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REPORT NAME: 2011 Annual Report

COMPANY NAME: Salmon Valley Water Company

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? [X]No [ ]Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: [ ]RE (Electric) [ ]RG (Gas) [X]RW (Water) [ ]RO (Other)

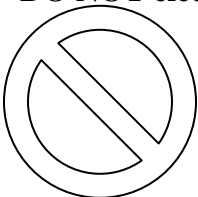
Report is required by: [ ]OAR Enter rule number
[ ]Statute Enter Statute
[ ]Order Enter PUC Order No.
[ ]Other Enter reason

Is this report associated with a specific docket/case? [X]No [ ]Yes

If yes, enter docket number:

List applicable Key Words for this report to facilitate electronic search:

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- Annual Fee Statement form and payment remittance or
• OUS or RSPF Surcharge form or surcharge remittance or
• Any other Telecommunications Reporting or
• Any daily safety or safety incident reports or
• Accident reports required by ORS 654.715

Please file the above reports according to their individual instructions.

FOR THE YEAR ENDING DECEMBER 31, 2011

# **RESULTS OF OPERATIONS**

**FOR WATER UTILITIES REPORTING GROSS REVENUES OF**

**\$200,000 to 999,999**

**ANNUAL REPORT FORM B**

## **Salmon Valley Water Company**

PO Box 205  
24525 E. Welches Road  
503-968-9534

RECEIVED OCT 15 2012

**OREGON PUBLIC UTILITY COMMISSION  
PO BOX 2148  
SALEM OR 97308-2148**

## **WATER UTILITY ANNUAL REPORT B** **PUBLIC UTILITY COMMISSION OF OREGON**

**MAILING ADDRESS**

PO BOX 2148  
SALEM OR 97308-2148

**LOCATION ADDRESS**

550 CAPITOL ST. NE STE 215  
SALEM OR 97301-2551

### **GENERAL INSTRUCTIONS**

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 with the PUC on or before April 1<sup>st</sup> of the year following that for which the report is made. Attach the completed report and any supplementary pages to an email addressed to the following address: [puc.filingcenter@state.or.us](mailto:puc.filingcenter@state.or.us).

- Interpret all accounting words and phrases in accordance with the USOA.
  - You may round off reported figures to the nearest dollar, if desired.
  - Entries indicating deficits of a "minus amount" should be enclosed in parentheses ( ).
  - Where statistical information asked for is not reported, state a reason for the omission.
  - If the words "none or "not applicable" truly state the facts, they should be given as the answer. The answer "same as last year" is not acceptable. Do not omit any pages.
  - Special or unusual entries and all discrepancies should be fully explained. If necessary, attach 8 ½" X 11" supplementary sheets prepared in a MS Office Suite program (Word, Excel) to provide space required for making answers full and complete.
  - 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 previous year's figures or the balance at the beginning of the year should reflect as a beginning balance the same end of the year's figures **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.
- report to the PUC. This will facilitate our review of your report and reduce the need for future correspondence.

1. Provide the following information for the contact person regarding this report.

Name: Michael Bowman  
 Address: 8257 SW Kingfisher Way, Durham, OR 97224-7073  
 Telephone: 503-968-9534  
 Email Address: [bowman.michael@frontier.com](mailto:bowman.michael@frontier.com)  
 Fax Number: 503-639-5615

2. List below the address where the utility's books and records are located:

Name: Same as Above  
 Address:  
 Telephone:  
 Email Address:  
 Fax Number:

3. List below any audit group reviewing records and operations:

Name: None  
 Address:  
 Telephone:  
 Email Address:  
 Fax Number:

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

5. List the names, titles, addresses, and telephone numbers of all Company officers and directors:

NAME	TITLE	ADDRESS	PHONE #	E MAIL
Michael E Bowman	President	8257 SW Kingfisher Way, Durham, OR 97067	503-968-9534	<a href="mailto:bowman.michael@frontier.com">bowman.michael@frontier.com</a>
William E Bowman	Vice President	13633 SW Tracy Place Tigard, OR 97223	503-590-3622	
Joyce Sewell	Secretary	PO Box 1187 Terrabonne, OR 97760		
JoAnn Bowman	Treasurer	2545 Roanoke Street Woodburn, OR 97071		
Bruce Bowman	Director	2545 Roanoke Street Woodburn, OR 97071		

6. List legal counsel, accountants, and others not on general payroll:

NAME	TITLE	ADDRESS	PHONE #	E MAIL
Timothy J. Nelson - Delap	CPA	5885 Meadows Rd No. 200, Lake Oswego, OR 97035	503-697-4118	<a href="mailto:tnelson@delapcpa.com">tnelson@delapcpa.com</a>
Laura Shroeder - Schroeder Law	Attorney	1915 NE 39th Avenue Portland, OR 97212	503-281-4100	

## COMPANY PROFILE

Provide a brief narrative that covers the following areas:

- a. Brief company history
- b. Public services rendered
- c. Major goals and objectives
- d. Major operating divisions and functions
- e. Current and projected growth patterns
- f. Major transactions having a material effect on operations

A. The corporation was formed in Oregon on January 3, 1968. It has operated since that date as a water utility organization. Three of the original eight stockholders have died and a fourth has sold his shares back to the company.

B. SVWC supplies the major portion of fire-fighting water for the area.

C. Serve the water needs of the community as they are determined

D. The major function is to collect, store and transmit water to the rate payers and maintain their health and safety as it relates to water.

E. For the 12 months ended December 31, 2011 the number of users decreased 2.7% and water use decreased 6.9%. Due to the recent market conditions, management does not expect any growth in the system for 2012 or the foreseeable future.

