

e-FILING REPORT COVER SHEET

REPORT NAME: 2011 Annual Water Report

COMPANY NAME: Sunriver Water LLC

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

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

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

Report is required by: OAR Enter Rule number; e.g., 860-039-0070
 Statute ORS 757.135 and ORS 757.125
 Order Enter Commission Order No.; e.g., 95-1335
 Other Enter reason; e.g., at Request of Lee Sparling

Is this report associated with a specific docket/case? No Yes
If Yes, enter docket number: Enter docket number; e.g.; UM 1484

Key words: List applicable keywords for this report to facilitate electronic search

If known, please select the PUC Section to which the report should be directed:

- Corporate Analysis and Water Regulation
- Economic and Policy Analysis
- Electric and Natural Gas Revenue Requirements
- Electric Rates and Planning
- Natural Gas Rates and Planning
- Utility Safety, Reliability & Security
- Administrative Hearings Division
- Consumer Services Section

PLEASE NOTE: Do NOT use this form or e-filing with the PUC Filing Center for:

- **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.**

FOR THE YEAR ENDING DECEMBER 31, 2011

RESULTS OF OPERATIONS

**FOR WATER UTILITIES REPORTING GROSS REVENUES OF
\$1,000,000 AND GREATER**

ANNUAL REPORT FORM A

Sunriver Water LLC

PO Box 3609
Sunriver, OR 97707
541-593-4197

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

WATER UTILITY ANNUAL REPORT A **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 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.
 - 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.

FOR QUESTIONS ON EXCEL PROGRAM, ACCOUNTS, OR REPORTING, CONTACT BRIAN BAHR AT 503-378-4362.

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

Name: Jessica Chojnacky
 Address: PO Box 3609 Sunriver, OR 97707
 Telephone: 541-593-3705
 Email Address: jchojnacky@sunriver-resort.com
 Fax Number: 541-593-4286

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

Name: Sunriver Water LLC
 Address: Administration Building, Center Drive Sunriver, OR 97707
 Telephone: 541-593-3705
 Email Address: jchojnacky@sunriver-resort.com
 Fax Number: 541-593-4286

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

Name: Deloitte
 Address: 111 SW Fifth Avenue, Ste 3900 Portland, OR 97204
 Telephone: 503-727-3044
 Email Address:
 Fax Number: 503-219-0261

4. Date of original organization of the utility (month, day, year): 1969

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

| NAME | TITLE | ADDRESS | PHONE # | E MAIL |
|---|-------|---------|---------|--------|
| Sunriver Water is an LLC and has no officers. | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

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

| NAME | TITLE | ADDRESS | PHONE # | E MAIL |
|-----------------------------|-------|---|--------------|--|
| Ball Janik, Laura Cooper | | 15 SW Colorado Ave, Ste 3 Bend, OR 97702 | 541-617-1309 | lcooper@balljanik.com |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

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

Sunriver is located approximately 15 miles south of Bend, just off of Highway 97 and adjacent to the Deschutes River.

The development of Sunriver began in 1967 at the site of the abandoned U.S. Army Camp Abbot. During World War II, the Army operated Camp Abbot as a training camp. The Camp was closed following the end of WW II. At the time of closure, all salvageable equipment and materials were removed. However, the well sites, roads, sewers and pump station structures were left intact. These structures have since been utilized in the development of Sunriver.

The initial development began in the southern portion of the property at the approximate site of the main camp. As the development enlarged, it expanded to the north. The east and west boundaries are defined by the Burlington Northern Railroad tracks and the Deschutes River. The development currently encompasses a total of 3,300 acres.

The Sunriver development varies in elevation from 4,150 feet at the south end to 4,170 feet near the center to 4,200 feet at the north end of the property. Mountain Village East is developed on one of the higher points of land, and has a maximum elevation of 4,260 feet.

The weather in Sunriver is typical for a high elevation Central Oregon community. Summer temperatures are in the 90-degree range and winter temperatures can reach as low as -30 degrees. For an average year, the total precipitation ranges from 10 to 20 inches, with less than 1/2 inch per month during the summer.

