 7,940,905
401	Operating Expenses	\$ 5,076,560
403	Depreciation Expense	\$ 1,062,010
406	Amortization of Utility Plant Acquisition Adjustment	
407	Amortization Expense (no CIAC)	
408	Taxes Other than Income	\$ 554,960
409	Income Taxes	\$ 677,712
410	Provision for Deferred Income Taxes - Debit	\$ (27,081)
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	\$ 10,060
415	Revenues from Merchandising, Jobbing, and Contract Work	\$ 96,406
416	Cost and Expenses of Merchandising, Jobbing, and Contract Work	\$ 45,539
419	Interest and Dividend Income	\$ 1,266
421	Nonutility Income	
426	Nonutility Expenses	\$ 19,880
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	\$ 249,974
428	Amortization of Debt Discount and Expense	
429	Amortization of Premium on Debt	

Retained Earnings Account (435-439)

435	Balance Transferred from Income	\$ 869,156
436	Appropriations of Retained Earnings	
437	Preferred Stock Dividends Declared	\$ -
438	Common Stock Dividends Declared	\$ (754,000)
439	Adjustment to Retained Earnings	\$ 381,152

OPERATING REVENUE ACCOUNTS (460-475)

460	Unmetered Water Revenue	\$ -
461.1	Metered Sales to Residential Customers	\$ 6,263,128
461.2	Metered Sales to Commercial Customers	\$ 786,349
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	\$ 29,025
462.2	Private Fire Protection	\$ -
464	Other Sales to Public Authorities	\$ -
465	Sales to Irrigation Customers	\$ 342,550
466	Sales for Resale	\$ 17,869
467	Interdepartmental Sales	\$ -
468	Special Contract/Agreement Revenue	\$ -
470	Forfeited Discounts	\$ -
471	Miscellaneous Service Revenues	\$ 112,138
472	Rents From Water Property	\$ -
473	Interdepartmental Rents	\$ -
474	Other Water Revenues	\$ 147,785
475	Cross Connection Sales & Services Revenues	\$ 242,051

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS (601-675)

Source of Supply and Expenses

601	Salaries and Wages - Employees	\$ 1,412,013
603	Salaries and Wages - Officers, Directors and Majority Stockholders	\$ 456,641
604	Employee Pensions and Benefits	\$ 668,891
610	Purchased Water	\$ 190,158
611	Telephone/Communications	\$ 43,266
615	Purchased Power	\$ 769,708
616	Fuel for Power Production	\$ -
617	Utilities - Other	\$ 6,245
618	Chemicals & testing	\$ -
619	Office Supplies (excluding postage)	\$ 8,061
619.1	Postage	\$ 5,014
620	Materials and Supplies	\$ 310,338
621	Repairs to Water Plant	\$ 226,801
631	Contractual Services - Engineering	\$ -
632	Contractual Services - Accounting	\$ 9,110
633	Contractual Services - Legal	\$ 22,848
634	Contractual Services - Management Fees	\$ -
635	Contractual Services - Testing/Sampling	\$ 44,793
636	Contractual Services - Other	\$ -
637	Contractual Services - Billing/Collections	\$ 83,997
638	Contractual Services - Meter Reading	\$ 135,917
639	Contractual Services - Other	\$ 63,674
641	Rental of Building/Real Property	\$ 24,603
642	Rental of Equipment	\$ 7,064
643	Small Tools	\$ 6,632
648	Computer & Electronic Expenses	\$ 24,655
650	Transportation Expenses	\$ 163,631
656	Insurance - Vehicle	\$ 12,909
657	Insurance - General Liability	\$ 40,902
658	Insurance - Workman's Compensation	\$ 16,094
659	Insurance - Other	\$ 10,293
660	Public Relations / Advertising Expense	\$ 145
666	Regulatory Commission Expense - Amortization of Rate Case Expense	\$ -
667	Regulatory Commission Expense - Other	\$ 18,234
668	Water Resource Conservation Expense	\$ 50,014
670	Bad Debt Expense	\$ 21,609
671.1	Cross Connection Control Program Expense	\$ -
671.2	Cross Connection Testin & Maintenance Services	\$ -
672	System Capacity Development Program Expense	\$ -
673	Training & Certification Expense	\$ 14,905
674	Consumer Confidence Report	\$ 8,220
675	Miscellaneous Expenses	\$ 199,175

Notes

Avion Water Company, Inc.

Notes and explanations:

Income Statement

Avion Water Company, Inc.

400 Operating Revenue	\$ 7,940,905
401 Operating Expenses	\$ 5,076,560
403 Depreciation Expense	\$ 561,937
406 Amortization of Utility Plant Acquisition Adjustment	\$ -
407 Amortization Expense	\$ -
408 Taxes Other Than Income Taxes (total)	\$ 554,960
409 Income Taxes	\$ 677,712
410.1 Provision for Deferred Income Taxes - debit	\$ (27,081)
411.1 Provision for Deferred Income Taxes - credit	\$ -
412 Investment Tax Credit	\$ -
413 Income From Utility Plant Leased to Others	\$ -
419 Interest & Dividend Income	\$ 1,266
427 Interest Expense	\$ 249,974
428-429 Amortization of Premium/Discount on Debt	\$ -
414 Gains/Losses From Utility Property Disposition (net)	\$ 10,060
433-434 Extraordinary Income/deductions (net)	\$ -
NET UTILITY OPERATING INCOME	\$ 858,169
421 Nonutility Income	\$ -
415 Revenue From Merchandising, Jobbing, & Contracts	\$ 96,406
426 Nonutility Expense	\$ 19,880
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	\$ 45,539
Net Income	\$ 889,156

Avion Water Compa

Please do not submit to PUC until figures are balanced.

