



ANNUAL RESULTS OF OPERATIONS REPORT

SELECT COMPANY SIZE (based on Annual Revenue)

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

FOR THE CALENDAR YEAR

2015

COMPANY NAME

Sunriver Water LLC

OREGON PUBLIC UTILITY COMMISSION

PO BOX 2148

SALEM OR 97308-2148

REV 12/26/14

Instructions

Sunriver Water LLC

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

Sunriver Water LLC

Complete Address of Reporting Utility

Line 1:	PO Box 3699
Line 2:	
City:	Sunriver
State:	Oregon
Zip:	97707
phone:	541-593-4197
email:	
fax:	541-593-4643
website:	

Name and title of person responsible for report

Name:	Jess Chojnacky
Title:	Controller
Phone:	541-593-3705
Email:	

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

Sunriver Water LLC

Provide the following information for the contact person regarding this report

Name:	Jess Chojnacky
Address:	PO Box 3609 Sunriver, OR 97707
Phone:	541-593-3705
Email:	jchojnacky@destinationhotels.com

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

Name:	Sunriver Resort LP
Address:	PO Box 3609 Sunriver, OR 97707
Phone:	541-593-4197
Email:	

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

Name:	Deloitte
Address:	111 SW Fifth Avenue, Suite 3900 Portland, OR 97204
Phone:	503-727-3044
Email:	

Date of original organization of the utility (month, day, year):

6/1/1998

Provide the following information for all utility officers and directors

Name	Title	Phone #	Email
Steve Runner	General Manager	541-593-4458	
Greg Mooney	Operations	541-593-4458	
Thomas Samwel	Director of Finance	541-593-4629	

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

Name	Title	Phone #	Email
Steve Hultberg	Attorney		

Organization

Sunriver Water LLC

Select business type
Private/Investor Owned

Select ownership type
Partnership

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	Sunriver Resort LP	
	Address	PO Box 3609 Sunriver, OR 97707	
	% interest or equity	100%	
	Principal duty (if employed by company)	owner	
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		
	Title		
	Address		
	# shares owned		
2	Name of stockholder/director/officer		
	Title		
	Address		
	# shares owned		
3	Name of stockholder/director/officer		
	Title		
	Address		
	# shares owned		
4	Name of stockholder/director/officer		
	Title		
	Address		
	# shares owned		

Part C: Corporation - Shares Outstanding

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

Affiliates

Sunriver Water LLC

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
Sunriver Resort LP	Water services	approved tariffs	\$ 254,412
			\$ 254,412

Products or Services PURCHASED from Affiliated Interests

Name of Affiliate	Description of product or service	Contract or Agreement effective date	Cost
Sunriver Resort LP	management services	approved affiliated interest	\$ 169,728
Sunriver Environmental	office rent	approved affiliated interest	\$ 3,048
			\$ 172,776

TOTAL \$ 81,636

Explanations or Notes

--

Revenues

Sunriver Water LLC

gal or cf

gal

Consumption and Revenue

	Act #	# customers at year beginning	# customers at year end	Total Quantity water sold	revenues
Unmetered (flat rate) water sales	460	40	39	756,750	\$ 10,546
Metered sales to RESIDENTIAL customers	461.1	4,307	4,455	282,650,934	\$ 1,054,284
Metered sales to COMMERCIAL customers	461.2	122	125	55,306,180	\$ 162,200
Metered sales to INDUSTRIAL customers	461.3				
Other metered sales to public authorities	461.4				
Metered sales to multiple family dwellings	461.5			10,652,650	\$ 52,742
Public fire protection revenue	462.1				
Private fire protection revenue	462.2	29	30		\$ 7,881
Other Sales to public authorities	464				
Sales to irrigation customers	465	109	110	105,662,930	\$ 251,232
Sales for resale	466				
Water Sales to golf course/recreation revenue	467	3	3	128,125,100	\$ 121,089
Special contract/agreement revenue	468				
TOTAL		4,610	4,762	583,154,544	\$ 1,659,974

Revenue other than water sales

	Act #	revenues
Forfeited discounts	470	
Miscellaneous service revenues	471	\$ 19,190
Rents from water property	472	
Interdepartmental rents	473	
Other	474	
Cross Connection sales & services revenues	475	\$ 40,353
Total		\$ 59,543