Sunriver Utilities Company (SRUC) was established as a private water and wastewater company in 1969. The water system at that time consisted of one well that served 37 dwelling units. By 1980, SRUC had a total of 1,296 water services. At that time, the Public Utilities Commission (PUC) recommended that water meters be installed on all service lines. The meter installation was completed by 1982, and the PUC granted metered tariffs in 1983. SRUC was restructured in July 1998 to Sunriver Water LLC.

Currently, Sunriver Water serves a total of 4,501 customers. This total includes the following types of services: 3,268 residential, 985 condo/multifamily, 120 commercial, and 128 irrigation. Sunriver Water metered services range in size from 5/8 x 3/4" to 6".

Sunriver Water continues to remain apprised of all increased standards and changes that occur with the water/wastewater industry. Employees are trained to handle problems and prevent problems before they occur to ensure the water served meets the standards for safe drinking water.

Name of Company
FOR THE YEAR ENDING DECEMBER 31, 2011

| | | | |
|---|--|---|---------------------------------------|
| ACCOUNTING METHOD: ACCRUAL | | | |
| ORGANIZATION | | | |
| NAME OF COMPANY: Sunriver Water LLC | | STREET ADDRESS: Administration Building, Center Drive | |
| CITY: Sunriver | STATE: OR | ZIP CODE : 97707 | TELEPHONE NUMBER: 541-593-3705 |
| TYPE OF ORGANIZATION : LLC | | | |
| <p>CIRCLE (OR BOLD) ONE: SOLE PROPRIETORSHIP PARTNERSHIP CORPORATION</p> <p>CIRCLE (OR BOLD) ONE: PRIVATE/INVESTOR OWNED ASSOCIATION MOBILE HOME PARK</p> | | | |
| <p>INSTRUCTIONS: 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> | | | |
| PART A: SOLE PROPRIETORSHIP OR PARTNERSHIP | | | |
| 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 |
| PART B: CORPORATION | | | |
| 1 | NAME OF STOCKHOLDER, DIRECTOR, OFFICER | | ADDRESS, CITY, STATE, ZIP CODE |
| | NUMBER OF SHARES OWNED: | TITLE | |
| 2 | NAME OF STOCKHOLDER, DIRECTOR, OFFICER | | ADDRESS, CITY, STATE, ZIP CODE |
| | NUMBER OF SHARES OWNED: | TITLE | |
| 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> |
| PAR OR STATED VALUE PER SHARE | | \$ - | \$ - |
| DIVIDENDS PER SHARE DECLARED DURING THE YEAR | | \$ - | \$ - |

| PLANT ACCOUNTS 101 - 105 | | | |
|---------------------------------|---|---|--------------------|
| ACCT. NO. | ACCOUNT NAME | | AMOUNT |
| | Utility Plant | + | 4,845,516 |
| | Deduct: Contributions in Aid of Construction (CIAC) | - | |
| | Deduct: Nonused & Nonuseful Plant | - | |
| 101 | Equals: Utility plant in Service | = | \$4,845,516 |
| 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) | + | |
| | Total Utility Plant | = | \$4,845,516 |

| ACCUMULATED DEPRECIATION - ACCOUNT 108 | | | |
|---|--|--|----------------------|
| ACCT.NO. | CREDITS | | Total |
| | BALANCE FIRST OF YEAR | | 2,333,984 |
| | Credit during year: | | 186,062 |
| | Accruals charged other accounts (specify) | | |
| | | | |
| | | | |
| 108.1 | Accumulated depreciation of utility plant in service | | 2,432,785 |
| 108.2 | Accumulated depreciation of utility plant leased to others | | |
| 108.3 | Accumulated depreciation of property held for future use | | |
| | | | |
| | Salvage | | |
| | | | |
| | Other credits (specify) | | |
| | | | |
| | | | |
| | Total Credits | | \$4,952,831 |
| | DEBITS | | |
| | Debits during year: | | |
| | Book cost of plant retired | | |
| | Cost of removal | | |
| | Other debits (specify) | | |
| | | | |
| | | | |
| | Total Debits | | \$0 |
| | BALANCE END OF YEAR | | (\$4,952,831) |

(Total Debits minus Total Credits)

