



e-FILING REPORT COVER SHEET

COMPANY NAME: ILLAHE ESTATES WATER SYSTEM, LLC

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: RW7

Report is required by: OAR
 Statute ILLAHE ANNUAL REPORT CLASS B WATER UTILITY, RW7
 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.

RW7 2021 ILLAHE ESTATES WATER SYSTEM, LLC

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 201 High Street SE Suite 100, Salem, OR 97301.



ANNUAL RESULTS OF OPERATIONS REPORT

COMPANY SIZE (based on Annual Revenue)

Class B Water Utility
(Annual Gross Revenue between \$200,000 and \$999,999)

FOR THE CALENDAR YEAR

2021

COMPANY NAME

Illaha Estates Water System, LLC

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

INSTRUCTIONS

Illaha Estates Water System, 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 **in Excel ONLY with formulae intact** and any supplementary pages to an email addressed to the following address: puc.filingcenter@puc.oregon.gov

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

FOR QUESTIONS CONTACT RUSS BEITZEL AT 971-209-0533 OR EMAIL AT RUSSELL.BEITZEL@PUC.OREGON.GOV

OATH

Illahé Estates Water System, LLC

Complete Address of Reporting Utility

Line 1:	PO Box 699
Line 2:	
City:	Newberg
State:	OR
Zip:	97132
phone:	(503) 554-8333
email:	info@hilandwater.com
fax:	5035549215
website:	www.hilandwater.com

Name and title of person responsible for report

Name:	Silas Olson
Title:	General Manager
Phone:	503-554-8333
Email:	silas@hilandwater.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

Illahe Estates Water System, LLC

Provide the following information for the contact person regarding this report

Name:	Silas Olson
Address:	PO Box 699, Newberg, OR 97132
Phone:	503-554-8333
Email:	silas@hilandwater.com

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

Name:	Hiland Water Corp.
Address:	700 N. College St. Newberg, OR 97132
Phone:	503-554-8333
Email:	info@hilandwater.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):

10/1/1997

Provide the following information for all utility officers and directors

Name	Title	Phone #	Email
Melvin Olson	President	503-554-8333	mel@hilandwater.com
Micah Olson	Vice President	503-554-8333	micah@hilandwater.com
Silas Olson	Secretary / Treasurer	503-554-8333	silas@hilandwater.com
Marilyn Olson	Board Member	503-554-8333	marilynolson67@hotmail.com
Matthew Olson	Vice President	503-554-8333	matt@hilandwater.com
Elijah Olson	Board Member	503-554-8333	elijaholson@yahoo.com
Seth Olson	Board Member	503-554-8333	sethoolson@gmail.com
Zachary Olson	Board Member	503-554-8333	zach@hilandwater.com
Aaron Olson	Board Member	503-554-8333	aaron@hilandwater.com

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

Name	Title	Phone #	Email
Want & Emery CPA's - Terry Emery	CPA	503-538-5023	terry@wantcpa.com
Schroeder Law Offices, P.C.	Legal Counsel	503-281-4100	s.liljefelt@water-law.com
Olson, LLC - Christine Olson	Supplemental Contractor	541-948-2888	olsonllc@yahoo.com

ORGANIZATION

Illahe Estates Water System, 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	Hiland Water Corporation	
	Address	PO Box 699	
	% interest or equity	100%	
	Principal duty (if employed by company)	All business operation	
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:		

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
Hiland Water Corp.	Labor, Administration, Operating costs	1-Jan-15	\$ 131,337
			\$ 131,337
TOTAL			\$ (131,337)

Explanations or Notes

Illaha Estates Water System, LLC is wholly owned by Hiland Water Corp. As such, labor, indirect costs, and some other direct costs are channeled through Hiland Water Corp. in accordance with its affiliated interest agreement.