Total Operating Revenue

\$ 1,719,517

Average Monthly Consumption and Bill

	Act #	Average Monthly Consumption per customer	Average Monthly Revenue per customer
Unmetered (flat rate) water sales	460	1596.518987	22.24894515
Metered sales to RESIDENTIAL customers	461.1	5376.453892	20.05409724
Metered sales to COMMERCIAL customers	461.2	37318.60999	109.4466937
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		22.26271186
Other Sales to public authorities	464		
Sales to irrigation customers	465	80413.18874	191.196347
Sales for resale	466		
Water Sales to golf course/recreation revenue	467	3559030.556	3363.583333
Special contract/agreement revenue	468		

Taxes & property sales

Sunriver Water LLC

Act # TAXES OTHER THAN INCOME TAX

408.11	Property Tax	\$	55,731
408.12	Payroll Tax	\$	50,657
408.13	Other Tax Other Than Income Tax		
408.2	Nonutility Taxes Other Than Income Tax		
		TOTAL	\$ 106,388

Act # INCOME TAXES

409.1	Federal Income Tax		
409.11	State Income Tax		
409.13	Other Income Tax		
409.2	Nonutility Income Tax		
		TOTAL	\$ -

Act # DEFERRED AND PROVISION FOR DEFERRED INCOME TAXES

410.1	Deferred Federal Income Taxes – Utility Operations		
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	\$ -

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

Description	Amount
Sale of assets	\$ 350
Total	\$ 350

Expenses

Sunriver Water LLC

Act #		Expense amount
601	Salaries and Wages - employees	\$ 521,653
603	Salaries and Wages – officers, directors, and majority stockholders	
604	Employee Pensions & Benefits	\$ 161,434
610	Purchased Water	
611	Telephone/Communications	
615	Purchased Power	\$ 66,929
616	Fuel for Power Production	\$ 135
617	Utilities - Other (garbage, natural gas)	\$ 7,701
618	Chemicals & testing	
619	Office Supplies (excluding postage)	\$ 2,203
619.1	Postage	\$ 22,800
620	Materials & Supplies (O&M)	\$ 11,063
621	Repairs of Water Plant	\$ 18,564
631	Contractual Services - engineering	\$ -
632	Contractual Services - accounting	\$ -
633	Contractual Services - legal	\$ 15,778
634	Contractual Services - management	\$ 169,728
635	Contractual Services – testing / sampling	\$ 2,673
636	Contractual Services – labor	
637	Contractual Services - billing/collections	\$ 8,658
638	Contractual Services - meter reading	
639	Contractual Services - other	\$ 33,506
641	Rental of Building / Real Property	\$ 3,048
642	Rental of Equipment	
643	Small Tools	\$ 5,442
648	Computer and electronic Expenses	\$ 14,269
650	Transportation Expenses	\$ 30,756
656	Insurance - Vehicle	
657	Insurance – General Liability	\$ 25,155
658	Insurance – Workman’s Compensation	\$ 22,051
659	Insurance – Other	
660	Public Relation / Advertising Expense	
666	Amortization of Rate Case Expense	\$ 2,471
667	Regulatory Commission Fee (Gross Rev Fee)	\$ 3,532
668	Conservation Expense	
670	Bad Debt Expense	
671.1	Cross Connection Control Program Expense	
671.2	Cross Connection Testing & Maintenance Services	
673	Training & Certification Expense	\$ 4,914
674	Consumer Confidence Report	
675	Miscellaneous Expense	\$ 5,716
	TOTAL	\$ 1,160,179