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

| 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 | 0 | |
| | | | |
| | | | |
| | | | |
| 115 | Accumulated amortization & Plant adjustments | 0 | |
| | | | |
| | | | |
| | | | |
| | Net Acquisition Adjustments | \$0 | |

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 |
|--|------------------------|-----------|------------|------------------|
| ACCOUNT 121 - Nonutility Property | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL | | | | \$0 |
| ACCOUNT 123 - Investment in Associated Companies | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL | | | | \$0 |
| ACCOUNT 124 - Nonassociated Company Investment used in Provision of Water, i.e., Water Supply | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL | | | | \$0 |
| ACCOUNT 125 - Nonassociated Company Investment | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL | | | | \$0 |

SPECIAL DEPOSITS - ACCOUNT 132

| Do Not Include Customer Deposits | BOOK YEAR END |
|----------------------------------|---------------|
| Description of Special Deposits | |
| | |
| | |
| | |
| | |
| | |
| | |
| Total Account 132 | \$0 |

| ACCOUNTS & NOTES RECEIVABLE & UNCOLLECTIBLES | | |
|---|---|------------|
| ACCOUNTS 141 - 144 | | |
| ACCT. NO. | DESCRIPTION | TOTAL |
| 141 | Customer Accounts Receivable | 0 |
| | | |
| | | |
| | | |
| | TOTAL CUSTOMER ACCOUNTS RECEIVABLE - ACCOUNT 141 | \$0 |
| 142 | Other Accounts Receivable | 0 |
| | | |
| | | |
| | | |
| | TOTAL OTHER ACCOUNTS RECEIVABLE - ACCOUNT 142 | \$0 |
| 143 | Accumulated Provision for Uncollectible Accounts | 0 |
| | | |
| | | |
| | | |
| | TOTAL ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - ACCOUNT 143 | \$0 |
| 144 | Notes Receivable | 0 |
| | | |
| | | |
| | | |
| | TOTAL NOTES RECEIVABLE - ACCOUNT 144 | \$0 |
| | TOTAL ACCOUNTS 141 - 144 | \$0 |

| 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 |
| | | | |
| | | | |
| | | | |
| | | | |
| Total Accounts 145 - 146 | | \$0 | \$0 |

| PREPAYMENTS - ACCOUNT 162 | | |
|----------------------------------|-----------------------------|-----------------|
| ACCT. NO. | DESCRIPTION | TOTAL |
| 162 | Prepaid insurance | 44,078 |
| 162 | Prepaid rents | |
| 162 | Prepaid interest | |
| 162 | Prepaid taxes | |
| 162 | Other prepayments (specify) | |
| 162 | | |
| Total Account 162 | | \$44,078 |

| UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT ACCOUNTS 181 & 251 | | | |
|---|-------------------------------------|-----------------------------------|------------------|
| 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 | | 0 |
| 181 | | | |
| 181 | | | |
| 181 | | | |
| 181 | | | |
| Total Account 181 | | \$0 | \$0 |
| 251 | Unamortized premium on debt | | 0 |
| 251 | | | |
| 251 | | | |
| 251 | | | |
| 251 | | | |
| 251 | | | |
| Total Account 251 | | \$0 | \$0 |

| OTHER DEFERRED EXPENSES & DEBITS - ACCOUNT 186 | | |
|---|----------------------------|------------|
| DESCRIPTION | | TOTAL |
| 186.1 | Deferred rate case expense | 0 |
| 186.2 | Other deferred debits | 0 |
| Total Account 186 | | \$0 |

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

| ACCRUED TAXES & ACCRUED INTEREST - ACCOUNTS 236 - 237 | | | | |
|--|-----------------------|---------------|----------------|---------------------|
| DESCRIPTION OF TAXES | FIRST OF YEAR BALANCE | TAXES ACCRUED | TAXES PAID | END OF YEAR BALANCE |
| property tax paid | 2,493 | | 2,493 | 0 |
| | | | | |
| | | | | |
| | | | | |
| TOTAL ACCOUNTS 408 - 409 | \$2,493 | \$0 | \$2,493 | \$0 |

| 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 | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTAL ACCOUNT 237.1 | \$0 | / | \$0 | \$0 | \$0 |