REVENUES

Illahe Estates Water System, 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				
Metered sales to RESIDENTIAL customers	461.1	238	238	37,947,120	\$ 246,414
Metered sales to COMMERCIAL customers	461.2	3	3	3,243,950	\$ 9,091
Metered sales to INDUSTRIAL customers	461.3				
Other metered sales to public authorities	461.4				
Metered sales to multiple family dwellings	461.5	1	1	2,866,400	\$ 10,951
Public fire protection revenue	462.1				
Private fire protection revenue	462.2				
Other Sales to public authorities	464				
Sales to irrigation customers	465	4	4	2,867,200	\$ 7,143
Sales for resale	466				
Water Sales to golf course/recreation revenue	467				
Special contract/agreement revenue	468				
TOTAL		246	246	46,924,670	\$ 273,599

Revenue other than water sales

	Act #	revenues
Forfeited discounts	470	
Miscellaneous service revenues	471	\$ 554
Rents from water property	472	
Interdepartmental rents	473	
Other	474	\$ 8,700
Cross Connection sales & services revenues	475	\$ 4,920
Total		\$ 14,174

Total Operating Revenue
\$ 287,773

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	13286.80672	86.27941176
Metered sales to COMMERCIAL customers	461.2	90109.72222	252.5277778
Metered sales to INDUSTRIAL customers	461.3		
Other metered sales to public authorities	461.4		
Metered sales to multiple family dwellings	461.5	238866.6667	912.5833333
Public fire protection revenue	462.1		
Private fire protection revenue	462.2		
Other Sales to public authorities	464		
Sales to irrigation customers	465	59733.33333	148.8125
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	\$	4,612
408.12	Payroll Tax	\$	7,052
408.13	Other Tax Other Than Income Tax		
408.2	Nonutility Taxes Other Than Income Tax		
TOTAL		\$	11,664

Act # INCOME TAXES

409.1	Federal Income Tax	\$	15,803
409.11	State Income Tax	\$	4,967
409.13	Other Income Tax		
409.2	Nonutility Income Tax		
TOTAL		\$	20,770

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
Total	\$ -

EXPENSES

Act #		Expense amount
601	Salaries and Wages - employees	\$ 74,371
603	Salaries and Wages – officers, directors, and majority stockholders	\$ -
604	Employee Pensions & Benefits	\$ 8,218
610	Purchased Water	\$ -
611	Telephone/Communications	\$ 4,016
615	Purchased Power	\$ 20,214
616	Fuel for Power Production	\$ -
617	Utilities - Other (garbage, natural gas)	\$ 356
618	Chemicals & testing	\$ -
619	Office Supplies (excluding postage)	\$ 913
619.1	Postage	\$ 1,560
620	Materials & Supplies (O&M)	\$ 14,491
621	Repairs of Water Plant	\$ -
631	Contractual Services - engineering	\$ -
632	Contractual Services - accounting	\$ 279
633	Contractual Services - legal	\$ -
634	Contractual Services - management	\$ 2,794
635	Contractual Services – testing / sampling	\$ 10,975
636	Contractual Services – labor	\$ -
637	Contractual Services - billing/collections	\$ 1,710
638	Contractual Services - meter reading	\$ -
639	Contractual Services - other	\$ 11,662
641	Rental of Building / Real Property	\$ 3,940
642	Rental of Equipment	\$ 7,440
643	Small Tools	\$ -
648	Computer and electronic Expenses	\$ 528
650	Transportation Expenses	\$ 3,467
656	Insurance - Vehicle	\$ 2,452
657	Insurance – General Liability	\$ 1,582
658	Insurance – Workman’s Compensation	\$ 882
659	Insurance – Other	\$ 560
660	Public Relation / Advertising Expense	\$ 528
666	Amortization of Rate Case Expense	\$ -
667	Regulatory Commission Fee (Gross Rev Fee)	\$ 1,000
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	\$ 1,126
674	Consumer Confidence Report	\$ -
675	Miscellaneous Expense	\$ 3,700
	TOTAL	\$ 178,764

PLANT

Illaha Estates Water System, 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	\$ 6,672				\$ 6,672
304	Structures & improvements	\$ 458,216				\$ 458,216
305	Collecting & impounding reservoirs	\$ -				\$ -
306	Lake, river & other intakes	\$ -				\$ -
307	Wells & springs	\$ 24,520				\$ 24,520
308	Infiltration galleries & tunnels	\$ -				\$ -
309	Supply mains	\$ -				\$ -
310	Power generation equipment	\$ -				\$ -
311	Pumping equipment	\$ 67,993				\$ 67,993
320	Water treatment equipment	\$ 8,063				\$ 8,063
330	Distribution reservoirs & standpipes	\$ 255,780				\$ 255,780
331	Transmission & distribution mains	\$ 282,916				\$ 282,916
333	Services	\$ -				\$ -
334	Meters & meter installations	\$ 85,741				\$ 85,741
335	Hydrants	\$ -				\$ -
336	Backflow prevention devices (utility owned)	\$ -				\$ -
339	Other plant & miscellaneous equipment	\$ -				\$ -
340	Office furniture & equipment	\$ -				\$ -
341	Transportation equipment	\$ -				\$ -
343	Tools, shop & garage equipment	\$ -				\$ -
344	Laboratory equipment	\$ -				\$ -
345	Power operated equipment	\$ -				\$ -
346	Communication equipment	\$ 1,013				\$ 1,013
347	Electronic & computer equipment	\$ 2,314				\$ 2,314
348	Miscellaneous equipment	\$ 4,156				\$ 4,156
	TOTAL	\$ 1,197,384	\$ -	\$ -	\$ -	\$ 1,197,384