Plant

Sunriver Water LLC

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					\$ -
302	Franchises	\$ -	\$ -			\$ -
303	Land & land rights	\$ 208,561	\$ 39,355			\$ 247,915
304	Structures & improvements	\$ 89,720	\$ 11,637			\$ 101,357
305	Collecting & impounding reservoirs	\$ -				\$ -
306	Lake, river & other intakes	\$ -				\$ -
307	Wells & springs	\$ 1,177,505	\$ 33,744			\$ 1,211,249
308	Infiltration galleries & tunnels	\$ -				\$ -
309	Supply mains	\$ 3,773				\$ 3,773
310	Power generation equipment	\$ 200,788				\$ 200,788
311	Pumping equipment	\$ 138,789				\$ 138,789
320	Water treatment equipment	\$ 7,010				\$ 7,010
330	Distribution reservoirs & standpipes	\$ 300,248	\$ 2,171,141			\$ 2,471,389
331	Transmission & distribution mains	\$ 99,447				\$ 99,447
333	Services	\$ -				\$ -
334	Meters & meter installations	\$ 703,132	\$ 124,539			\$ 827,671
335	Hydrants	\$ 15,455				\$ 15,455
336	Backflow prevention devices (utility owned)	\$ 94				\$ 94
339	Other plant & miscellaneous equipment	\$ 50,641				\$ 50,641
340	Office furniture & equipment	\$ 2,984				\$ 2,984
341	Transportation equipment	\$ 378,876				\$ 378,876
343	Tools, shop & garage equipment	\$ 213,623				\$ 213,623
344	Laboratory equipment	\$ -				\$ -
345	Power operated equipment	\$ 2,562				\$ 2,562
346	Communication equipment	\$ 136,463	\$ 1,618			\$ 138,081
347	Electronic & computer equipment	\$ 457,066	\$ 7,368			\$ 464,434
348	Miscellaneous equipment	\$ 81,303	\$ 10,500			\$ 91,803
	TOTAL	\$ 4,268,039	\$ 2,399,902	\$ -		\$ 6,667,942

Explanation of unusual changes in utility plant during the year:

Beginning balance adjustments of -\$20,692 were made as a result of changes made in the 2014 Rate case.

Sunriver Water LLC

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	\$ (2,134,765)
Added during the year:	
Capacity charge	
Main line extension charges	
Customer connection charges	
Developer's property	
Other	
Retired during the year	
End of year balance	\$ (2,134,765)

Accumulated Amortization of CIAC

Beg of year balance	\$ (1,408,945)
Add CIAC amortized during year	\$ (85,391)
Subtract effects of CIAC disposals	
+/- other adjustments*	
Change in Accumulated Amortization during the year	\$ (85,391)
End of year balance	\$ (1,494,336)

* Explain any adjustments:

Depreciation

Sunriver Water LLC

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	\$ 3,274	\$ 65,037	\$ 3,274		\$ 68,312
305	Collecting & impounding reservoirs			\$ -		\$ -
306	Lake, river & other intakes			\$ -		\$ -
307	Wells & springs	\$ 58,552	\$ 475,116	\$ 58,552		\$ 533,668
308	Infiltration galleries & tunnels			\$ -		\$ -
309	Supply mains	\$ 151	\$ 2,490	\$ 151		\$ 2,641
310	Power generation equipment	\$ 4,600	\$ 160,186	\$ 4,600		\$ 164,786
311	Pumping equipment	\$ 3,487	\$ 92,589	\$ 3,487		\$ 96,076
320	Water treatment equipment	\$ 140	\$ 4,977	\$ 140		\$ 5,117
330	Distribution reservoirs & standpipes	\$ 1,117,100	\$ 183,846	\$ 1,117,100		\$ 1,300,947
331	Transmission & distribution mains	\$ 2,993	\$ 69,622	\$ 2,993		\$ 72,615
333	Services			\$ -		\$ -
334	Meters & meter installations	\$ 85,777	\$ 439,261	\$ 85,777		\$ 525,038
335	Hydrants	\$ 53	\$ 14,507	\$ 53		\$ 14,561
336	Backflow prevention devices (utility owned)	\$ 4	\$ 62	\$ 4		\$ 66
339	Other plant & miscellaneous equipment	\$ 965	\$ 41,032	\$ 965		\$ 41,997
340	Office furniture & equipment	\$ 93	\$ 2,008	\$ 93		\$ 2,101
341	Transportation equipment	\$ 8,578	\$ 348,656	\$ 8,578		\$ 357,234
343	Tools, shop & garage equipment	\$ 16,215	\$ 164,574	\$ 16,215		\$ 180,789
344	Laboratory equipment	\$ -	\$ -	\$ -		\$ -
345	Power operated equipment	\$ 54	\$ 1,991	\$ 54		\$ 2,045
346	Communication equip	\$ 2,526	\$ 132,662	\$ 2,526		\$ 135,188
347	Electronic & computer Equipment	\$ 16,430	\$ 433,146	\$ 16,430		\$ 449,577
348	Miscellaneous Equipment	\$ 7,446	\$ 51,848	\$ 7,446		\$ 59,295
	TOTAL	\$ 1,328,441	\$ 2,683,610	\$ 1,328,441	\$ -	\$ 4,012,051

