



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

2018

COMPANY NAME

Roats Water System, inc.

INSTRUCTIONS

Roats Water System, inc.

The Annual Results of Operations Report, required by the Public Utility Commission (PUC or Commission) under the authority of the Oregon Revised Statutes (ORS) 757.125 and 757.135, is based on the utility's operations for a calendar or fiscal year and is a convenient method for the Commission's staff to monitor the utility's results of operations. It must be filed electronically with the PUC on or before April 1st of the year following that for which the report is made. Attach the completed report **in Excel ONLY with formulae intact** and any supplementary pages to an email addressed to the following address: puc.filingcenter@state.or.us.

- Interpret all accounting words and phrases in accordance with the USOA.
- Special or unusual entries and all discrepancies must be fully explained. Describe fully any unusual entries and discrepancies in a narrative explanation in the tab titled "Notes."
- If the utility has filed, or intends to file, a separate rate schedule in its tariff for non-contiguous portions of its water system, separate accounting for Operating Revenues, Operating Expense, Plant Investments, and related Reserve for Depreciation must be maintained by the utility for each portion of the water system relating to each separate rate schedule. This annual report, however, should include the combined financial data for the utility.
- Each incorporated utility is requested to file with this report a copy of its most recent annual report to stockholders, if one is prepared.
- All schedules that call for the balance at the beginning of the year should reflect the same end of year balance **exactly** as shown in the prior year's annual report. Any adjustments to the ending balances shown in the report for the previous year should be reflected in the current year's activity and reported along with an explanation in the annual report.

FOR QUESTIONS CONTACT JOAN GRINDELAND AT 503-373-1003 OR EMAIL AT JOAN.GRINDELAND@STATE.OR.US

OATH

Roats Water System, inc.

Complete Address of Reporting Utility

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

Name and title of person responsible for report

Name:	William K. Roats
Title:	President
Phone:	(541) 382-2292
Email:	bill@roatswater.com

Oath & Signature

THIS REPORT, INCLUDING ANY ACCOMPANYING SCHEDULES AND STATEMENTS, HAS BEEN EXAMINED BY ME, AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IS TRUE, CORRECT AND COMPLETE.

<input checked="" type="checkbox"/> By clicking this box I affirm the above statement.

INFORMATION

Roats Water System, inc.

Provide the following information for the contact person regarding this report

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

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

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

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

Name:	
Address:	
Phone:	
Email:	

Date of original organization of the utility (month, day, year): 8/15/1963

Provide the following information for all utility officers and directors

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

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

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

ORGANIZATION

Roats Water System, inc.

Select business type	Select ownership type	Select accounting method
Private/Investor Owned	Corporation	accrual

INSTRUCTIONS: IF THE UTILITY IS A SOLE PROPRIETORSHIP OR PARTNERSHIP, COMPLETE PART A AND PROVIDE THE NAMES AND ADDRESSES OF ALL PERSONS HAVING ANY INTEREST OR EQUITY IN THE UTILITY AND THE AMOUNT OF SUCH EQUITY. IF THE UTILITY IS A CORPORATION, COMPLETE PARTS B AND C, AND PROVIDE THE NAMES AND ADDRESSES OF THE THREE LARGEST STOCKHOLDERS AND ALL OFFICERS AND DIRECTORS. STATE THE NUMBER OF SHARES HELD BY EACH.

Part A: Sole Proprietorship or Partnership

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

Part B: Corporation

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

Part C: Corporation - Shares Outstanding

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

AFFILIATED INTERESTS

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500.00 in any one year, entered into between the company and an affiliated business or financial organization, firm, partnership, or individual. An Affiliated Interest is defined, in part, as every corporation and/or person owning or holding directly or indirectly **5 percent** or more of the voting securities of the utility. For a complete definition of affiliated interest, see ORS 757.015.

Products or Services SOLD to Affiliated Interests

Name of Affiliate	Description of product or service	Contract or Agreement effective date	Revenue
			\$ -

Products or Services PURCHASED from Affiliated Interests

Name of Affiliate	Description of product or service	Contract or Agreement effective date	Cost
William K Roats	Facility rents	Approved affiliated interest	\$ 126,036
Roats Excavation LLC	Construction services	Approved affiliated interest	
William K Roats	Salary	Approved affiliated interest	\$ 104,062
			\$ 230,098
TOTAL			\$ (230,098)

Explanations or Notes

REVENUES

Roats Water System, inc.