Explanation of unusual changes in utility plant during the year:

CIAC AND ADVANCES

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

Advances for Construction

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

Contributions in Aid of Construction

Beg of year balance	
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	\$ -

Accumulated Amortization of CIAC

Beg of year balance	
Add CIAC amortized during year	
Subtract effects of CIAC disposals	
+/- other adjustments*	
Change in Accumulated Amortization during the year	\$ -
End of year balance	\$ -

* Explain any adjustments:

DEPRECIATION

Illaha Estates Water System, 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	\$ 2,746	\$ 411,481	\$ 2,746		\$ 414,227
305	Collecting & impounding reservoirs		\$ -	\$ -		\$ -
306	Lake, river & other intakes		\$ -	\$ -		\$ -
307	Wells & springs	\$ 939	\$ 7,006	\$ 939		\$ 7,945
308	Infiltration galleries & tunnels		\$ -	\$ -		\$ -
309	Supply mains		\$ -	\$ -		\$ -
310	Power generation equipment		\$ -	\$ -		\$ -
311	Pumping equipment	\$ 2,380	\$ 47,146	\$ 2,380		\$ 49,526
320	Water treatment equipment	\$ 379	\$ 4,150	\$ 379		\$ 4,529
330	Distribution reservoirs & standpipes	\$ 5,285	\$ 65,471	\$ 5,285		\$ 70,756
331	Transmission & distribution mains	\$ 5,658	\$ 148,973	\$ 5,658		\$ 154,631
333	Services		\$ -	\$ -		\$ -
334	Meters & meter installations	\$ 4,076	\$ 18,828	\$ 4,076		\$ 22,904
335	Hydrants		\$ -	\$ -		\$ -
336	Backflow prevention devices (utility owned)		\$ -	\$ -		\$ -
339	Other plant & miscellaneous equipment		\$ -	\$ -		\$ -
340	Office furniture & equipment		\$ -	\$ -		\$ -
341	Transportation equipment		\$ -	\$ -		\$ -
343	Tools, shop & garage equipment		\$ -	\$ -		\$ -
344	Laboratory equipment		\$ -	\$ -		\$ -
345	Power operated equipment		\$ -	\$ -		\$ -
346	Communication equip		\$ 1,013	\$ -		\$ 1,013
347	Electronic & computer Equipment	\$ 463	\$ 1,659	\$ 463		\$ 2,122
348	Miscellaneous Equipment	\$ 166	\$ 3,379	\$ 166		\$ 3,545
	TOTAL	\$ 22,092	\$ 709,106	\$ 22,092	\$ -	\$ 731,198

*Explanation of any adjustments made:

RETAINED EARNINGS

Illahé Estates Water System, LLC

215	Unappropriated Retained Earnings (beginning of year balance)	\$	252,909
435	Balance transferred from income	\$	54,483
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)	\$	307,392

* Explanation of any adjustments made to Retained Earnings

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OTHER ACCOUNTS

Illahé Estates Water System, 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	\$	1,197,384
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	\$	731,198
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	\$	14,897
132	Special Deposits		
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
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	\$	16,766
162	Prepayments		
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	\$	190,457
212	Discount on Capital Stock		
213	Capital Stock Expense		
214	Appropriated Retained Earnings		
215	Unappropriated Retained Earnings	\$	307,392
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		
232	Notes Payable		
233	Accounts Payable to Associated Companies		
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	\$	-
272	Accumulated Amortization of CIAC	\$	-