*Explanation of any adjustments made:

Retained Earnings

Sunriver Water LLC

215	Unappropriated Retained Earnings (beginning of year balance)	\$	758,445
435	Balance transferred from income	\$	(960,531)
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)	\$	(202,086)

Explanation of any adjustments made to Retained Earnings

The prior year ending balance does not tie out to this years beginning balance. The company reports it's financials as tax basis and requires a conversion to PUC accounting for this report. So there are permanent differences in the retained earnings balance for CIAC transactions, depreciation expense, and state and federal taxes from the companies tax basis general ledger and the theoretical balance for PUC reporting. And it appears that the 2014 annual report that was prepared by an outside accounting firm had an erroneous ending balance that didn't fully consider the correct CIAC balance and ending Plant balances.

Other Accounts

Surviver Water LLC

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	\$	6,667,942
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	\$	4,012,051
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	\$	(22,562)
132	Special Deposits	\$	-
134	Working Funds	\$	-
135	Temporary Cash Investments	\$	-
141	Customer Accounts Receivable	\$	-
142	Other Accounts Receivable	\$	20
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	\$	34,563
162	Prepayments	\$	45,196
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		
190	Accumulated Deferred Income Taxes		

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

Equity

201	Common Stock Issued	\$	-
204	Preferred Stock Issued	\$	-
207	Premium on Capital Stock		
211	Paid in Capital	\$	3,320,708
212	Discount on Capital Stock		
213	Capital Stock Expense		
214	Appropriated Retained Earnings	\$	193,170
215	Unappropriated Retained Earnings	\$	(202,086)
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	\$	9,900
232	Notes Payable		
233	Accounts Payable to Associated Companies	\$	31,843
234	Notes Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
238	Accrued Dividends		
239	Matured Long-Term Debt		
240	Matured Interest		
241	Miscellaneous Current and Accrued Liabilities		

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	\$	(2,134,765)
272	Accumulated Amortization of CIAC	\$	(1,494,336)

Accumulated Deferred Income Taxes

281	Accumulated Deferred Income Taxes - Accelerated Depreciation		
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	\$	247,915
304	Structures and Improvements	\$	101,357
305	Collecting and Impounding Reservoirs	\$	-
306	Lakes, River and Other Intakes	\$	-
307	Wells and Springs	\$	1,211,249
308	Infiltration Galleries and Tunnels	\$	-
309	Supply Mains	\$	3,773
310	Power Generation Equipment	\$	200,788
311	Pumping Equipment	\$	138,789
320	Water Treatment Equipment	\$	7,010
330	Distribution Reservoirs and Standpipes	\$	2,471,389
331	Transmission and Distribution Mains	\$	99,447
333	Services	\$	-
334	Meters and Meter Installations	\$	827,671
335	Hydrants	\$	15,455
336	Backflow Prevention Devices	\$	94
339	Other Plant and Miscellaneous Equipment	\$	50,641
340	Office Furniture and Equipment	\$	2,984
341	Transportation Equipment	\$	378,876
343	Tools, Shop and Garage Equipment	\$	213,623
344	Laboratory Equipment	\$	-

345	Power Operated Equipment	\$	2,562
346	Communication Equipment	\$	138,081
347	Computer & electronic Equipment	\$	464,434
348	Miscellaneous Equipment	\$	91,803

INCOME ACCOUNTS (404-434)

Utility Operating Income

400	Operating Revenue	\$	1,719,517
401	Operating Expenses	\$	1,160,179
403	Depreciation Expense	\$	1,328,441
406	Amortization of Utility Plant Acquisition Adjustment		
407	Amortization Expense (no CIAC)		
408	Taxes Other than Income	\$	106,388
409	Income Taxes	\$	-
410	Provision for Deferred Income Taxes - Debit	\$	-
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	\$	350
415	Revenues from Merchandising, Jobbing, and Contract Work		
416	Cost and Expenses of Merchandising, Jobbing, and Contract Work		
419	Interest and Dividend Income		
421	Nonutility Income		
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		
428	Amortization of Debt Discount and Expense		
429	Amortization of Premium on Debt		

Retained Earnings Account (435-439)