F. There were no material transactions.

WATER UTILITY ANNUAL REPORT B - EXCEL  
PUBLIC UTILITY COMMISSION OF OREGON

**Salmon Valley Water Company**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>ACCOUNTING METHOD:</b> <b>ACCRUAL</b> <b>CASH</b> (please circle or bold one accounting method)			
<b>ORGANIZATION</b>			
NAME OF COMPANY: SALMON VALLEY WATER COMPANY		STREET ADDRESS: PO BOX 205	
CITY: WELCHES	STATE OR	ZIP CODE	TELEPHONE NUMBER
		97067	503-622-4083
TYPE OF ORGANIZATION			
<p><b>CIRCLE (OR BOLD) ONE:</b>    SOLE PROPRIETORSHIP            PARTNERSHIP            CORPORATION</p> <p><b>CIRCLE (OR BOLD) ONE:</b>    PRIVATE/INVESTOR OWNED            ASSOCIATION            MOBILE HOME PARK</p>			
<p><b>INSTRUCTIONS:</b> IF THE COMPANY IS A SOLE PROPRIETORSHIP OR PARTNERSHIP, COMPLETE PART A AND GIVE THE NAMES AND ADDRESSES OF ALL PERSONS HAVING ANY INTEREST OR EQUITY IN THE BUSINESS AND THE AMOUNT OF SUCH EQUITY. IF THE COMPANY IS A CORPORATION, COMPLETE PART B AND GIVE THE NAMES AND ADDRESSES OF THE THREE LARGEST STOCKHOLDERS AND ALL OFFICERS AND DIRECTORS. STATE THE NUMBER OF SHARES HELD BY EACH.</p>			
<b>PART A: SOLE PROPRIETORSHIP OR PARTNERSHIP</b>			
1	NAME OF OWNER OR PARTNER		ADDRESS, CITY, STATE, ZIP CODE
	PERCENT INTEREST OR EQUITY		PRINCIPAL DUTY IF EMPLOYED BY COMPANY
2	NAME OF OWNER OR PARTNER		ADDRESS, CITY, STATE, ZIP CODE
	PERCENT INTEREST OR EQUITY		PRINCIPAL DUTY IF EMPLOYED BY COMPANY
3	NAME OF OWNER OR PARTNER		ADDRESS, CITY, STATE, ZIP CODE
	PERCENT INTEREST OR EQUITY		PRINCIPAL DUTY IF EMPLOYED BY COMPANY
4	NAME OF OWNER OR PARTNER		ADDRESS, CITY, STATE, ZIP CODE
	PERCENT INTEREST OR EQUITY		PRINCIPAL DUTY IF EMPLOYED BY COMPANY
<b>PART B: CORPORATION</b>			
1	NAME OF STOCKHOLDER, DIRECTOR, OFFICER JOANN BOWMAN		ADDRESS, CITY, STATE, ZIP CODE 2545 ROANOAKE STREET, WOODBURN, OR 97071
	NUMBER OF SHARES OWNED: 1017	TITLE: TREASURER	
2	NAME OF STOCKHOLDER, DIRECTOR, OFFICER JOYCE SEWELL		ADDRESS, CITY, STATE, ZIP CODE PO BOX 1187, TERRABONNE, OR 97760
	NUMBER OF SHARES OWNED: 625	TITLE: SECRETARY	
3	NAME OF STOCKHOLDER, DIRECTOR, OFFICER		ADDRESS, CITY, STATE, ZIP CODE
	NUMBER OF SHARES OWNED:	TITLE:	
4	NAME OF STOCKHOLDER, DIRECTOR, OFFICER		ADDRESS, CITY, STATE, ZIP CODE
	NUMBER OF SHARES OWNED:	TITLE:	
NUMBER OF SHARES OUTSTANDING AT THE END OF YEAR		<u>COMMON STOCK</u>	<u>PREFERRED STOCK</u>
2,267			
PAR OR STATED VALUE PER SHARE		\$                    10.00    \$	-
DIVIDENDS PER SHARE DECLARED DURING THE YEAR		\$                    -            \$	-

<b>PLANT ACCOUNTS 101 - 105</b>			
ACCT. NO.	ACCOUNT NAME		AMOUNT
	Utility Plant	+	999,584
	Deduct: Contributions in Aid of Construction (CIAC)	-	
	Deduct: Nonused & Nonuseful Plant	-	
101	Equals: Utility plant in Service	=	\$999,584
102	Add: Utility Plant Leased to Others	+	
103	Add: Property Held for Future Use	+	
104	Add: Utility Plant Purchased or sold (net) Use () to indicate a negative number	+	
105	Add: Construction Work in Progress (cwip approved by Commission)	+	
	<b>Total Utility Plant</b>	=	<b>\$999,584</b>

<b>ACCUMULATED DEPRECIATION - ACCOUNT 108</b>			
ACCT.NO.	CREDITS		Total
	<b>BALANCE FIRST OF YEAR</b>		497,454
	Credit during year:		
	Accruals charged other accounts (specify)		
108.1	Accumulated depreciation of utility plant in service		20,888
108.2	Accumulated depreciation of utility plant leased to others		
108.3	Accumulated depreciation of property held for future use		
	Salvage		
	Other credits (specify)		
	<b>Total Credits</b>		<b>\$518,343</b>
	<b>DEBITS</b>		
	Debits during year:		
	Book cost of plant retired		
	Cost of removal		
	Other debits (specify)		
	<b>Total Debits</b>		<b>\$0</b>
	<b>BALANCE END OF YEAR</b>		<b>(\$518,343)</b>

(Total Debits minus Total Credits)

### ACCUMULATED AMORTIZATION - ACCOUNT 110

ACCUMULATED AMORTIZATION - ACCOUNT 110		Total
<b>BALANCE FIRST OF YEAR</b>		
Credit during year:		
Accruals charged to Account 110		
110.1	Accumulated amortization of utility plant in service	
110.2	Accumulated amortization of utility plant leased to others	
	Other	
	<b>Total Credits</b>	<b>\$0</b>
Debits during year:		
Book cost of plant retired		
Other debits (specify)		
	<b>Total Debits</b>	<b>\$0</b>
<b>BALANCE END OF YEAR</b>		<b>\$0</b>

### UTILITY PLANT ACQUISITION ADJUSTMENTS - ACCOUNTS 114 - 115

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.

ACCT. NO.	ACCOUNT NAME	AMOUNT	ORDER NO.
114	Acquisition adjustments		
115	Accumulated amortization & Plant adjustments		
<b>Net Acquisition Adjustments</b>		<b>\$0</b>	



## NONUTILITY PROPERTY & INVESTMENT ACCOUNTS 121, 123, 124, & 125

Report separately each item of property with a book cost of \$10,000 or more. Other items may be grouped by classes of property.