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	\$	6,672
304	Structures and Improvements	\$	458,216
305	Collecting and Impounding Reservoirs	\$	-
306	Lakes, River and Other Intakes	\$	-
307	Wells and Springs	\$	24,520
308	Infiltration Galleries and Tunnels	\$	-
309	Supply Mains	\$	-
310	Power Generation Equipment	\$	-
311	Pumping Equipment	\$	67,993
320	Water Treatment Equipment	\$	8,063
330	Distribution Reservoirs and Standpipes	\$	255,780
331	Transmission and Distribution Mains	\$	282,916
333	Services	\$	-
334	Meters and Meter Installations	\$	85,741
335	Hydrants	\$	-
336	Backflow Prevention Devices	\$	-
339	Other Plant and Miscellaneous Equipment	\$	-
340	Office Furniture and Equipment	\$	-
341	Transportation Equipment	\$	-
343	Tools, Shop and Garage Equipment	\$	-
344	Laboratory Equipment	\$	-

345	Power Operated Equipment	\$	-
346	Communication Equipment	\$	1,013
347	Computer & electronic Equipment	\$	2,314
348	Miscellaneous Equipment	\$	4,156

INCOME ACCOUNTS (404-434)

Utility Operating Income

400	Operating Revenue	\$	287,773
401	Operating Expenses	\$	178,764
403	Depreciation Expense	\$	22,092
406	Amortization of Utility Plant Acquisition Adjustment		
407	Amortization Expense (no CIAC)		
408	Taxes Other than Income	\$	11,664
409	Income Taxes	\$	20,770
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	\$	-
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	\$	54,483
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	\$	246,414
461.2	Metered Sales to Commercial Customers	\$	9,091
461.3	Metered Sales to Industrial Customers	\$	-
461.4	Metered Sales to Public Authorities	\$	-
461.5	Metered Sales to Multiple Family Dwellings	\$	10,951
462.1	1 Public Fire Protection	\$	-
462.2	2 Private Fire Protection	\$	-
464	Other Sales to Public Authorities	\$	-
465	Sales to Irrigation Customers	\$	7,143
466	Sales for Resale	\$	-
467	Interdepartmental Sales	\$	-
468	Special Contract/Agreement Revenue	\$	-
470	Forfeited Discounts	\$	-
471	Miscellaneous Service Revenues	\$	554
472	Rents From Water Property	\$	-
473	Interdepartmental Rents	\$	-
474	Other Water Revenues	\$	8,700
475	Cross Connection Sales & Services Revenues	\$	4,920

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS (601-675)