| 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 | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTAL ACCOUNT 237.2 | \$0 | / | \$0 | \$0 | \$0 |

| MISCELLANEOUS CURRENT & ACCRUED LIABILITIES - ACCOUNT 241 | |
|--|---------------------|
| DESCRIPTION | BALANCE END OF YEAR |
| | |
| | |
| | |
| | |
| TOTAL ACCOUNT 237.2 | \$0 |

| ADVANCES FOR CONSTRUCTION - ACCOUNT 252 | | | |
|---|-------------------|-------------------|------------------|
| NAME OF PERSON MAKING ADVANCE | AMOUNT OF ADVANCE | DEBIT ACCOUNT NO. | INTEREST ACCRUED |
| BALANCE FIRST OF YEAR | | | |
| Add advances during year: | | | |
| Sunriver Owner's Association (SHARC hookup Deposit) | 31,843 | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| TOTAL ACCOUNT 252 | \$31,843 | | \$0 |

| CONTRIBUTIONS IN AID OF CONSTRUCTION - CIAC - ACCOUNT 271 | | | |
|--|--------------------|------------------|--------------------|
| DESCRIPTION | WATER | OTHER THAN WATER | TOTAL |
| BALANCE FIRST OF YEAR | 3,735,766 | | \$3,735,766 |
| Add CIAC during year: | | | \$0 |
| Deduct charges during the year | 0 | | \$0 |
| | | | \$0 |
| | | | \$0 |
| | | | \$0 |
| | | | \$0 |
| | | | \$0 |
| | | | \$0 |
| | | | \$0 |
| | | | \$0 |
| | | | \$0 |
| BALANCE END OF YEAR - ACCOUNT 271 | \$3,735,766 | \$0 | \$3,735,766 |

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

ACCUMULATED AMORTIZATION OF CIAC - ACCOUNT 272

| DESCRIPTION | WATER | OTHER THAN WATER | TOTAL |
|---|--------------------|------------------|--------------------|
| BALANCE FIRST OF YEAR | \$2,359,311 | | \$2,359,311 |
| Add TOTAL AMOUNT of Amortization of CIAC during year: | 73474 | | \$73,474 |
| BALANCE END OF YEAR ACCOUNT 272 | \$2,432,785 | \$0 | \$2,432,785 |

ACCUMULATED DEFERRED INCOME TAX ACCOUNTS 281 - 283

| | | |
|---------------------------------|--|------------|
| 281 | Accumulated Deferred Income Tax - Accelerated Amortization | 0 |
| 282 | Accumulated Deferred Income Tax - Liberalized Depreciation | 0 |
| 283 | Accumulated Deferred Income Taxes - Other | 0 |
| TOTAL ACCOUNTS 281 - 283 | | \$0 |

AMORTIZATION EXPENSE - ACCOUNTS 406 - 407

DO NOT INCLUDE AMORTIZATION OF CIAC

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

| TAX EXPENSE - ACCOUNTS 408 - 409 | | |
|--|--|-----------------|
| NO. | TAXES OTHER THAN INCOME TAX | Amount |
| 408.11 | Property Tax | 47,826 |
| 408.12 | Payroll Tax | 42,800 |
| 408.13 | Other Tax Other Than Income Tax | |
| 408.2 | Nonutility Taxes Other Than Income Tax | |
| TOTAL TAX OTHER THAN INCOME TAXES ACCOUNT 408 | | \$90,626 |
| INCOME TAXES | | |
| 409.1 | Federal Income Tax | |
| 409.11 | State Income Tax | |
| 409.13 | Other Income Tax | |
| 409.2 | Nonutility Income Tax | |
| TOTAL INCOME TAX ACCOUNT 409 | | \$0 |
| PROVISION FOR DEFERRED INCOME TAXES - ACCOUNTS 410 - 411 | | |
| | 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 | |
| TOTAL DEFERRED TAXES UTILITY OPERATIONS | | \$0 |
| 410.2 | Provision for Deferred Income Taxes – Other Income and Deductions | |
| 411.2 | Provision for Deferred Income Taxes – Credit – Other income & Deductions | |
| TOTAL DEFERRED TAXES OTHER INCOME & DEDUCTIONS - ACCOUNTS 410 - 411 | | \$0 |
| GAINS/LOSSES FROM UTILITY PROPERTY SALE - ACCOUNT 414 | | |
| GAINS | Description | Amount |
| | | |
| | | |
| | | |
| | TOTAL GAINS | \$0 |
| LOSSES | | |
| | | |
| | | |
| | TOTAL LOSSES | \$0 |
| TOTAL ACCOUNT 414 (NET- subtract losses from gains) | | \$0 |