DESCRIPTION	BEGINNING YEAR BALANCE	ADDITIONS	RETIREMENT	YEAR END BALANCE
<b>ACCOUNT 121 - Nonutility Property</b>				
<b>TOTAL</b>				<b>\$0</b>
<b>ACCOUNT 123 - Investment in Associated Companies</b>				
<b>TOTAL</b>				<b>\$0</b>
<b>ACCOUNT 124 - Nonassociated Company Investment used in Provision of Water, i.e., Water Supply</b>				
<b>TOTAL</b>				<b>\$0</b>
<b>ACCOUNT 125 - Nonassociated Company Investment</b>				
<b>TOTAL</b>				<b>\$0</b>

## SPECIAL DEPOSITS - ACCOUNT 132

Do Not Include Customer Deposits	BOOK YEAR END
Description of Special Deposits	
<b>Total Account 132</b>	<b>\$0</b>

**ACCOUNTS & NOTES RECEIVABLE & UNCOLLECTIBLES**  
**ACCOUNTS 141 - 144**

ACCT. NO.	DESCRIPTION	TOTAL
141	Customer Accounts Receivable	893
	<b>TOTAL CUSTOMER ACCOUNTS RECEIVABLE - ACCOUNT 141</b>	<b>\$893</b>
142	Other Accounts Receivable	
	<b>TOTAL OTHER ACCOUNTS RECEIVABLE - ACCOUNT 142</b>	<b>\$0</b>
143	Accumulated Provision for Uncollectible Accounts	
	<b>TOTAL ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - ACCOUNT 143</b>	<b>\$0</b>
144	Notes Receivable	93,472
	<b>TOTAL NOTES RECEIVABLE - ACCOUNT 144</b>	<b>\$93,472</b>
	<b>TOTAL ACCOUNTS 141 - 144</b>	<b>\$94,365</b>

**ACCOUNTS & NOTES RECEIVABLE FROM ASSOCIATED COMPANIES**  
**ACCOUNTS 145 - 146**

Report each note and account receivable from associated companies separately.

DESCRIPTION	% INTEREST RATE	ACCOUNTS RECEIVABLE ACCOUNT 145	NOTES RECEIVABLE ACCOUNT 146
<b>Total Accounts 145 - 146</b>		<b>\$0</b>	<b>\$0</b>

<b>PREPAYMENTS - ACCOUNT 162</b>		
ACCT. NO.	DESCRIPTION	TOTAL
162	Prepaid insurance	548
162	Prepaid rents	
162	Prepaid interest	
162	Prepaid taxes	
162	Other prepayments (specify)	
162	Prepayments on Account Fund USPS	121
<b>Total Account 162</b>		<b>\$669</b>

<b>UNAMORTIZED DEBT DISCOUNT &amp; EXPENSE &amp; PREMIUM ON DEBT ACCOUNTS 181 &amp; 251</b>			
Report the net discount & expense or premium separately for each security issue.			
ACCT. NO.	DESCRIPTION	AMOUNT WRITTEN OFF DURING YEAR	YEAR END BALANCE
181	Unamortized debt discount & expense		
181			
181			
181			
181			
<b>Total Account 181</b>		<b>\$0</b>	<b>\$0</b>
251	Unamortized premium on debt		
251			
251			
251			
251			
251			
<b>Total Account 251</b>		<b>\$0</b>	<b>\$0</b>

<b>OTHER DEFERRED EXPENSES &amp; DEBITS - ACCOUNT 186</b>		
DESCRIPTION		TOTAL
186.1	Deferred rate case expense	
186.2	Other deferred debits	
<b>Total Account 186</b>		<b>\$0</b>

<b>ACCUMULATED DEFERRED INCOME TAXES - ACCOUNT 190</b>		
DESCRIPTION		TOTAL
190.1	Deferred accumulated federal income taxes	
190.2	Deferred accumulated state income taxes	
<b>Total Account 190</b>		<b>\$0</b>

<b>CAPITAL STOCK - ACCOUNTS 201 &amp; 204</b>		
DESCRIPTION	COMMON STOCK	PREFERRED STOCK
Par or stated value per share	10	0
Shares authorized	2,267	0
Shares issued and outstanding	2,267	0
Total par value of stock issued	22,670	0
Dividends declared per share for year	\$0	0

<b>LONG TERM DEBT - ACCOUNT 224</b>						
DESCRIPTION	NOMINAL DATE OF ISSUE	DATE OF MATURITY	% INTEREST RATE	FREQUENCY OF PAYMENTS	PRINCIPAL AMOUNT PER BALANCE SHEET	PRINCIPAL AMOUNT
SBA Loan	12/1/1997	6/1/2026	4.00%	Monthly	179,353	179,353
Joann Bowman	8/1/2000	12/31/2011	0.40%	On Demand	248,177	248,177
<b>Total Account 224</b>						<b>\$427,530</b>

<b>ACCOUNTS PAYABLE - ACCOUNT 231</b>						
DESCRIPTION	NOMINAL DATE OF ISSUE	DATE OF MATURITY	% INTEREST RATE	FREQUENCY OF PAYMENTS	PRINCIPAL AMOUNT PER BALANCE SHEET	PRINCIPAL AMOUNT
Report each item separately						
Trade Accounts Payable	N/A	N/A	N/A	N/A	461	461
<b>Total Account 231</b>						<b>\$461</b>

**NOTES PAYABLE - ACCOUNT 232**

DESCRIPTION	NOMINAL DATE OF ISSUE	DATE OF MATURITY	% INTEREST RATE	FREQUENCY OF PAYMENTS	PRINCIPAL AMOUNT PER BALANCE SHEET	PRINCIPAL AMOUNT
Michael Bowman	12/31/2011	On Demand	0.40%	On Demand	2,215	2,215
<b>Total Account 232</b>					<b>\$2,215</b>	<b>\$2,215</b>

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES - ACCOUNT 233**

DESCRIPTION	TOTAL
<b>Total Account 233</b>	<b>\$0</b>

**NOTES PAYABLE TO ASSOCIATED COMPANIES - ACCOUNT 234**

DESCRIPTION	NOMINAL DATE OF ISSUE	DATE OF MATURITY	% INTEREST RATE	FREQUENCY OF PAYMENTS	PRINCIPAL AMOUNT PER BALANCE SHEET	PRINCIPAL AMOUNT
<b>Total Account 234</b>					<b>\$0</b>	<b>\$0</b>

<b>ACCRUED TAXES &amp; ACCRUED INTEREST - ACCOUNTS 236 - 237</b>				
DESCRIPTION OF TAXES	FIRST OF YEAR BALANCE	TAXES ACCRUED	TAXES PAID	END OF YEAR BALANCE
Accrued property taxes	0	26,120	0	26,120
<b>TOTAL ACCOUNTS 408 - 409</b>	<b>\$0</b>	<b>\$26,120</b>	<b>\$0</b>	<b>\$26,120</b>