435	Balance Transferred from Income	\$	(960,531)
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	\$	10,546
461.1	Metered Sales to Residential Customers	\$	1,054,284
461.2	Metered Sales to Commercial Customers	\$	162,200
461.3	Metered Sales to Industrial Customers	\$	-
461.4	Metered Sales to Public Authorities	\$	-
461.5	Metered Sales to Multiple Family Dwellings	\$	52,742
462.1	1 Public Fire Protection	\$	-
462.2	2 Private Fire Protection	\$	7,881
464	Other Sales to Public Authorities	\$	-
465	Sales to Irrigation Customers	\$	251,232
466	Sales for Resale	\$	-
467	Interdepartmental Sales	\$	121,089
468	Special Contract/Agreement Revenue	\$	-
470	Forfeited Discounts	\$	-
471	Miscellaneous Service Revenues	\$	19,190
472	Rents From Water Property	\$	-
473	Interdepartmental Rents	\$	-
474	Other Water Revenues	\$	-
475	Cross Connection Sales & Services Revenues	\$	40,353

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS (601-675)

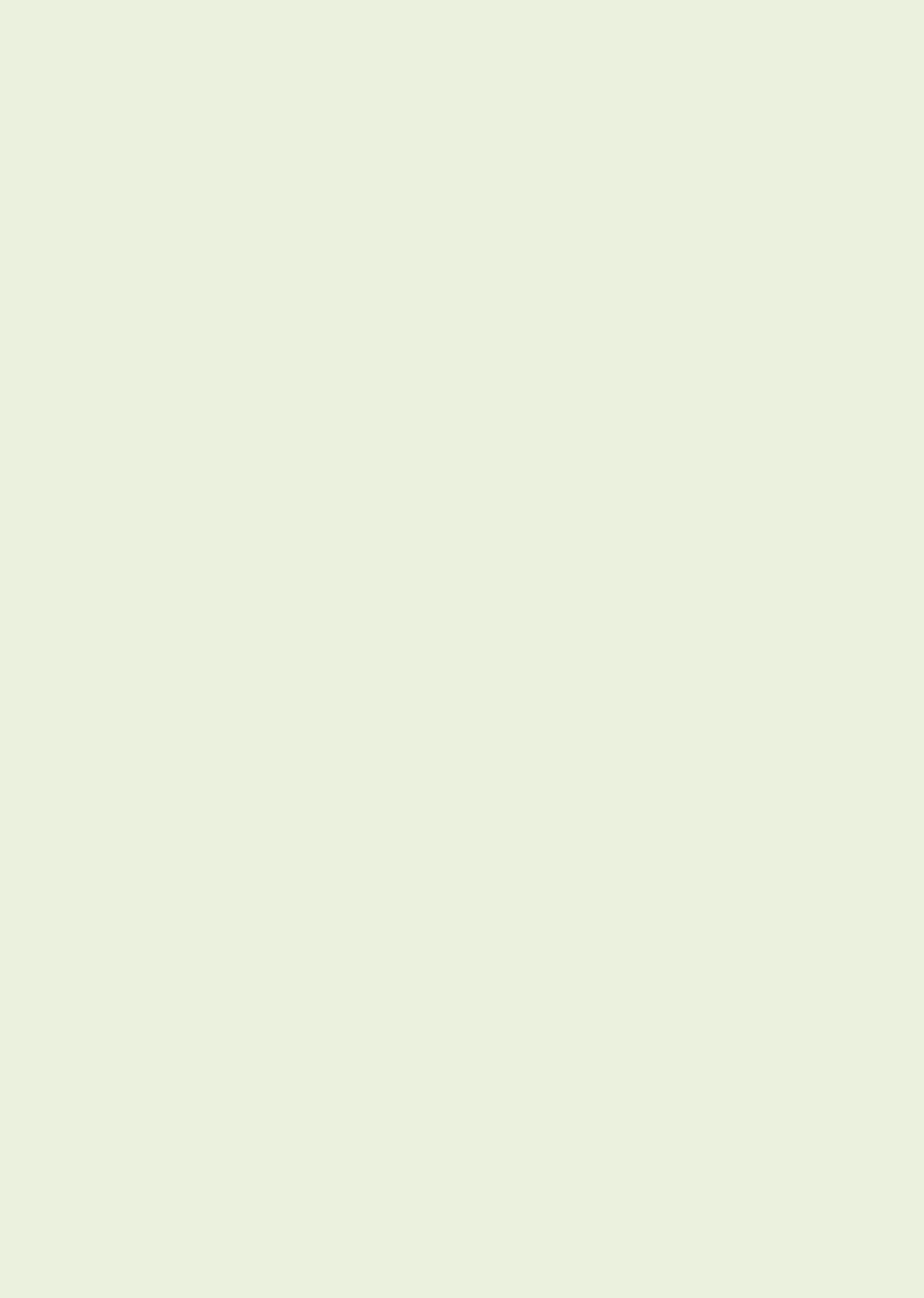
Source of Supply and Expenses

601	Salaries and Wages - Employees	\$	521,653
603	Salaries and Wages - Officers, Directors and Majority Stockholders	\$	-
604	Employee Pensions and Benefits	\$	161,434
610	Purchased Water	\$	-
611	Telephone/Communications	\$	-
615	Purchased Power	\$	66,929
616	Fuel for Power Production	\$	135
617	Utilities - Other	\$	7,701
618	Chemicals & testing	\$	-
619	Office Supplies (excluding postage)	\$	2,203
619.1	Postage	\$	22,800
620	Materials and Supplies	\$	11,063
621	Repairs to Water Plant	\$	18,564
631	Contractual Services - Engineering	\$	-
632	Contractual Services - Accounting	\$	-
633	Contractual Services - Legal	\$	15,778
634	Contractual Services - Management Fees	\$	169,728
635	Contractual Services - Testing/Sampling	\$	2,673
636	Contractual Services - Other	\$	-
637	Contractual Services - Billing/Collections	\$	8,658
638	Contractual Services - Meter Reading	\$	-