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Consumption and Revenue

	Act #	# customers at year beginning	# customers at year end	Total Quantity water sold	revenues
Unmetered (flat rate) water sales	460				
Metered sales to RESIDENTIAL customers	461.1	2,245	2,271	41,721,027	\$ 1,345,351
Metered sales to COMMERCIAL customers	461.2	197	193	11,098,756	\$ 305,514
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				\$ 15,785
Private fire protection revenue	462.2				\$ 15,596
Other Sales to public authorities	464				
Sales to irrigation customers	465				\$ 418,525
Sales for resale	466				
Water Sales to golf course/recreation revenue	467				
Special contract/agreement revenue	468				
TOTAL		2,442	2,464	52,819,783	\$ 2,100,771

Revenue other than water sales

	Act #	revenues
Forfeited discounts	470	
Miscellaneous service revenues	471	\$ 53,682
Rents from water property	472	
Interdepartmental rents	473	
Other	474	
Cross Connection sales & services revenues	475	\$ 59,180
Total		\$ 112,862

Total Operating Revenue

\$ 2,213,633

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	1539.748561	49.65127694
Metered sales to COMMERCIAL customers	461.2	4743.05812	130.5615385
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		
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	\$	8,280
408.12	Payroll Tax	\$	58,990
408.13	Other Tax Other Than Income Tax		
408.2	Nonutility Taxes Other Than Income Tax		
TOTAL		\$	67,270

Act # **INCOME TAXES**

409.1	Federal Income Tax	\$	3,549
409.11	State Income Tax	\$	11,140
409.13	Other Income Tax		
409.2	Nonutility Income Tax		
TOTAL		\$	14,689

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

410.1	Deferred Federal Income Taxes – Utility Operations	\$	67,182
410.11	Deferred State Income Taxes – Utility Operations		
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		\$	67,182

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

Description	Amount
Total	\$ -

EXPENSES

Act #		Expense amount
601	Salaries and Wages - employees	\$ 384,103
603	Salaries and Wages – officers, directors, and majority stockholders	\$ 216,231
604	Employee Pensions & Benefits	\$ 125,170
610	Purchased Water	\$ 59,850
611	Telephone/Communications	\$ 16,134
615	Purchased Power	\$ 168,052
616	Fuel for Power Production	
617	Utilities - Other (garbage, natural gas)	\$ 2,754
618	Chemicals & testing	
619	Office Supplies (excluding postage)	\$ 15,697
619.1	Postage	\$ 706
620	Materials & Supplies (O&M)	\$ 114,568
621	Repairs of Water Plant	\$ 14,916
631	Contractual Services - engineering	
632	Contractual Services - accounting	\$ 16,766
633	Contractual Services - legal	\$ 224
634	Contractual Services - management	
635	Contractual Services – testing / sampling	\$ 4,158
636	Contractual Services – labor	
637	Contractual Services - billing/collections	\$ 26,604
638	Contractual Services - meter reading	
639	Contractual Services - other	\$ 22,446
641	Rental of Building / Real Property	\$ 181,953
642	Rental of Equipment	\$ 12,669
643	Small Tools	\$ 5,488
648	Computer and electronic Expenses	\$ 21,901
650	Transportation Expenses	\$ 56,212
656	Insurance - Vehicle	\$ 1,958
657	Insurance – General Liability	\$ 10,846
658	Insurance – Workman’s Compensation	\$ 7,069
659	Insurance – Other	\$ 85
660	Public Relation / Advertising Expense	\$ 234
666	Amortization of Rate Case Expense	
667	Regulatory Commission Fee (Gross Rev Fee)	\$ 5,009
668	Conservation Expense	
670	Bad Debt Expense	
671.1	Cross Connection Control Program Expense	\$ 4,090
671.2	Cross Connection Testing & Maintenance Services	
673	Training & Certification Expense	\$ 2,455
674	Consumer Confidence Report	
675	Miscellaneous Expense	\$ 19,686
	TOTAL	\$ 1,518,034

PLANT

Roats Water System, inc.

NOTE: Do **NOT** include any donated capital or contributions in aid of construction (CIAC) on this page.