ACCOUNT 237.1 ACCRUED INTEREST ON LONG TERM DEBT - List each separately.	FIRST OF YEAR BALANCE	INTEREST ACCRUED		INTEREST PAID DURING YEAR	END OF YEAR BALANCE
		% INTEREST ACCRUED RATE	AMOUNT		
<b>TOTAL ACCOUNT 237.1</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ACCOUNT 237.2 ACCRUED INTEREST ON OTHER LIABILITIES List each separately.	FIRST OF YEAR BALANCE	INTEREST ACCRUED		INTEREST PAID DURING YEAR	END OF YEAR BALANCE
		% INTEREST ACCRUED RATE	AMOUNT		
<b>TOTAL ACCOUNT 237.2</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>MISCELLANEOUS CURRENT &amp; ACCRUED LIABILITIES - ACCOUNT 241</b>	
DESCRIPTION	BALANCE END OF YEAR
<b>TOTAL ACCOUNT 237.2</b>	<b>\$0</b>

<b>ADVANCES FOR CONSTRUCTION - ACCOUNT 252</b>			
NAME OF PERSON MAKING ADVANCE	AMOUNT OF ADVANCE	DEBIT ACCOUNT NO.	INTEREST ACCRUED
<b>BALANCE FIRST OF YEAR</b>			
Add advances during year:			
<b>TOTAL ACCOUNT 252</b>	<b>\$0</b>		<b>\$0</b>

<b>CONTRIBUTIONS IN AID OF CONSTRUCTION - CIAC - ACCOUNT 271</b>			
DESCRIPTION	WATER	OTHER THAN WATER	TOTAL
<b>BALANCE FIRST OF YEAR</b>	<b>363,710</b>		<b>\$363,710</b>
Add CIAC during year:			\$0
Deduct charges during the year			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
<b>BALANCE END OF YEAR - ACCOUNT 271</b>	<b>\$363,710</b>	<b>\$0</b>	<b>\$363,710</b>

<b>DETAIL - CIAC RECEIVED DURING THE YEAR</b>			
DESCRIPTION OF CHARGE	NUMBER OF UNITS	CHARGE PER UNIT	TOTAL AMOUNT
Capacity Charge			
Main Line Extension Charges			
Customer Connection Charges			
Other			
Developer's property			
<b>TOTAL CREDITS</b>	<b>\$0</b>		<b>\$0</b>

**ACCUMULATED AMORTIZATION OF CIAC - ACCOUNT 272**

DESCRIPTION	WATER	OTHER THAN WATER	TOTAL
<b>BALANCE FIRST OF YEAR</b>	<b>\$143,568</b>		<b>\$143,568</b>
Add TOTAL AMOUNT of Amortization of CIAC during year:	\$9,573		\$9,573
<b>BALANCE END OF YEAR ACCOUNT 272</b>	<b>\$153,141</b>	<b>\$0</b>	<b>\$153,141</b>

**ACCUMULATED DEFERRED INCOME TAX ACCOUNTS 281 - 283**

281	Accumulated Deferred Income Tax - Accelerated Amortization	
282	Accumulated Deferred Income Tax - Liberalized Depreciation	
283	Accumulated Deferred Income Taxes - Other	
<b>TOTAL ACCOUNTS 281 - 283</b>		<b>\$0</b>

**AMORTIZATION EXPENSE - ACCOUNTS 406 - 407**

DO NOT INCLUDE AMORTIZATION OF CIAC

ACCT. NO.	DESCRIPTION	AMOUNT
406	Amortization of Utility Plant Acquisition Adjustments	
407.1	Amortization of Limited Term Plant	
407.2	Amortization of Property Losses	
407.3	Amortization of Other Utility Plant	
407.4	Amortization of Regulatory Assets	
407.5	Amortization of Regulatory Liabilities	
	Other	
<b>TOTAL ACCOUNTS 406 - 407</b>		<b>\$0</b>



<b>TAX EXPENSE - ACCOUNTS 408 - 409</b>		
NO.	TAXES OTHER THAN INCOME TAX	Amount
408.11	Property Tax	26,120
408.12	Payroll Tax	15,784
408.13	Other Tax Other Than Income Tax	2,033
408.2	Nonutility Taxes Other Than Income Tax	
<b>TOTAL TAX OTHER THAN INCOME TAXES ACCOUNT 408</b>		<b>\$43,937</b>
<b>INCOME TAXES</b>		
409.1	Federal Income Tax	
409.11	State Income Tax	150
409.13	Other Income Tax	
409.2	Nonutility Income Tax	
<b>TOTAL INCOME TAX ACCOUNT 409</b>		<b>\$150</b>
<b>PROVISION FOR DEFERRED INCOME TAXES - ACCOUNTS 410 - 411</b>		
	Description	Amount
410.1	Deferred Federal Income Taxes – Utility Operations	
410.11	Deferred State Income Taxes – Utility Operations	
411.1	Provision for Deferred Income Taxes – Credit – Utility Operations	
<b>TOTAL DEFERRED TAXES UTILITY OPERATIONS</b>		<b>\$0</b>
410.2	Provision for Deferred Income Taxes – Other Income and Deductions	
411.2	Provision for Deferred Income Taxes – Credit – Other income & Deductions	
<b>TOTAL DEFERRED TAXES OTHER INCOME &amp; DEDUCTIONS - ACCOUNTS 410 - 411</b>		<b>\$0</b>
<b>GAINS/LOSSES FROM UTILITY PROPERTY SALE - ACCOUNT 414</b>		
GAINS	Description	Amount
	<b>TOTAL GAINS</b>	<b>\$0</b>
LOSSES	Description	Amount
	<b>TOTAL LOSSES</b>	<b>\$0</b>
<b>TOTAL ACCOUNT 414 (NET- subtract losses from gains)</b>		<b>\$0</b>

<b>UTILITY EXTRAORDINARY INCOME - ACCOUNT 433</b>	
Description	Amount
<b>TOTAL ACCOUNT 433</b>	<b>\$0</b>


<b>UTILITY EXTRAORDINARY DEDUCTIONS – ACCOUNT 434</b>	
Description	Amount
<b>TOTAL ACCOUNT 434</b>	<b>\$0</b>
<b>NET UTILITY EXTRAORDINARY INCOME &amp; DEDUCTIONS</b>	<b>\$0</b>

<b>PUBLIC RELATIONS/ADVERTISING EXPENSE - ACCOUNT 660</b>		
Report Each Item Separately		
Item	Description/Purpose	Amount
<b>TOTAL ACCOUNT 660</b>		<b>\$0</b>