639	Contractual Services - Other	\$	33,506
641	Rental of Building/Real Property	\$	3,048
642	Rental of Equipment	\$	-
643	Small Tools	\$	5,442
648	Computer & Electronic Expenses	\$	14,269
650	Transportation Expenses	\$	30,756
656	Insurance - Vehicle	\$	-
657	Insurance - General Liability	\$	25,155
658	Insurance - Workman's Compensation	\$	22,051
659	Insurance - Other	\$	-
660	Public Relations / Advertising Expense	\$	-
666	Regulatory Commission Expense - Amortization of Rate Case Expense	\$	2,471
667	Regulatory Commission Expense - Other	\$	3,532
668	Water Resource Conservation Expense	\$	-
670	Bad Debt Expense	\$	-
671.1	Cross Connection Control Program Expense	\$	-
671.2	Cross Connection Testin & Maintenance Services	\$	-
672	System Capacity Development Program Expense	\$	-
673	Training & Certification Expense	\$	4,914
674	Consumer Confidence Report	\$	-
675	Miscellaneous Expenses	\$	5,716

Notes

Sunriver Water LLC

Notes and explanations:



Income Statement

Sunriver Water LLC

400 Operating Revenue	\$ 1,719,517
401 Operating Expenses	\$ 1,160,179
403 Depreciation Expense	\$ 1,413,832
406 Amortization of Utility Plant Acquisition Adjustment	\$ -
407 Amortization Expense	\$ -
408 Taxes Other Than Income Taxes (total)	\$ 106,388
409 Income Taxes	\$ -
410.1 Provision for Deferred Income Taxes - debit	\$ -
411.1 Provision for Deferred Income Taxes - credit	\$ -
412 Investment Tax Credit	\$ -
413 Income From Utility Plant Leased to Others	\$ -
419 Interest & Dividend Income	\$ -
427 Interest Expense	\$ -
428-429 Amortization of Premium/Discount on Debt	\$ -
414 Gains/Losses From Utility Property Disposition (net)	\$ 350
433-434 Extraordinary Income/deductions (net)	\$ -
NET UTILITY OPERATING INCOME	\$ (960,531)
421 Nonutility Income	\$ -
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	\$ (960,531)

Balance Sheet

Sunriver Water LLC

Please do not submit to PUC until figures are balanced.