<u>Act #</u>		<u>Beg Year Balance</u>	<u>Added during year</u>	<u>Retired during year</u>	<u>Adjustments</u>	<u>End of year balance</u>
301	Organization					\$ -
302	Franchises					\$ -
303	Land & land rights					\$ -
304	Structures & improvements	\$ 445,613	\$ 32,200		\$ (41,981)	\$ 435,832
305	Collecting & impounding reservoirs					\$ -
306	Lake, river & other intakes					\$ -
307	Wells & springs	\$ 200,837				\$ 200,837
308	Infiltration galleries & tunnels					\$ -
309	Supply mains					\$ -
310	Power generation equipment		\$ 83,464			\$ 83,464
311	Pumping equipment	\$ 335,744				\$ 335,744
320	Water treatment equipment	\$ 400				\$ 400
330	Distribution reservoirs & standpipes	\$ 1,250,248				\$ 1,250,248
331	Transmission & distribution mains	\$ 2,780,213				\$ 2,780,213
333	Services	\$ 320,092				\$ 320,092
334	Meters & meter installations	\$ 289,398				\$ 289,398
335	Hydrants	\$ 2,500				\$ 2,500
336	Backflow prevention devices (utility owned)					\$ -
339	Other plant & miscellaneous equipment					\$ -
340	Office furniture & equipment	\$ 11,350	\$ 5,805			\$ 17,155
341	Transportation equipment	\$ 362,103	\$ 49,163			\$ 411,266
343	Tools, shop & garage equipment	\$ 42,068	\$ 16,845			\$ 58,913
344	Laboratory equipment					\$ -
345	Power operated equipment	\$ 408,526	\$ 122,125			\$ 530,651
346	Communication equipment	\$ 13,171	\$ 43,513		\$ 41,981	\$ 98,665
347	Electronic & computer equipment	\$ 42,757	\$ 912			\$ 43,669
348	Miscellaneous equipment	\$ 49,824	\$ 350			\$ 50,174
	TOTAL	\$ 6,554,844	\$ 354,377	\$ -	\$ -	\$ 6,909,221

Explanation of unusual changes in utility plant during the year:

Adjustments-Correction of prior year misclassification. Telemetry equipment included in Structures and Improvements in error.

CIAC AND ADVANCES

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

Advances for Construction

Beg of year balance	
Additions during year	
Subtractions during year	
End of year balance	\$ -

Contributions in Aid of Construction

Beg of year balance	\$ 1,766,205
Added during the year:	
Capacity charge	\$ 26,600
Main line extension charges	
Customer connection charges	
Developer's property	
Other	
Retired during the year	
End of year balance	\$ 1,792,805

Accumulated Amortization of CIAC

Beg of year balance	\$ 649,124
Add CIAC amortized during year	\$ 59,573
Subtract effects of CIAC disposals	
+/- other adjustments*	
Change in Accumulated Amortization during the year	\$ 59,573
End of year balance	\$ 708,697

* Explain any adjustments:

DEPRECIATION

Roats Water System, inc.

NOTE: Do **NOT** include any contributions in aid of construction (CIAC) on this page.

<u>Act #</u>	<u>annual depreciation expense</u>	<u>acc dep balance beg of year</u>	<u>accruals booked to acc dep</u>	<u>plant retired charged to acc dep</u>	<u>Adjustments*</u>	<u>acc dep balance end of year</u>
301	Organization					
302	Franchises					
303	Land & land rights					
304	Structures & improvements	\$ 9,709	\$ 152,149	\$ 9,709		\$ 161,858
305	Collecting & impounding reservoirs			\$ -		\$ -
306	Lake, river & other intakes			\$ -		\$ -
307	Wells & springs	\$ 6,438	\$ 105,871	\$ 6,438		\$ 112,309
308	Infiltration galleries & tunnels			\$ -		\$ -
309	Supply mains			\$ -		\$ -
310	Power generation equipment	\$ 1,035		\$ 1,035		\$ 1,035
311	Pumping equipment	\$ 9,699	\$ 207,558	\$ 9,699		\$ 217,257
320	Water treatment equipment	\$ 20	\$ 360	\$ 20		\$ 380
330	Distribution reservoirs & standpipes	\$ 16,080	\$ 283,253	\$ 16,080		\$ 299,333
331	Transmission & distribution mains	\$ 71,985	\$ 843,965	\$ 71,985		\$ 915,950
333	Services	\$ 11,188	\$ 81,639	\$ 11,188		\$ 92,827
334	Meters & meter installations	\$ 10,823	\$ 124,306	\$ 10,823		\$ 135,129
335	Hydrants	\$ 63	\$ 2,286	\$ 63		\$ 2,349
336	Backflow prevention devices (utility owned)			\$ -		\$ -
339	Other plant & miscellaneous equipment			\$ -		\$ -
340	Office furniture & equipment	\$ 1,205	\$ 7,742	\$ 1,205		\$ 8,947
341	Transportation equipment	\$ 22,721	\$ 282,405	\$ 22,721		\$ 305,126
343	Tools, shop & garage equipment	\$ 785	\$ 38,887	\$ 785		\$ 39,672
344	Laboratory equipment			\$ -		\$ -
345	Power operated equipment	\$ 17,071	\$ 398,125	\$ 17,071		\$ 415,196
346	Communication equip	\$ 3,262	\$ 5,942	\$ 3,262		\$ 9,204
347	Electronic & computer Equipment	\$ 288	\$ 42,309	\$ 288		\$ 42,597
348	Miscellaneous Equipment	\$ 992	\$ 48,151	\$ 992		\$ 49,143
	TOTAL	\$ 183,364	\$ 2,624,948	\$ 183,364	\$ -	\$ 2,808,312