<b>AMORTIZATION OF RATE CASE EXPENSE - ACCOUNT 666</b>				
DESCRIPTION OF CASE & DOCKET #	EXPENSE INCURRED DURING YEAR	AMOUNT TRANSFERRED TO ACCOUNT # 186.1	CHARGED OFF DURING YEAR	
			ACCT. #	AMOUNT
<b>Total Account 666</b>		\$0	\$0	\$0

<b>MISCELLANEOUS EXPENSE - ACCOUNT 675</b>	
	AMOUNT
Backflow Inspections	5,025
Bank Charges	1,179
Donations	100
Dues & Subscriptions	884
Meals & Entertainment	34
Miscellaneous	9
Payroll Leasing Fees	4,935
Software Upgrade	519
Water Quality Report	744
<b>Total Account 675</b>	
	<b>\$13,429</b>

**OPERATING REVENUE**  
**WATER SALES REVENUE**

LINE NO.	ACCT. NO.	ACCOUNT NAME	BEGINNING OF YEAR # OF CUSTOMERS	YEAR END # OF CUSTOMERS	AMOUNT OF WATER SOLD	CF OR GALS	OPERATING REVENUES
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	460	Unmetered water sales	3	2	UNAVAILABLE		438
2	461.1	Metered sales to RESIDENTIAL customers	547	544	UNAVAILABLE		119,121
3	461.2	Metered sales to COMMERCIAL customers	531	529	UNAVAILABLE		115,836
4	461.3	Metered sales to INDUSTRIAL customers					
5	461.4	Other metered sales to public authorities					
6	461.5	Metered sales to multiple family dwellings					
7	462.1	Public fire protection revenue					
8	462.2	Private fire protection revenue					
9	464	Other Sales to public authorities	7	7	UNAVAILABLE		1,533
10	465	Sales to irrigation customers					
11	466	Sales for resale					
12	467	Water Sales to golf course/recreation revenue					
13	468	Special contract/agreement revenue					
14		<b>TOTALS</b>	<b>1,088</b>	<b>1,082</b>	<b>0</b>		<b>\$236,928</b>

<b>MISCELLANEOUS &amp; OTHER REVENUE ACCOUNTS</b>				
LINE NO.	ACCT. NO.	MISCELLANEOUS REVENUE	# OF OCCURRENCES	TOTAL YEAR REVENUE
1	471	Connection Charge for New Service Revenues	20	9,002
2	471	Meter Testing Revenues		
3	471	Pressure Testing Revenues		
4	471	Late Payment Charge Revenues		
5	471	Return Check Charge Revenues		
6	471	Trouble Call Charge Revenues		
7	471	Disconnection Charge Revenues		
8	471	Reconnection Charge Revenues		
9	471	Unauthorized Restoration of Service Charge Revenues		
10	471	Damage/Tampering Charge Revenues		
11	471	Disconnect Visit Charge Revenues		
12				
13				
14	471			
15	471	<b>MISCELLANEOUS CHARGES REVENUE</b>	Total Lines 1-12	<b>\$9,002</b>

<b>OTHER REVENUE</b>				
16	472	Rents from Water Property		
17		Including Income from Leased Plant		
18	474	Other Water Revenue		
19	475	Cross Connection Control Revenue		
20				
21				
22				
23		<b>TOTAL OTHER REVENUE</b>	Total Lines 16-22	<b>\$0</b>
24	400	<b>TOTAL MISCELLANEOUS AND OTHER REVENUE</b>	Add Lines 15 + 23	<b>\$9,002</b>

<b>WATER UTILITY EXPENSE ACCOUNTS</b>				
LINE NO.	ACCT. NO.	ITEM	REPORTING YEAR	PRECEDING YEAR
(a)	(b)	(c)	(d)	(e)
1	601	Salaries and Wages - employees	51,146	50,000
2	603	Salaries and Wages – officers, directors, and majority stockholders	72,000	72,000
3	604	Employee Pensions & Benefits	19,869	17,406
4	610	Purchased Water		
5	611	Telephone/Communications	10,717	6,523
6	615	Purchased Power	17,495	17,700
8	616	Fuel for Power Production		
8	617	Utilities - Other		
9	618	Chemicals		
		Office Supplies	2,326	3,725
10	619	(619.1 Postage)	2,137	
11	620	Materials & Supplies (O&M)	612	25
12	621	Repairs to Water Plant	7,510	14,104
13	631	Contractual Services - engineering	0	590
14	632	Contractual Services - accounting	7,065	685
15	633	Contractual Services - legal		
16	634	Contractual Services - management		
17	635	Contractual Services – testing / sampling	795	1,680
18	636	Contractual Services – labor		
19	637	Contractual Services - billing/collections		
20	638	Contractual Services - meter reading		
21	639	Contractual Services - other		
22	641	Rental of Building / Real Property	7,260	7,260
23	642	Rental of Equipment	480	510
24	643	Small Tools		
25	648	Computer Expenses	39	
26	650	Transportation Expenses	5,232	7,388
27	656	Insurance - Vehicle		
28	657	Insurance – General Liability	11,290	4,806
29	658	Insurance – Workman's Compensation		
30	659	Insurance – Other		
31	660	Public Relation / Advertising Expense		
32	666	Amortization of Rate Case Expense		
33	667	Regulatory Commission Fee (Gross Rev Fee)		
34	668	Water Resource Conservation Expense		
35	670	Bad Debt Expense	1,173	2,023
36	671.1	Cross Connection Control Program Expense		
37	671.2	Cross Connection Testing & Maint Services		
38	672	System Capacity Development Program Exp		
39	673	Training & Certification Expense	235	40
40	674	Consumer Confidence Report		
41	675	Miscellaneous Expense	13,429	7,142
42		<b>TOTAL OPERATING EXPENSE</b>	<b>\$230,810</b>	<b>\$213,607</b>

**UTILITY PLANT ACCOUNTS**

ACCT. NO.	ACCOUNT NAME (b)	BALANCE @ FIRST OF YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	ADJUSTMENTS (f)	BALANCE @ END OF YEAR (g)
301	Organization					0
302	Franchises					0
303	Land & land rights	3,000				3,000
304	Structures & improvements	41,687				41,687
305	Collecting & impounding reservoirs					0
306	Lake, river & other intakes					0
307	Wells & springs	244,506				244,506
308	Infiltration galleries & tunnels					0
309	Supply mains	13,311				13,311
310	Power generation equipment					0
311	Pumping equipment	114,963				114,963
320	Water treatment equipment					0
330	Distribution reservoirs & standpipes	297,629				297,629
331	Transmission & distribution mains	231,063				231,063
333	Services					0
334	Meters & meter installations	19,728				19,728
335	Hydrants	6,026				6,026
336	Backflow prevention devices (utility owned)					0
339	Other plant & miscellaneous equipment (SPECIFY)					0
340	Office furniture & equipment	9,105				9,105
341	Transportation equipment	18,566				18,566
343	Tools, shop & garage equipment					0
344	Laboratory equipment					0
345	Power operated equipment					0
346	Communication equip					0
347	Electronic & computer Equipment					0
348	Miscellaneous Equipment					0
<b>TOTAL PLANT</b>		<b>\$999,584</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$999,584</b>