101 Utility Plant in Service (excluding CIAC)	\$	48,053,241
108-110 Accumulated Depreciation & Amortization	\$	13,978,907
Subtotal	\$	34,074,334
102-104 Other Utility Plant	\$	177,359
105 Commission Approved Construction Work in Progress (CWIP)	\$	118,004
114 Commission Approved Utility Plant Acquisition Adjustments	\$	59,090
115 Accumulated Amortization of Commission Approved Acquisition Adjustments	\$	-
190 Accumulated Deferred Income Taxes (asset)	\$	-
Subtotal	\$	354,453
Net Utility Plant	\$	34,428,787
131 Cash	\$	1,052,613
132 Special Deposits	\$	-
141-142 Accounts Receivable	\$	334,493
143 Accumulated Provision for Uncollectible Accounts	\$	33,449
144 Notes Receivable	\$	-
145-146 Accounts & Notes Receivable from Associated Companies	\$	-
151 Materials & Supplies Inventory	\$	217,199
133-135 & 162-174 Miscellaneous Current & Accrued Assets & Prepayments	\$	60,145
Net Current & Accrued Assets	\$	1,631,001
181-186 Deferred Debits	\$	25,154
Total Assets	\$	36,084,942
252 Advances for Construction	\$	-
271 CIAC	\$	22,783,100
272 Accumulated Amortization of CIAC	\$	5,252,723
Net CIAC & Advances for Construction	\$	17,530,377
121 Nonutility Property	\$	-
122 Accumulated Depreciation & Amortization (Nonutility)	\$	-
123-127 Miscellaneous Nonutility Investments	\$	-
Nonutility Plant & Investment	\$	-
221-224 Long-Term Debt	\$	7,654,822
231 Accounts Payable	\$	182,013
232 Notes Payable	\$	-
233 Accounts Payable to Affiliated Companies	\$	-
234 Notes Payable to Affiliated companies	\$	-
235 Customer Deposits	\$	1,500
236 Accrued Taxes	\$	(144,120)
237 Accrued Interest	\$	10,340
238-241 Miscellaneous Current and Accrued Liabilities	\$	6,177
Liabilities	\$	7,710,732
251 Premium on Unamortized Debt	\$	-
253 Other Deferred Credit	\$	-
261-265 Reserves	\$	-
Other	\$	-
281 Accumulated Deferred Income Taxes-Accelerated Amortization	\$	704,099
282 Accumulated Deferred Income Taxes-Liberalized Depreciation	\$	-
283 Accumulated Deferred Income Taxes-Other	\$	-
Total Liabilities	\$	8,414,831
201 Common Stock Issued	\$	46,426
204 Preferred Stock Issued	\$	-
207 Premium on Capital Stock	\$	186,667
211 Other Paid in Capital	\$	-
212 Discount on Capital Stock	\$	-
213 Capital Stock Expense	\$	-
214 Appropriated Retained Earnings	\$	-
215 Unappropriated Retained Earnings	\$	9,981,641
216 Reacquired Capital Stock	\$	75,000
218 Proprietary Capital (Proprietorships & Partnerships Only)	\$	-
Total Equity	\$	10,139,734
Total Liabilities and Equity	\$	36,084,942

Avion Water Company, Inc.

Operating Revenues

Flat Rate	\$	-
Metered - Residential	\$	6,263,128
Metered - Commercial	\$	786,349
Irrigation (including golf courses)	\$	342,550
Fire Protection	\$	29,025
Other Sales of Water	\$	17,869
Other Operating Revenue	\$	501,984
Total Operating Revenues	\$	7,940,905

Operating Expenses

Purchased Water	\$	190,158
Purchased Power	\$	769,708
Water Treatment	\$	44,793
Supplies and Expenses	\$	970,400
Repairs of Plant	\$	226,801
Administrative & General	\$	2,874,700
Total Operating Expenses	\$	5,076,560

Other Revenue Deductions

Depreciation & Amortization	\$	561,937
Operating Income Taxes	\$	650,631
Other Operating Taxes	\$	554,960
Uncollectible Revenue/Bad Debt Expense	\$	21,609
Total Revenue Deductions	\$	1,789,137
Total Expenses and Deductions	\$	6,865,697

Other Income	\$	1,266
Interest on Long-Term Debt		
Other Interest Charges	\$	249,974
Other Income Deductions	\$	27,081
Net Operating Income (or Loss)	\$	799,419

Assets & Other Debits

Utility Plant	\$	48,053,241
Less: Depreciation & Amortization Reserve	\$	13,978,907
Other Property & Investments	\$	1,052,613
Materials and Supplies	\$	217,199
Other Current & Accrued Assets	\$	715,642
Deferred Debits	\$	25,154
Total Assets & Other Debits	\$	36,084,942

Liabilities & Other Credits

Capital/Common Stock	\$	158,093
Retained Earnings	\$	9,981,641
Long-Term Debt	\$	7,654,822
Customer Deposits	\$	1,500
Other Current & Accrued Liabilities	\$	54,410
Advances for Construction	\$	-
Other Deferred Credits	\$	-
Contributions in Aid of Construction	\$	17,530,377
Accumulated Deferred Income Taxes	\$	704,099
Total Liabilities & Other Credits	\$	36,084,942

Average Number of Customers

Flat Rate	-
Metered - Residential	11,733
Metered - Commercial	314
Irrigation (including golf courses)	789
Fire Protection	-
Other	-
Total Customers	12,836