*Explanation of any adjustments made:

RETAINED EARNINGS

Roats Water System, inc.

215	Unappropriated Retained Earnings (beginning of year balance)	\$	611,358
435	Balance transferred from income	\$	332,354
436	Appropriations of Retained Earnings	\$	-
437	Preferred Stock dividends declared	\$	-
438	Common Stock dividends declared	\$	-
439	Adjustments to Retained Earnings*		
215	Unappropriated Retained Earnings (as of year end)	\$	943,712

* Explanation of any adjustments made to Retained Earnings

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OTHER ACCOUNTS

Roats Water System, inc.
For account information not already entered, please enter amounts below, if applicable.

Category Act # Act Name
ASSETS AND OTHER DEBITS (101-190)

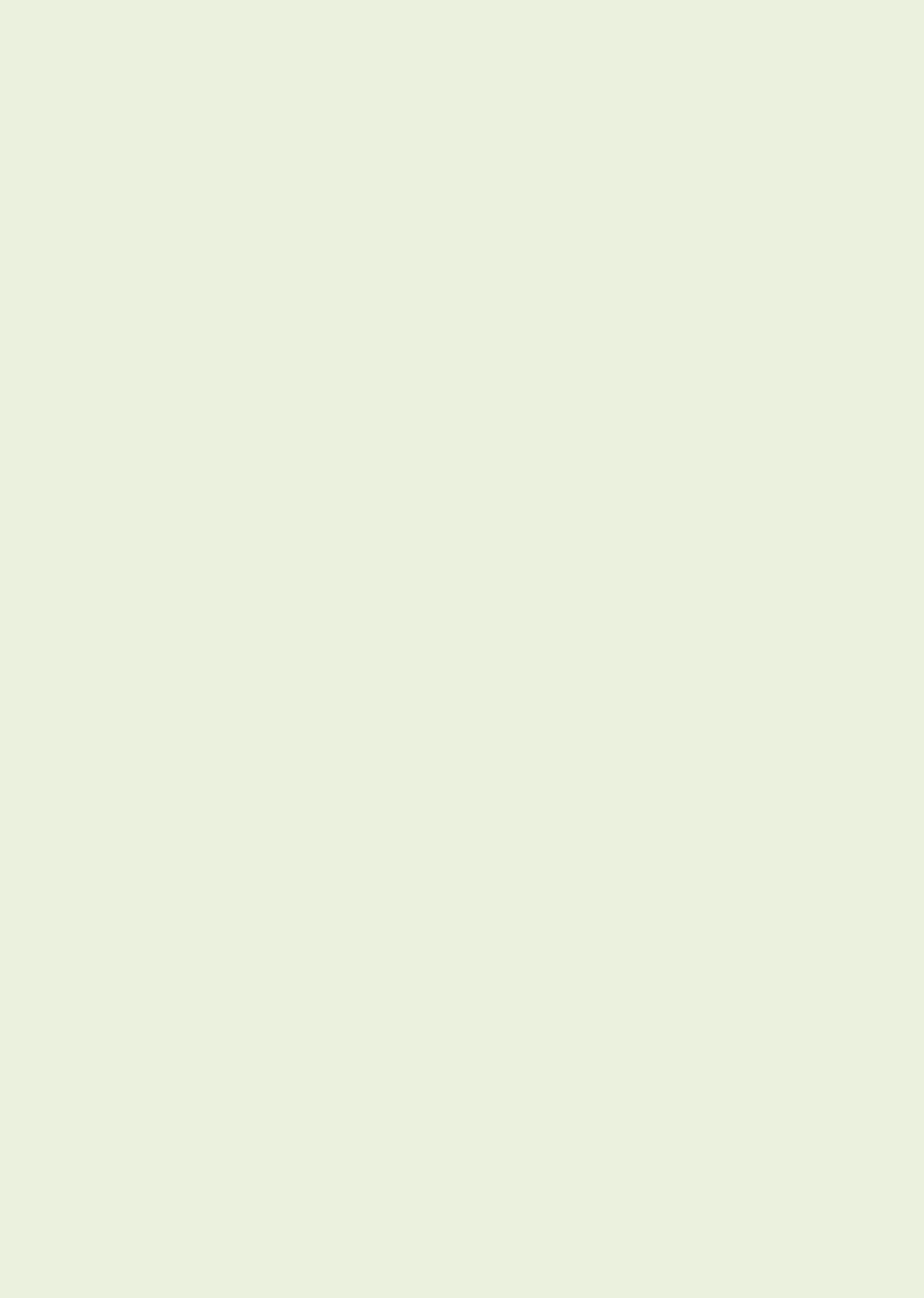
Utility Plant		
101	Utility Plant in Service	\$ 6,909,221
102	Utility Plant Leased to Others	
103	Property Held for Future Use	
104	Utility Plant Purchased or Sold	
105	Construction Work in Progress - Commission Approved	
108	Accumulated Depreciation of Utility Plant in Service	\$ 2,808,312
110	Accumulated Amortization of Utility Plant in Service	
114	Utility Plant Acquisition Adjustments	
115	Accumulated Amortization of Utility Plant Acquisition Adjustments	
Other Property & Investments		
121	Nonutility Property	
122	Accumulated Depreciation and Amortization of Nonutility Property	
123	Investment in Associated Companies	
124	Utility Investments	
125	Other Investments	
127	Other Special Funds	
Current & Accrued Assets		
131	Cash	\$ 135,946
132	Special Deposits	
134	Working Funds	
135	Temporary Cash Investments	\$ 730,109
141	Customer Accounts Receivable	\$ 208,236
142	Other Accounts Receivable	
143	Allowance for Uncollectible Accounts (Enter positive)	
144	Notes Receivable	
145	Accounts Receivable from Associated Companies	
146	Notes Receivable from Associated Companies	
151	Plant Materials and Supplies	\$ 25,000
162	Prepayments	\$ 50,533
171	Accrued Interest Receivable	
174	Miscellaneous Current and Accrued Assets	\$ 500
Deferred Debits		
181	Unamortized Debt Discount and Expense	
182	Extraordinary Property Losses	
186	Miscellaneous Deferred Debits	