## ANALYSIS OF ENTRIES IN WATER DEPRECIATION RESERVE (ACCUMULATED DEPRECIATION)

LINE NO.	ACCT. NO.	ACCOUNT NAME	ACCUMULATED DEPRECIATION BEGINNING OF YEAR	ACCRUALS BOOKED TO ACCUMULATED DEPRECIATION	PLANT RETIRED CHARGED TO ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION BALANCE END OF YEAR
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	304	Structures & improvements	15,135	1,191		16,326
2	305	Collecting & impounding reservoirs	0	0		0
3	306	Lake, river, & other intakes	0	0		0
4	307	Wells and & springs	149,031	4,890		153,921
5	308	Infiltration galleries & tunnels	0	0		0
6	309	Supply mains	5,850	370		6,220
7	310	Power generation equipment	0	0		0
8	311	Pumping equipment	101,798	3,289		105,087
9	320	Water treatment equipment	0	0		0
10	330	Distribution reservoirs & standpipes	89,753	6,764		96,517
11	331	Transmission & distribution mains	103,340	3,610		106,950
12	333	Services	0	0		0
13	334	Meters & meter installations	4,953	318		5,271
14	335	Hydrants	2,263	134		2,397
15	336	Cross connection prevention devices (utility-owned)	0	0		0
16	339	Other	0	0		0
17	340	Office furniture & equipment	6,766	322		7,088
18	341	Transportation equipment	18,566	0		18,566
19	343	Tools, shop & garage equipment	0	0		0
20	344	Laboratory equipment	0	0		0
21	345	Power operated equipment	0	0		0
22	346	Communication equipment	0	0		0
23	347	Electronic/computer equipment	0	0		0
24	348	Miscellaneous Equipment*	0	0		0
25	<b>Total Accumulated Depreciation</b>		<b>\$497,454</b>	<b>\$20,888</b>	<b>\$0</b>	<b>\$518,342</b>

Use ( ) to denote reversal entries.

\*Specify nature of transaction.

26	<b>Miscellaneous Equipment DETAIL</b>					0
27						0
28						0
29						0
30						0
31						0
32						0
33						0
34						0
35						0
36						0
37						0
38	<b>TOTAL MISCELLANEOUS EQUIPMENT</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



### BASIS FOR WATER DEPRECIATION CHARGES

LINE NO.	ACCT. NO.	ACCOUNT NAME	AVERAGE SERVICE LIFE IN YEARS	AVERAGE NET SALVAGE PERCENTAGE	DEPRECIATION RATE APPLIED	ANNUAL DEPRECIATION EXPENSE
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	304	Structures & Improvements	35	0%	2.9%	1,191
2	305	Collecting & Impounding Reservoirs	50	0%	2.0%	0
3	306	Lake, River & Other Intakes	35	0%	2.9%	0
4	307	Wells & Springs	25	0%	4.0%	4,890
5	308	Infiltration Galleries & Tunnels	25	0%	4.0%	0
6	309	Supply Mains	50	0%	2.0%	370
7	310	Power Generation Equipment	30	0%	3.3%	0
8	311	Pumping Equipment	20	0%	5.0%	3,289
9	320	Water Treatment Equipment	20	0%	5.0%	0
10	330	Distribution Reservoirs & Standpipes	30	0%	3.3%	6,764
11	331	Transmission & Distribution Mains	50	0%	2.0%	3,610
12	333	Services	30	0%	3.3%	0
13	334	Meters & Meter Installations	20	0%	5.0%	318
14	335	Hydrants	40	0%	2.5%	134
15	336	Backflow Prevention Devices (utility-owned)	15	0%	6.7%	0
16	339	Other Plant	15	0%	6.7%	0
17	340	Office Furniture & Equipment	20	0%	5.0%	322
18	341	Transportation Equipment	7	0%	14.3%	0
19	343	Tools, Shop & Garage Equipment	15	0%	5.0%	0
20	344	Laboratory Equipment	15	0%	5.0%	0
21	345	Power Operated Equipment	10	0%	10.0%	0
22	346	Communication Equipment	10	0%	10.0%	0
23	347	Electronic/Computer Equipment	5	0%	20.0%	0
24	348	Miscellaneous Equipment	10	0%	10.0%	0
25						
26						
27		*Water Plant Composite Depreciation Rate				
28	403	<b>TOTAL PLANT DEPRECIATION</b>				<b>\$20,888</b>

\* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

<b>OFFICERS COMPENSATION</b>				
For each officer, list the time spent as an officer compared to time spent on total business activities and the compensation received as an officer from the company for the reporting year.				
NAME	TITLE	% OF TIME SPENT AS OFFICER OF UTILITY	OFFICER'S ANNUAL SALARY	OFFICER'S BONUSES
MICHAEL E BOWMAN	PRESIDENT	100%	72,000	0
WILLIAM BOWMAN	VP	0%	0	0
JOYCE SEWELL	SECRETARY	0%	0	0
JOANN BOWMAN	TREASURER	0%	0	0
<b>TOTAL OFFICERS' COMPENSATION</b>			<b>\$72,000</b>	<b>\$0</b>

<b>DIRECTORS COMPENSATION</b>				
For each director, list the number of director meetings attended by each director and the compensation received as a director from the company for the reporting year.				
NAME	TITLE	NUMBER OF DIRECTORS' MEETINGS ATTENDED ANNUALLY	DIRECTOR'S YEARLY SALARY	DIRECTOR'S YEARLY BONUS
MICHAEL E BOWMAN	PRESIDENT	0	0	0
WILLIAM BOWMAN	VP	0	0	0
JOYCE SEWELL	SECRETARY	0	0	0
JOANN BOWMAN	TREASURER	0	0	0
BRUCE BOWMAN	MEMBER	0	0	0
<b>TOTAL DIRECTORS' COMPENSATION</b>			<b>\$0</b>	<b>\$0</b>