| OPERATING REVENUE | | | | | | | |
|----------------------------|-----------|---|--------------------------|-------------------------|----------------------|------------|--------------------|
| WATER SALES REVENUE | | | | | | | |
| LINE NO. | ACCT. NO. | ACCOUNT NAME | G 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 | 39 | 40 | 2,534,965 | Gal | 9,099 |
| 2 | 461.1 | Metered sales to RESIDENTIAL customers | 3,941 | 3950 | 250,327,751 | Gal | 860,910 |
| 3 | 461.2 | Metered sales to COMMERCIAL customers | 120 | 120 | 36,891,505 | Gal | 164,153 |
| 4 | 461.3 | Metered sales to INDUSTRIAL customers | 0 | 0 | | | 0 |
| 5 | 461.4 | Other metered sales to public authorities | 0 | 0 | | | 0 |
| 6 | 461.5 | Metered sales to multiple family dwellings | 263 | 263 | 16,667,392 | Gal | 45,319 |
| 7 | 462.1 | Public fire protection revenue | 0 | 0 | | | 0 |
| 8 | 462.2 | Private fire protection revenue | 24 | 32 | 9,837,735 | Gal | 7,416 |
| 9 | 464 | Other Sales to public authorities | 0 | 0 | | | 0 |
| 10 | 465 | Sales to irrigation customers | 121 | 122 | 231,375,206 | Gal | 214,319 |
| 11 | 466 | Sales for resale | 3 | 3 | 2,942,040 | Gal | 21,967 |
| 12 | 467 | Water Sales to golf course/recreation revenue | 3 | 3 | 5,689,554 | Gal | 92,413 |
| 13 | 468 | Special contract/agreement revenue | 0 | 0 | | | 0 |
| 14 | | TOTALS | 4,514 | 4,533 | 556,266,148 | // | \$1,415,596 |

MISCELLANEOUS & OTHER REVENUE ACCOUNTS

| LINE NO. | ACCT. NO. | MISCELLANEOUS REVENUE | # OF OCCURRENCES | TOTAL YEAR REVENUE |
|----------|-----------|---|------------------|--------------------|
| 1 | 471 | Connection Charge for New Service Revenues | 90 | 4,483 |
| 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 | 278 | 16,649 |
| 7 | 471 | Disconnection Charge Revenues | 324 | 9,726 |
| 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 | MISCELLANEOUS CHARGES REVENUE | Total Lines 1-12 | \$30,858 |

OTHER REVENUE

| | | | | |
|----|-----|--|-------------------|-----------------|
| 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 | | TOTAL OTHER REVENUE | Total Lines 16-22 | \$0 |
| 24 | 400 | TOTAL MISCELLANEOUS AND OTHER REVENUE | Add Lines 15 + 23 | \$30,858 |