190	Accumulated Deferred Income Taxes	
EQUITY, LIABILITIES, AND OTHER CREDITS (201-283)		
Equity		
201	Common Stock Issued	\$ 6,878
204	Preferred Stock Issued	\$ -
207	Premium on Capital Stock	
211	Paid in Capital	\$ 1,100,725
212	Discount on Capital Stock	
213	Capital Stock Expense	
214	Appropriated Retained Earnings	
215	Unappropriated Retained Earnings	\$ 943,712
216	Reacquired Capital Stock	
218	Proprietary Capital	
Long Term Debt		
221	Bonds	
223	Advances from Associated Companies	
224	Other Long-Term Debt	
Current and Accrued Liabilities		
231	Accounts Payable	\$ 7,969
232	Notes Payable	\$ 1,410,806
233	Accounts Payable to Associated Companies	
234	Notes Payable to Associated Companies	\$ 430,836
235	Customer Deposits	\$ 18,508
236	Accrued Taxes	\$ 700
237	Accrued Interest	
238	Accrued Dividends	
239	Matured Long-Term Debt	
240	Matured Interest	
241	Miscellaneous Current and Accrued Liabilities	\$ 19,396
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	\$ 1,792,805
272	Accumulated Amortization of CIAC	\$ 708,697
Accumulated Deferred Income Taxes		
281	Accumulated Deferred Income Taxes - Accelerated Depreciation	\$ 227,595
282	Accumulated Deferred Income Taxes - Liberalized Depreciation	
283	Accumulated Deferred Income Taxes - Other	
WATER UTILITY PLANT ACCOUNTS (301-348)		
301	Organization	\$ -
302	Franchises	\$ -
303	Land and Land Rights	\$ -
304	Structures and Improvements	\$ 435,832
305	Collecting and Impounding Reservoirs	\$ -
306	Lakes, River and Other Intakes	\$ -
307	Wells and Springs	\$ 200,837
308	Infiltration Galleries and Tunnels	\$ -
309	Supply Mains	\$ -
310	Power Generation Equipment	\$ 83,464
311	Pumping Equipment	\$ 335,744
320	Water Treatment Equipment	\$ 400
330	Distribution Reservoirs and Standpipes	\$ 1,250,248
331	Transmission and Distribution Mains	\$ 2,780,213
333	Services	\$ 320,092
334	Meters and Meter Installations	\$ 289,398
335	Hydrants	\$ 2,500
336	Backflow Prevention Devices	\$ -
339	Other Plant and Miscellaneous Equipment	\$ -
340	Office Furniture and Equipment	\$ 17,155
341	Transportation Equipment	\$ 411,266
343	Tools, Shop and Garage Equipment	\$ 58,913
344	Laboratory Equipment	\$ -