<b>INCOME SUMMARY</b>				
LINE NO.	ACCT. NO.	ACCOUNT NAME		AMOUNT FOR REPORTING YEAR
(a)	(b)	(c)		(e)
1	400	Total Gross Operating Revenue		245,930
2	401	Total Operating Expense		230,810
	403	Depreciation Expense		20,888
	406	Amortization of plant acquisition adjustments		
3	407	Amortization expenses		
4	408	Taxes Other Than Income (property tax, payroll tax, other)		43,937
	409.1	Tax Expense (federal income tax)		
	409.11	Tax Expense (state income tax)		150
5	409.2	Other income taxes and deductions		
	410	Provision for Deferred Income Taxes		
6	411	Provision for Deferred Income Taxes - credit		
	413	Income from Utility Plant Leased To Others		
7	414	Gains & Losses from Property Disposition		
	433	Extraordinary Income		
8	434	Extraordinary Deductions		
9		<b>Net Income</b>		<b>(\$49,855)</b>

<b>UTILITY PLANT SUMMARY</b>				
10	101	Utility Plant in Service		999,584
11	108	Deduct Accumulated Depreciation		518,343
12	110	Deduct Accumulated Amortization		
13	271	Deduct Contributions In Aid of Construction (CIAC)		363,710
14	252	Deduct Advances for Construction		
15		<b>Subtotal</b>		<b>\$117,531</b>
16	105	Add: Construction Work In Progress (CWIP) Commission Approved		
17	103	Add Plant Held for Future Use		
18	272	Add Accumulated Amortization of CIAC		153,141
19	151	Add Materials and Supplies in Inventory		
21	114	Add Utility Plant Acquisition Adjustments (2)		
22	115	Deduct Accumulated Amortization of Acquisition Adjustments (2)		
23	190	Add Accumulated Deferred Income Taxes (asset)		
24	281-283	Deduct Accumulated Deferred Income Taxes (liability)		
25		<b>Net Utility Plant</b>		<b>\$270,672</b>
26		Working Capital Allowance (1/12 of total operating expense)		19,234

Note: (1) Estimate if not known. Indicate if estimated.  
(2) Include only those acquisition adjustments that have been approved by the Commission.

**PARENT/AFFILIATE ORGANIZATION DESCRIPTION  
BUSINESS TRANSACTIONS WITH RELATED PARTIES**

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.

Part 1. Specific instructions: Services and Products Received or Provided

1. Enter in this part all transactions involving services and products received or provided.
2. Some types of transactions to include are: management, legal and accounting services; computer services; engineering and construction services; repairing and servicing of equipment; material and supplies furnished; leasing of structures, land and equipment; all rental transactions; sale, purchase or transfer of various products.

NAME OF COMPANY OR RELATED PARTY	DESCRIPTION OF SERVICE AND NAME OF PRODUCT	CONTRACT OR AGREEMENT EFFECTIVE DATE	(P) Purchase (S) Sold	ANNUAL CHARGE
NONE				
<b>TOTAL</b>				<b>\$0</b>

<b>STATEMENT OF RETAINED EARNINGS</b>			
Dividends should be shown for each class and series of capital stock. Show amounts of dividends per share. Show separately the state and federal income tax effect of items shown in Account 439.			
LINE NO. (a)	ACCT. NO. (b)	ACCOUNT NAME (c)	AMOUNTS (d)
1	215	Unappropriated retained earnings (balance @ beginning of year)	(157,098)
2		Credits:	
3		Debits	9,573
4	435	Balance transferred from income	(56,293)
5	436	Appropriations of retained earnings	
6		<b>SUBTOTAL (add lines 1-5)</b>	<b>(\$203,818)</b>
7		Dividends declared:	
8	437	Preferred stock dividends declared	
9	438	Common stock dividends declared	
10	439	Changes to account: Adjustments to retained earnings	
11		<b>TOTAL DIVIDENDS DECLARED (add lines 7, 8, 9, &amp; 10)</b>	<b>\$0</b>
12		<b>BALANCE @ END OF YEAR (line 6 minus line 12)</b>	<b>(\$203,818)</b>
<b>APPROPRIATED RETAINED EARNINGS</b>			
<b>(state balance &amp; purpose of each appropriated amount at year end)</b>			
13	214		
14	214		
15	214		
16	214		
17	214		
18	214		
19	214		
20	214		
21		<b>TOTAL APPROPRIATED RETAINED EARNINGS</b>	<b>\$0</b>
22		<b>TOTAL RETAINED EARNINGS (total lines 12 &amp; 22)</b>	<b>(\$203,818)</b>



<b>COMPARATIVE OPERATING STATEMENT</b>				
ACCOUNTING METHOD:			ACCRUAL BASIS <input checked="" type="checkbox"/> Check Box 1	CASH BASIS <input type="checkbox"/> Check Box 2
<b>UTILITY OPERATING INCOME &amp; DEDUCTIONS</b>				
LINE NO.	ACCT. NO.	ACCOUNT NAME	REPORTING YEAR	PREVIOUS YEAR
(a)	(b)	(c)	(e)	(f)
1	400	<b>TOTAL OPERATING UTILITY REVENUE</b>	<b>245,930</b>	<b>244,241</b>
2	401	Total Operating Expenses	230,810	213,607
3	403	Annual Depreciation Expense	20,888	22,129
4	406	Amortization of Utility Plant Acquisition Adjustment		
5	407	Amortization Expense		
6	408	Taxes Other Than Income Taxes (total)	43,937	30,561
7	409	Income Taxes	150	150
8	410.1	Provision for Deferred Income Taxes (utility operations)		
9	411.1	Provision for Deferred Income Taxes (utility credit)		
10		<b>TOTAL OPERATING EXPENSES</b>	<b>\$295,785</b>	<b>\$266,447</b>
11	413	Income From Utility Plant Leased to Others		
12	419	Interest & Dividend Income		
13		<b>TOTAL OTHER INCOME</b>	<b>\$0</b>	<b>\$0</b>
14	427	Interest Expense	7,118	9,039
15	414	Gains/Losses From Utility Property Disposition (net)	0	0
16	433 & 434	Extraordinary Income/deductions (net)	0	0
17		<b>TOTAL OTHER DEDUCTIONS</b>	<b>\$7,118</b>	<b>\$9,039</b>
18		<b>TOTAL NET UTILITY OPERATING INCOME</b>	<b>(\$56,973)</b>	<b>(\$31,245)</b>
<b>NONUTILITY INCOME, TAXES &amp; DEDUCTIONS</b>				
19	421	Nonutility Income	680	542
20	415	Revenue From Merchandising, Jobbing, & Contracts		
21		Nonutility Extraordinary Income		
22		<b>TOTAL NONUTILITY INCOME</b>	<b>\$680</b>	<b>\$542</b>
23	426	Nonutility Expense		
24	408.2	Nonutility Taxes Other Than Income Tax		
25	409.2	Nonutility Income Taxes		
26	410.2	Nonutility Deferred Income Taxes (nonutility)		
27	411.2	Nonutility Provision for Deferred Income Taxes (nonutility) Credit		
28		Nonutility Interest Expense		
29	416	Cost & Expense of Merchandising, Jobbing, Contracts		
30		Nonutility Extraordinary Deductions		
31		<b>TOTAL NONUTILITY DEDUCTIONS</b>	<b>\$0</b>	<b>\$0</b>
32		<b>TOTAL NET NONUTILITY INCOME</b>	<b>\$680</b>	<b>\$542</b>

## COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

LINE NO.	ACCT. NO.	ACCOUNT NAME	BEGINNING OF YEAR BALANCE	ENDING YEAR BALANCE
(a)	(b)	(c)	(e)	(f)
1		NET UTILITY PLANT	\$281,988	\$270,672
<b>NONUTILITY PROPERTY &amp; INVESTMENT</b>				
2	121	Nonutility Property		
3	122	Less: Accumulated Depreciation & Amortization of Nonutility Plant		
4		<b>Net Nonutility Property</b>	<b>\$0</b>	<b>\$0</b>
5	123	Investment in Associated Companies		
6	124	Investment in Nonassociated Companies (in providing water service, i.e. water supply)		
7	125	Other Investments in Nonassociated Companies		
8		<b>TOTAL NONUTILITY PROPERTY &amp; INVESTMENT</b>	<b>\$0</b>	<b>\$0</b>

### CURRENT & ACCRUED ASSETS

9	131	Cash	7,247	9,801
10	132	Special Deposits		
11	141	Customer Account Receivables	2,445	894
12	142	Other Accounts Receivable		
13	143	Accumulated Provisions for Uncollectible Accounts		
14	144	Notes Receivable	90,955	93,472
15	145 & 146	Accounts & Notes Receivable From Associated Companies		
16	151	Inventory: Plant Material & Supplies		
17	162	Prepayments	669	669
18	171	Accrued Interest & Dividends Receivable		
19	172	Rents Receivable & Accrued		
20	174	Miscellaneous Current & Accrued Assets		
21		<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$101,316</b>	<b>\$104,836</b>

### DEFERRED DEBITS

22	181	Unamortized Debt Discount & Expense		
23	182	Extraordinary Property Losses		
24	186	Miscellaneous Deferred Debits		
25	190	Accumulated Deferred Income Taxes (asset)		
26		<b>Total Deferred Debits</b>	<b>\$0</b>	<b>\$0</b>
27		<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$383,304</b>	<b>\$375,508</b>

Note: (1) Estimate if not known. Indicate if estimated.



## COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

LINE NO.	ACCT. NO.	ACCOUNT NAME	BEGINNING YEAR BALANCE	ENDING YEAR BALANCE
(a)	(b)	(c)	(e)	(f)
<b>EQUITY CAPITAL</b>				
1	201	Common stock issued	22,670	22,670
2	204	Preferred stock issued		
3	207	Premium on capital stock		
4	211	Other paid-in capital	100,330	100,330
5	212	Discount on capital stock		
6	213	Capital stock expense		
7	214	Appropriated retained earnings	(157,098)	(203,818)
8	215	Unappropriated retained earnings		
9	216	Reacquired capital stock		
10	218	Proprietary capital (proprietorship & partnership only)		
11		<b>Total equity capital</b>	<b>(\$34,098)</b>	<b>(\$80,318)</b>
<b>CURRENT AND ACCRUED LIABILITIES</b>				
12	224	Long-term debt	416,903	427,530
13	231	Accounts payable	499	461
14	232	Notes payable		2,215
15	233	Accounts payable to associated companies		
16	234	Notes payable to associated companies		
17	235	Customer deposits		
18	236	Accrued taxes		
19	237	Accrued interest		
20	238	Accrued dividends		
21	241	Miscellaneous current and accrued liabilities		26,120
22		<b>Total current and accrued liabilities</b>	<b>\$417,402</b>	<b>\$456,326</b>
<b>DEFERRED CREDITS</b>				
23	251	Premium on unamortized debt		
24	252	Advances for construction		
25	253	Other deferred credit		
26		<b>Total deferred credits</b>	<b>\$0</b>	<b>\$0</b>
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION - CIAC</b>				
27	271	Contributions in aid of construction (ciac)	363,710	363,710
28	272	Deduct: accumulated amortization of CIAC	143,568	153,141
29		<b>Total net CIAC</b>	<b>\$220,142</b>	<b>\$210,569</b>
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
30	281	Accumulated deferred income taxes-accelerated amortization		
31	282	Accumulated deferred income taxes-Liberalized Depreciation		
32	283	Accumulated deferred income taxes-other		
33		<b>Total accumulated deferred income taxes</b>	<b>\$0</b>	<b>\$0</b>
34		<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>	<b>\$603,446</b>	<b>\$586,077</b>


## RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)

The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.

If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

DESCRIPTION	REFERENCE	AMOUNT
<b>Net income for the year:</b>		(56,293)
Reconciling items for the year		
Taxable income not reported on books:		
Deductions recorded on books not deducted for return:		17
Interest expense - tax effect		
Difference in book/tax depreciation		(880)
Difference in book/tax loss on disposal		
Current year tax accruals		
Income recorded on books not included in return:		
CIAC write off kper UW 79		
Deferred tax adjustment		
Accrued Shareholder Interest		(3,384)
Charitable contributions not deducted on return		100
Deduction on return not charged against book income:		
<b>Federal tax net income</b>		<b>(56,440)</b>

**VERIFICATION:** I DECLARE UNDER PENALTIES OF FALSE SWEARING THAT THIS REPORT, INCLUDING ANY ACCOMPANYING SCHEDULES AND STATEMENTS, HAS BEEN EXAMINED BY ME AND, TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS A TRUE, CORRECT AND COMPLETE REPORT OF OPERATIONS

SIGNATURE: 	TITLE: <i>Pres</i>
PRINT NAME: <i>Michael Bowman</i>	DATE: <i>10/10/12</i>
FULL NAME OF REPORTING UTILITY: <i>SALMON VALLEY WATER CO.</i>	TELEPHONE NUMBER: <i>503 587 0991</i>