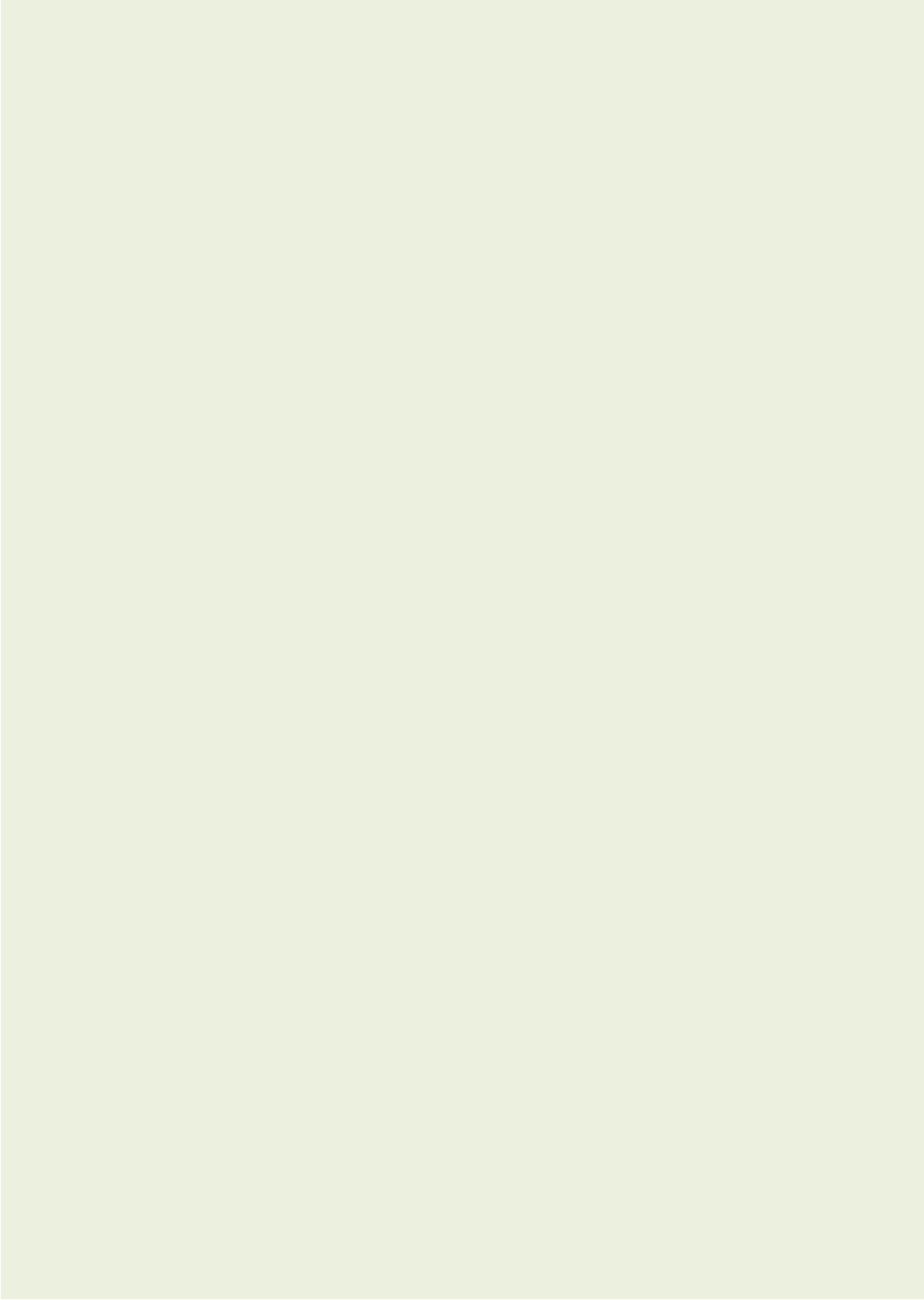
Source of Supply and Expenses

601	Salaries and Wages - Employees	\$	74,371
603	Salaries and Wages - Officers, Directors and Majority Stockholders	\$	-
604	Employee Pensions and Benefits	\$	8,218
610	Purchased Water	\$	-
611	Telephone/Communications	\$	4,016
615	Purchased Power	\$	20,214
616	Fuel for Power Production	\$	-
617	Utilities - Other	\$	356
618	Chemicals & testing	\$	-
619	Office Supplies (excluding postage)	\$	913
619.1	Postage	\$	1,560
620	Materials and Supplies	\$	14,491
621	Repairs to Water Plant	\$	-
631	Contractual Services - Engineering	\$	-
632	Contractual Services - Accounting	\$	279
633	Contractual Services - Legal	\$	-
634	Contractual Services - Management Fees	\$	2,794
635	Contractual Services - Testing/Sampling	\$	10,975
636	Contractual Services - Other	\$	-
637	Contractual Services - Billing/Collections	\$	1,710
638	Contractual Services - Meter Reading	\$	-
639	Contractual Services - Other	\$	11,662
641	Rental of Building/Real Property	\$	3,940
642	Rental of Equipment	\$	7,440
643	Small Tools	\$	-
648	Computer & Electronic Expenses	\$	528
650	Transportation Expenses	\$	3,467
656	Insurance - Vehicle	\$	2,452
657	Insurance - General Liability	\$	1,582
658	Insurance - Workman's Compensation	\$	882
659	Insurance - Other	\$	560
660	Public Relations / Advertising Expense	\$	528
666	Regulatory Commission Expense - Amortization of Rate Case Expense	\$	-
667	Regulatory Commission Expense - Other	\$	1,000
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	\$	1,126
674	Consumer Confidence Report	\$	-
675	Miscellaneous Expenses	\$	3,700

NOTES

Illahé Estates Water System, LLC

Notes and explanations:



INCOME STATEMENT

Illaha Estates Water System, LLC

400 Operating Revenue	\$ 287,773
401 Operating Expenses	\$ 178,764
403 Depreciation Expense	\$ 22,092
406 Amortization of Utility Plant Acquisition Adjustment	\$ -
407 Amortization Expense	\$ -
408 Taxes Other Than Income Taxes (total)	\$ 11,664
409 Income Taxes	\$ 20,770
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)	\$ -
433-434 Extraordinary Income/deductions (net)	\$ -
NET UTILITY OPERATING INCOME	\$ 54,483
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	\$ 54,483