345	Power Operated Equipment	\$ 530,651
346	Communication Equipment	\$ 98,665
347	Computer & electronic Equipment	\$ 43,669
348	Miscellaneous Equipment	\$ 50,174
INCOME ACCOUNTS (404-434)		
Utility Operating Income		
400	Operating Revenue	\$ 2,213,633
401	Operating Expenses	\$ 1,518,034
403	Depreciation Expense	\$ 183,364
406	Amortization of Utility Plant Acquisition Adjustment	
407	Amortization Expense (no CIAC)	
408	Taxes Other than Income	\$ 67,270
409	Income Taxes	\$ 14,689
410	Provision for Deferred Income Taxes - Debit	\$ 67,182
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	\$ -
415	Revenues from Merchandising, Jobbing, and Contract Work	
416	Cost and Expenses of Merchandising, Jobbing, and Contract Work	
419	Interest and Dividend Income	\$ 10,944
421	Nonutility Income	\$ 1,441
426	Nonutility Expenses	
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	\$ 102,698
428	Amortization of Debt Discount and Expense	
429	Amortization of Premium on Debt	
Retained Earnings Account (435-439)		
435	Balance Transferred from Income	\$ 332,354
436	Appropriations of Retained Earnings	
437	Preferred Stock Dividends Declared	\$ -
438	Common Stock Dividends Declared	\$ -
439	Adjustment to Retained Earnings	\$ -
OPERATING REVENUE ACCOUNTS (460-475)		
460	Unmetered Water Revenue	\$ -
461	1 Metered Sales to Residential Customers	\$ 1,345,351
461	2 Metered Sales to Commercial Customers	\$ 305,514
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	\$ 15,785
462.2	2 Private Fire Protection	\$ 15,596
464	Other Sales to Public Authorities	\$ -
465	Sales to Irrigation Customers	\$ 418,525
466	Sales for Resale	\$ -
467	Interdepartmental Sales	\$ -
468	Special Contract/Agreement Revenue	\$ -
470	Forfeited Discounts	\$ -
471	Miscellaneous Service Revenues	\$ 53,682
472	Rents From Water Property	\$ -
473	Interdepartmental Rents	\$ -
474	Other Water Revenues	\$ -
475	Cross Connection Sales & Services Revenues	\$ 59,180
OPERATION AND MAINTENANCE EXPENSE ACCOUNTS (601-675)		
Source of Supply and Expenses		
601	Salaries and Wages - Employees	\$ 384,103
603	Salaries and Wages - Officers, Directors and Majority Stockholders	\$ 216,231
604	Employee Pensions and Benefits	\$ 125,170
610	Purchased Water	\$ 59,850
611	Telephone/Communications	\$ 16,134
615	Purchased Power	\$ 168,052
616	Fuel for Power Production	\$ -
617	Utilities - Other	\$ 2,754
618	Chemicals & testing	\$ -
619	Office Supplies (excluding postage)	\$ 15,697
619.1	Postage	\$ 706
620	Materials and Supplies	\$ 114,568
621	Repairs to Water Plant	\$ 14,916
631	Contractual Services - Engineering	\$ -
632	Contractual Services - Accounting	\$ 16,766
633	Contractual Services - Legal	\$ 224
634	Contractual Services - Management Fees	\$ -
635	Contractual Services - Testing/Sampling	\$ 4,158
636	Contractual Services - Other	\$ -
637	Contractual Services - Billing/Collections	\$ 26,604
638	Contractual Services - Meter Reading	\$ -
639	Contractual Services - Other	\$ 22,446
641	Rental of Building/Real Property	\$ 181,953
642	Rental of Equipment	\$ 12,669
643	Small Tools	\$ 5,488
648	Computer & Electronic Expenses	\$ 21,901
650	Transportation Expenses	\$ 56,212
656	Insurance - Vehicle	\$ 1,958
657	Insurance - General Liability	\$ 10,846
658	Insurance - Workman's Compensation	\$ 7,069
659	Insurance - Other	\$ 85
660	Public Relations / Advertising Expense	\$ 234
666	Regulatory Commission Expense - Amortization of Rate Case Expense	\$ -
667	Regulatory Commission Expense - Other	\$ 5,009
668	Water Resource Conservation Expense	\$ -
670	Bad Debt Expense	\$ -
671.1	Cross Connection Control Program Expense	\$ 4,090
671.2	Cross Connection Testin & Maintenance Services	\$ -
672	System Capacity Development Program Expense	
673	Training & Certification Expense	\$ 2,455
674	Consumer Confidence Report	\$ -
675	Miscellaneous Expenses	\$ 19,686