| WATER UTILITY EXPENSE ACCOUNTS | | | | |
|---------------------------------------|------------------|---|-----------------------|-----------------------|
| LINE NO. | ACCT. NO. | ITEM | REPORTING YEAR | PRECEDING YEAR |
| (a) | (b) | (c) | (d) | (e) |
| 1 | 601 | Salaries and Wages - employees | 435,661 | 416,288 |
| 2 | 603 | Salaries and Wages – officers, directors, and majority stockholders | 0 | |
| 3 | 604 | Employee Pensions & Benefits | 92,354 | 84,751 |
| 4 | 610 | Purchased Water | 0 | |
| 5 | 611 | Telephone/Communications | 0 | |
| 6 | 615 | Purchased Power | 30,636 | 18,556 |
| 7 | 616 | Fuel for Power Production | 122 | 77 |
| 8 | 617 | Utilities - Other | 1,196 | 3,479 |
| 9 | 618 | Chemicals | 0 | |
| | | Office Supplies | 737 | 159 |
| 10 | 619 | (619.1 Postage) | 28,364 | 23,457 |
| 11 | 620 | Materials & Supplies (O&M) | 7,731 | 3,665 |
| 12 | 621 | Repairs to Water Plant | 13,533 | 9,353 |
| 13 | 631 | Contractual Services - engineering | 4,036 | 7,441 |
| 14 | 632 | Contractual Services - accounting | 0 | |
| 15 | 633 | Contractual Services - legal | 13,367 | 24,080 |
| 16 | 634 | Contractual Services - management | 145,044 | 140,820 |
| 17 | 635 | Contractual Services – testing / sampling | 2,252 | 3,657 |
| 18 | 636 | Contractual Services – labor | | |
| 19 | 637 | Contractual Services - billing/collections | 4,954 | 2,073 |
| 20 | 638 | Contractual Services - meter reading | 0 | |
| 21 | 639 | Contractual Services - other | 13,531 | 30,327 |
| 22 | 641 | Rental of Building / Real Property | 25,200 | |
| 23 | 642 | Rental of Equipment | 0 | |
| 24 | 643 | Small Tools | 2,469 | 7,333 |
| 25 | 648 | Computer Expenses | 15,271 | 9,776 |
| 26 | 650 | Transportation Expenses | 38,338 | 26,584 |
| 27 | 656 | Insurance - Vehicle | 0 | |
| 28 | 657 | Insurance – General Liability | 19,226 | 13,813 |
| 29 | 658 | Insurance – Workman's Compensation | 21,546 | 31,743 |
| 30 | 659 | Insurance – Other | 0 | |
| 31 | 660 | Public Relation / Advertising Expense | 0 | |
| 32 | 666 | Amortization of Rate Case Expense | | |
| 33 | 667 | Regulatory Commission Fee (Gross Rev Fee) | 3,035 | 1,886 |
| 34 | 668 | Water Resource Conservation Expense | 0 | |
| 35 | 670 | Bad Debt Expense | 2,384 | 0 |
| 36 | 671.1 | Cross Connection Control Program Expense | 0 | |
| 37 | 671.2 | Cross Connection Testing & Maint Services | 0 | |
| 38 | 672 | System Capacity Development Program Exp | 0 | |
| 39 | 673 | Training & Certification Expense | 3,924 | 294 |
| 40 | 674 | Consumer Confidence Report | | |
| 41 | 675 | Miscellaneous Expense | 4,489 | 5,326 |
| 42 | | TOTAL OPERATING EXPENSE | \$929,400 | \$864,938 |

UTILITY PLANT ACCOUNTS

| ACCT. NO. | ACCOUNT NAME | BALANCE @ FIRST OF YEAR | ADDITIONS | RETIREMENTS | ADJUSTMENTS | BALANCE @ END OF YEAR |
|--------------------|---|-------------------------|------------------|-------------|-------------|-----------------------|
| (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 301 | Organization | 0 | | | | 0 |
| 302 | Franchises | 0 | 22,828 | | | 22,828 |
| 303 | Land & land rights | 49,335 | 23,723 | | | 73,058 |
| 304 | Structures & improvements | 124,285 | 0 | | | 124,285 |
| 305 | Collecting & impounding reservoirs | 0 | 0 | | | 0 |
| 306 | Lake, river & other intakes | 0 | 0 | | | 0 |
| 307 | Wells & springs | 1,243,299 | 0 | | | 1,243,299 |
| 308 | Infiltration galleries & tunnels | 0 | 0 | | | 0 |
| 309 | Supply mains | 7,143 | 0 | | | 7,143 |
| 310 | Power generation equipment | 219,223 | 84,711 | | | 303,935 |
| 311 | Pumping equipment | 206,876 | 0 | | | 206,876 |
| 320 | Water treatment equipment | 7,010 | 0 | | | 7,010 |
| 330 | Distribution reservoirs & standpipes | 250,729 | 0 | | | 250,729 |
| 331 | Transmission & distribution mains | 622,036 | 3,602 | | | 625,638 |
| 333 | Services | 0 | 0 | | | 0 |
| 334 | Meters & meter installations | 788,095 | 32,929 | | | 821,024 |
| 335 | Hydrants | 3,376 | 13,064 | | | 16,440 |
| 336 | Backflow prevention devices (utility owned) | 759 | 0 | | | 759 |
| 339 | Other plant & miscellaneous equipment (SPECIFY) | 4,475 | 0 | | | 4,475 |
| 340 | Office furniture & equipment | 5,489 | 0 | | | 5,489 |
| 341 | Transportation equipment | 385,911 | 0 | | | 385,911 |
| 343 | Tools, shop & garage equipment | 144,393 | 0 | | | 144,393 |
| 344 | Laboratory equipment | 2,000 | 0 | | | 2,000 |
| 345 | Power operated equipment | 4,622 | 0 | | | 4,622 |
| 346 | Communication equip | 126,963 | 0 | | | 126,963 |
| 347 | Electronic & computer Equipment | 374,775 | 10,854 | | | 385,629 |
| 348 | Miscellaneous Equipment | 81,115 | 1,893 | | | 83,008 |
| TOTAL PLANT | | \$4,651,912 | \$193,604 | \$0 | \$0 | \$4,845,516 |