101 Utility Plant in Service (excluding CIAC)	\$	6,667,942
108-110 Accumulated Depreciation & Amortization	\$	4,012,051
Subtotal	\$	2,655,890
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	\$	2,655,890
131 Cash	\$	(22,562)
132 Special Deposits	\$	-
141-142 Accounts Receivable	\$	20
143 Accumulated Provision for Uncollectible Accounts	\$	-
144 Notes Receivable	\$	-
145-146 Accounts & Notes Receivable from Associated Companies	\$	-
151 Materials & Supplies Inventory	\$	34,563
133-135 & 162-174 Miscellaneous Current & Accrued Assets & Prepayments	\$	45,196
Net Current & Accrued Assets	\$	57,216
181-186 Deferred Debits	\$	-
Total Assets	\$	2,713,107
252 Advances for Construction	\$	-
271 CIAC	\$	(2,134,765)
272 Accumulated Amortization of CIAC	\$	(1,494,336)
Net CIAC & Advances for Construction	\$	(640,430)
121 Nonutility Property	\$	-
122 Accumulated Depreciation & Amortization (Nonutility)	\$	-
123-127 Miscellaneous Nonutility Investments	\$	-
Nonutility Plant & Investment	\$	-
221-224 Long-Term Debt	\$	-
231 Accounts Payable	\$	9,900
232 Notes Payable	\$	-
233 Accounts Payable to Affiliated Companies	\$	31,843
234 Notes Payable to Affiliated companies	\$	-
235 Customer Deposits	\$	-
236 Accrued Taxes	\$	-
237 Accrued Interest	\$	-
238-241 Miscellaneous Current and Accrued Liabilities	\$	-
Liabilities	\$	41,743
251 Premium on Unamortized Debt	\$	-
253 Other Deferred Credit	\$	-
261-265 Reserves	\$	-
Other	\$	-
281 Accumulated Deferred Income Taxes-Accelerated Amortization	\$	-
282 Accumulated Deferred Income Taxes-Liberalized Depreciation	\$	-
283 Accumulated Deferred Income Taxes-Other	\$	-
Total Liabilities	\$	41,743
201 Common Stock Issued	\$	-
204 Preferred Stock Issued	\$	-
207 Premium on Capital Stock	\$	-
211 Other Paid in Capital	\$	3,320,708
212 Discount on Capital Stock	\$	-
213 Capital Stock Expense	\$	-
214 Appropriated Retained Earnings	\$	193,170
215 Unappropriated Retained Earnings	\$	(202,086)
216 Reacquired Capital Stock	\$	-
218 Proprietary Capital (Proprietorships & Partnerships Only)	\$	-
Total Equity	\$	3,311,791
Total Liabilities and Equity	\$	2,713,105

Stats

Sunriver Water LLC

Operating Revenues

Flat Rate	\$	10,546
Metered - Residential	\$	1,107,026
Metered - Commercial	\$	162,200
Irrigation (including golf courses)	\$	372,321
Fire Protection	\$	7,881
Other Sales of Water	\$	-
Other Operating Revenue	\$	59,543
Total Operating Revenues	\$	1,719,517

Operating Expenses

Purchased Water	\$	-
Purchased Power	\$	66,929
Water Treatment	\$	2,673
Supplies and Expenses	\$	161,256
Repairs of Plant	\$	18,564
Administrative & General	\$	910,757
Total Operating Expenses	\$	1,160,179

Other Revenue Deductions

Depreciation & Amortization	\$	1,413,832
Operating Income Taxes	\$	-
Other Operating Taxes	\$	106,388
Uncollectible Revenue/Bad Debt Expense	\$	-
Total Revenue Deductions	\$	1,520,219

Total Expenses and Deductions

	\$	2,680,398
--	----	-----------

Other Income	\$	-
Interest on Long-Term Debt		
Other Interest Charges	\$	-
Other Income Deductions	\$	-
Net Operating Income (or Loss)	\$	(960,881)

Assets & Other Debits

Utility Plant	\$	6,667,942
Less: Depreciation & Amortization Reserve	\$	4,012,051
Other Property & Investments	\$	(22,562)
Materials and Supplies	\$	34,563
Other Current & Accrued Assets	\$	45,216
Deferred Debits	\$	-
Total Assets & Other Debits	\$	2,713,107

Liabilities & Other Credits

Capital/Common Stock	\$	3,320,708
Retained Earnings	\$	(8,917)
Long-Term Debt	\$	-
Customer Deposits	\$	-
Other Current & Accrued Liabilities	\$	41,743
Advances for Construction	\$	-
Other Deferred Credits	\$	-
Contributions in Aid of Construction	\$	(640,430)
Accumulated Deferred Income Taxes	\$	-
Total Liabilities & Other Credits	\$	2,713,105

Average Number of Customers

Flat Rate	39
Metered - Residential	4,455
Metered - Commercial	125
Irrigation (including golf courses)	113
Fire Protection	30
Other	-
Total Customers	4,762