NOTES

Roats Water System, inc.

Notes and explanations:



INCOME STATEMENT

Roats Water System, inc.

400 Operating Revenue	\$ 2,213,633
401 Operating Expenses	\$ 1,518,034
403 Depreciation Expense	\$ 123,791
406 Amortization of Utility Plant Acquisition Adjustment	\$ -
407 Amortization Expense	\$ -
408 Taxes Other Than Income Taxes (total)	\$ 67,270
409 Income Taxes	\$ 14,689
410.1 Provision for Deferred Income Taxes - debit	\$ 67,182
411.1 Provision for Deferred Income Taxes - credit	\$ -
412 Investment Tax Credit	\$ -
413 Income From Utility Plant Leased to Others	\$ -
419 Interest & Dividend Income	\$ 10,944
427 Interest Expense	\$ 102,698
428-429 Amortization of Premium/Discount on Debt	\$ -
414 Gains/Losses From Utility Property Disposition (net)	\$ -
433-434 Extraordinary Income/deductions (net)	\$ -
NET UTILITY OPERATING INCOME	\$ 330,913
421 Nonutility Income	\$ 1,441
415 Revenue From Merchandising, Jobbing, & Contracts	\$ -
426 Nonutility Expense	\$ -
408.2 Nonutility Taxes Other Than Income Tax	\$ -
409.2 Nonutility Income Taxes	\$ -
410.2 Nonutility Deferred Income Taxes	\$ -
411.2 Nonutility Provision for Deferred Income Taxes Credit	\$ -
416 Cost & Expense of Merchandising, Jobbing, Contracts	\$ -
Net Income	\$ 332,354

BALANCE SHEET

Roats Water System

Please do not submit to PUC until figures are balanced.