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 | 76,685 | 3,633 | | 80,318 |
| 2 | 305 | Collecting & impounding reservoirs | | | | 0 |
| 3 | 306 | Lake, river, & other intakes | | | | 0 |
| 4 | 307 | Wells and & springs | 355,510 | 47,702 | | 403,212 |
| 5 | 308 | Infiltration galleries & tunnels | | | | 0 |
| 6 | 309 | Supply mains | 6,572 | 286 | | 6,858 |
| 7 | 310 | Power generation equipment | 160,893 | 8,320 | | 169,213 |
| 8 | 311 | Pumping equipment | 143,377 | 4,113 | | 147,490 |
| 9 | 320 | Water treatment equipment | 2,103 | 351 | | 2,454 |
| 10 | 330 | Distribution reservoirs & standpipes | 242,812 | 475 | | 243,287 |
| 11 | 331 | Transmission & distribution mains | 213,579 | 13,102 | | 226,680 |
| 12 | 333 | Services | | | | 0 |
| 13 | 334 | Meters & meter installations | 366,261 | 27,413 | | 393,674 |
| 14 | 335 | Hydrants | 392 | 114 | | 506 |
| 15 | 336 | Cross connection prevention devices (utility-owned) | 759 | 0 | | 759 |
| 16 | 339 | Other | 1,266 | 178 | | 1,444 |
| 17 | 340 | Office furniture & equipment | 3,829 | 66 | | 3,895 |
| 18 | 341 | Transportation equipment | 338,343 | 24,259 | | 362,602 |
| 19 | 343 | Tools, shop & garage equipment | 102,364 | 5,579 | | 107,943 |
| 20 | 344 | Laboratory equipment | 2,000 | 0 | | 2,000 |
| 21 | 345 | Power operated equipment | 4,622 | 0 | | 4,622 |
| 22 | 346 | Communication equipment | 75,123 | 8,187 | | 83,311 |
| 23 | 347 | Electronic/computer equipment | 215,129 | 35,167 | | 250,296 |
| 24 | 348 | Miscellaneous Equipment* | 22,365 | 7,022 | | 29,386 |
| 25 | Total Accumulated Depreciation | | \$2,333,984 | \$185,967 | \$0 | \$2,519,951 |

Use () to denote reversal entries.