BALANCE SHEET

Illaha Estates Water

101 Utility Plant in Service (excluding CIAC)	\$	1,197,384
108-110 Accumulated Depreciation & Amortization	\$	731,198
Subtotal	\$	466,186
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	\$	466,186
131 Cash	\$	14,897
132 Special Deposits	\$	-
141-142 Accounts Receivable	\$	-
143 Accumulated Provision for Uncollectible Accounts	\$	-
144 Notes Receivable	\$	-
145-146 Accounts & Notes Receivable from Associated Companies	\$	-
151 Materials & Supplies Inventory	\$	16,766
133-135 & 162-174 Miscellaneous Current & Accrued Assets & Prepayments	\$	-
Net Current & Accrued Assets	\$	31,663
181-186 Deferred Debits	\$	-
Total Assets	\$	497,849
252 Advances for Construction	\$	-
271 CIAC	\$	-
272 Accumulated Amortization of CIAC	\$	-
Net CIAC & Advances for Construction	\$	-
121 Nonutility Property	\$	-
122 Accumulated Depreciation & Amortization (Nonutility)	\$	-
123-127 Miscellaneous Nonutility Investments	\$	-
Nonutility Plant & Investment	\$	-
221-224 Long-Term Debt	\$	-
231 Accounts Payable	\$	-
232 Notes Payable	\$	-
233 Accounts Payable to Affiliated Companies	\$	-
234 Notes Payable to Affiliated companies	\$	-
235 Customer Deposits	\$	-
236 Accrued Taxes	\$	-
237 Accrued Interest	\$	-
238-241 Miscellaneous Current and Accrued Liabilities	\$	-
Liabilities	\$	-
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	\$	-
201 Common Stock Issued	\$	-
204 Preferred Stock Issued	\$	-
207 Premium on Capital Stock	\$	-
211 Other Paid in Capital	\$	190,457
212 Discount on Capital Stock	\$	-
213 Capital Stock Expense	\$	-
214 Appropriated Retained Earnings	\$	-
215 Unappropriated Retained Earnings	\$	307,392
216 Reacquired Capital Stock	\$	-
218 Proprietary Capital (Proprietorships & Partnerships Only)	\$	-
Total Equity	\$	497,849
Total Liabilities and Equity	\$	497,849

STATS

Illaha Estates Water System, LLC

Operating Revenues		Assets & Other Debits	
Flat Rate	\$ -	Utility Plant	\$ 1,197,384
Metered - Residential	\$ 257,365	Less: Depreciation & Amortization Reserve	\$ 731,198
Metered - Commercial	\$ 9,091	Other Property & Investments	\$ 14,897
Irrigation (including golf courses)	\$ 7,143	Materials and Supplies	\$ 16,766
Fire Protection	\$ -	Other Current & Accrued Assets	\$ -
Other Sales of Water	\$ -	Deferred Debits	\$ -
Other Operating Revenue	\$ 14,174	Total Assets & Other Debits	\$ 497,849
Total Operating Revenues	\$ 287,773		
Operating Expenses		Liabilities & Other Credits	
Purchased Water	\$ -	Capital/Common Stock	\$ 190,457
Purchased Power	\$ 20,214	Retained Earnings	\$ 307,392
Water Treatment	\$ 10,975	Long-Term Debt	\$ -
Supplies and Expenses	\$ 48,541	Customer Deposits	\$ -
Repairs of Plant	\$ -	Other Current & Accrued Liabilities	\$ -
Administrative & General	\$ 99,034	Advances for Construction	\$ -
Total Operating Expenses	\$ 178,764	Other Deferred Credits	\$ -
		Contributions in Aid of Construction	\$ -
Other Revenue Deductions		Accumulated Deferred Income Taxes	\$ -
Depreciation & Amortization	\$ 22,092	Total Liabilities & Other Credits	\$ 497,849
Operating Income Taxes	\$ 20,770		
Other Operating Taxes	\$ 11,664	Average Number of Customers	
Uncollectible Revenue/Bad Debt Expense	\$ -	Flat Rate	-
Total Revenue Deductions	\$ 54,526	Metered - Residential	239
Total Expenses and Deductions	\$ 233,290	Metered - Commercial	3
		Irrigation (including golf courses)	4
Other Income	\$ -	Fire Protection	-
Interest on Long-Term Debt	\$ -	Other	-
Other Interest Charges	\$ -	Total Customers	246
Other Income Deductions	\$ -		
Net Operating Income (or Loss)	\$ 54,483		