101 Utility Plant in Service (excluding CIAC)	\$	6,909,221
108-110 Accumulated Depreciation & Amortization	\$	2,808,312
Subtotal	\$	4,100,909
102-104 Other Utility Plant	\$	-
105 Commission Approved Construction Work in Progress (CWIP)	\$	-
114 Commission Approved Utility Plant Acquisition Adjustments	\$	-
115 Accumulated Amortization of Commission Approved Acquisition Adjustments	\$	-
190 Accumulated Deferred Income Taxes (asset)	\$	-
Subtotal	\$	-
Net Utility Plant	\$	4,100,909
131 Cash	\$	135,946
132 Special Deposits	\$	-
141-142 Accounts Receivable	\$	208,236
143 Accumulated Provision for Uncollectible Accounts	\$	-
144 Notes Receivable	\$	-
145-146 Accounts & Notes Receivable from Associated Companies	\$	-
151 Materials & Supplies Inventory	\$	25,000
133-135 & 162-174 Miscellaneous Current & Accrued Assets & Prepayments	\$	781,142
Net Current & Accrued Assets	\$	1,150,324
181-186 Deferred Debits	\$	-
Total Assets	\$	5,251,233
252 Advances for Construction	\$	-
271 CIAC	\$	1,792,805
272 Accumulated Amortization of CIAC	\$	708,697
Net CIAC & Advances for Construction	\$	1,084,108
121 Nonutility Property	\$	-
122 Accumulated Depreciation & Amortization (Nonutility)	\$	-
123-127 Miscellaneous Nonutility Investments	\$	-
Nonutility Plant & Investment	\$	-
221-224 Long-Term Debt	\$	-
231 Accounts Payable	\$	7,969
232 Notes Payable	\$	1,410,806
233 Accounts Payable to Affiliated Companies	\$	-
234 Notes Payable to Affiliated companies	\$	430,836
235 Customer Deposits	\$	18,508
236 Accrued Taxes	\$	700
237 Accrued Interest	\$	-
238-241 Miscellaneous Current and Accrued Liabilities	\$	19,396
Liabilities	\$	1,888,215
251 Premium on Unamortized Debt	\$	-
253 Other Deferred Credit	\$	-
261-265 Reserves	\$	-
Other	\$	-
281 Accumulated Deferred Income Taxes-Accelerated Amortization	\$	227,595
282 Accumulated Deferred Income Taxes-Liberalized Depreciation	\$	-
283 Accumulated Deferred Income Taxes-Other	\$	-
Total Liabilities	\$	2,115,810
201 Common Stock Issued	\$	6,878
204 Preferred Stock Issued	\$	-
207 Premium on Capital Stock	\$	-
211 Other Paid in Capital	\$	1,100,725
212 Discount on Capital Stock	\$	-
213 Capital Stock Expense	\$	-
214 Appropriated Retained Earnings	\$	-
215 Unappropriated Retained Earnings	\$	943,712
216 Reacquired Capital Stock	\$	-
218 Proprietary Capital (Proprietorships & Partnerships Only)	\$	-
Total Equity	\$	2,051,315
Total Liabilities and Equity	\$	5,251,233

STATS

Roats Water System, inc.

Operating Revenues	
Flat Rate	\$ -
Metered - Residential	\$ 1,345,351
Metered - Commercial	\$ 305,514
Irrigation (including golf courses)	\$ 418,525
Fire Protection	\$ 31,381
Other Sales of Water	\$ -
Other Operating Revenue	\$ 112,862
Total Operating Revenues	\$ 2,213,633
Operating Expenses	
Purchased Water	\$ 59,850
Purchased Power	\$ 168,052
Water Treatment	\$ 4,158
Supplies and Expenses	\$ 479,514
Repairs of Plant	\$ 14,916
Administrative & General	\$ 791,544
Total Operating Expenses	\$ 1,518,034
Other Revenue Deductions	
Depreciation & Amortization	\$ 123,791
Operating Income Taxes	\$ 81,871
Other Operating Taxes	\$ 67,270
Uncollectible Revenue/Bad Debt Expense	\$ -
Total Revenue Deductions	\$ 272,932
Total Expenses and Deductions	\$ 1,790,966
Other Income	\$ 10,944
Interest on Long-Term Debt	
Other Interest Charges	\$ 102,698
Other Income Deductions	\$ (67,182)
Net Operating Income (or Loss)	\$ 398,095

Assets & Other Debits	
Utility Plant	\$ 8,702,026
Less: Depreciation & Amortization Reserve	\$ 3,517,009
Other Property & Investments	\$ 135,946
Materials and Supplies	\$ 25,000
Other Current & Accrued Assets	\$ 989,378
Deferred Debits	\$ -
Total Assets & Other Debits	\$ 6,335,341

Liabilities & Other Credits	
Capital/Common Stock	\$ 1,107,603
Retained Earnings	\$ 943,712
Long-Term Debt	\$ -
Customer Deposits	\$ 18,508
Other Current & Accrued Liabilities	\$ 1,869,707
Advances for Construction	\$ -
Other Deferred Credits	\$ -
Contributions in Aid of Construction	\$ 1,084,108
Accumulated Deferred Income Taxes	\$ 227,595
Total Liabilities & Other Credits	\$ 5,251,233

Average Number of Customers	
Flat Rate	-
Metered - Residential	2,271
Metered - Commercial	193
Irrigation (including golf courses)	-
Fire Protection	-
Other	-
Total Customers	2,464