*Specify nature of transaction.

| | | | | | | |
|----|---------------------------------------|--|------------|------------|------------|------------|
| 26 | Miscellaneous Equipment DETAIL | | | | | 0 |
| 27 | | | | | | 0 |
| 28 | | | | | | 0 |
| 29 | | | | | | 0 |
| 30 | | | | | | 0 |
| 31 | | | | | | 0 |
| 32 | | | | | | 0 |
| 33 | | | | | | 0 |
| 34 | | | | | | 0 |
| 35 | | | | | | 0 |
| 36 | | | | | | 0 |
| 37 | | | | | | 0 |
| 38 | TOTAL MISCELLANEOUS EQUIPMENT | | \$0 | \$0 | \$0 | \$0 |

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% | 3,728 |
| 2 | 305 | Collecting & Impounding Reservoirs | 50 | 0% | 2.0% | |
| 3 | 306 | Lake, River & Other Intakes | 35 | 0% | 2.9% | |
| 4 | 307 | Wells & Springs | 25 | 0% | 4.0% | 47,702 |
| 5 | 308 | Infiltration Galleries & Tunnels | 25 | 0% | 4.0% | |
| 6 | 309 | Supply Mains | 50 | 0% | 2.0% | 286 |
| 7 | 310 | Power Generation Equipment | 30 | 0% | 3.3% | 8,320 |
| 8 | 311 | Pumping Equipment | 20 | 0% | 5.0% | 4,113 |
| 9 | 320 | Water Treatment Equipment | 20 | 0% | 5.0% | 351 |
| 10 | 330 | Distribution Reservoirs & Standpipes | 30 | 0% | 3.3% | 475 |
| 11 | 331 | Transmission & Distribution Mains | 50 | 0% | 2.0% | 13,102 |
| 12 | 333 | Services | 30 | 0% | 3.3% | |
| 13 | 334 | Meters & Meter Installations | 20 | 0% | 5.0% | 27,413 |
| 14 | 335 | Hydrants | 40 | 0% | 2.5% | 114 |
| 15 | 336 | Backflow Prevention Devices (utility-owned) | 15 | 0% | 6.7% | |
| 16 | 339 | Other Plant | 15 | 0% | 6.7% | 178 |
| 17 | 340 | Office Furniture & Equipment | 20 | 0% | 5.0% | 66 |
| 18 | 341 | Transportation Equipment | 7 | 0% | 14.3% | 24,259 |
| 19 | 343 | Tools, Shop & Garage Equipment | 15 | 0% | 5.0% | 5,579 |
| 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% | 8,187 |
| 23 | 347 | Electronic/Computer Equipment | 5 | 0% | 20.0% | 35,167 |
| 24 | 348 | Miscellaneous Equipment | 10 | 0% | 10.0% | 7,022 |
| 25 | | | | | | |
| 26 | | | | | | |
| 27 | | *Water Plant Composite Depreciation Rate | | | | |
| 28 | 403 | TOTAL PLANT DEPRECIATION | | | | \$186,062 |

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

OFFICERS COMPENSATION

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 |
|-------------------------------------|-------|---------------------------------------|-------------------------|-------------------|
| | | | | |
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| TOTAL OFFICERS' COMPENSATION | | | \$0 | \$0 |

DIRECTORS COMPENSATION

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 |
|--------------------------------------|-------|---|--------------------------|-------------------------|
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| | | | | |
| | | | | |
| TOTAL DIRECTORS' COMPENSATION | | | \$0 | \$0 |

| INCOME SUMMARY | | | | |
|-----------------------|-----------|--|--|---------------------------|
| LINE NO. | ACCT. NO. | ACCOUNT NAME | | AMOUNT FOR REPORTING YEAR |
| (a) | (b) | (c) | | (e) |
| 1 | 400 | Total Gross Operating Revenue | | 1,446,454 |
| 2 | 401 | Total Operating Expense | | 929,400 |
| | 403 | Depreciation Expense | | 186,062 |
| | 406 | Amortization of plant acquisition adjustments | | 0 |
| 3 | 407 | Amortization expenses | | 0 |
| 4 | 408 | Taxes Other Than Income (property tax, payroll tax, other) | | 90,626 |
| | 409.1 | Tax Expense (federal income tax) | | 0 |
| | 409.11 | Tax Expense (state income tax) | | 0 |
| 5 | 409.2 | Other income taxes and deductions | | 0 |
| | 410 | Provision for Deferred Income Taxes | | 0 |
| 6 | 411 | Provision for Deferred Income Taxes - credit | | 0 |
| | 413 | Income from Utility Plant Leased To Others | | 0 |
| 7 | 414 | Gains & Losses from Property Disposition | | 0 |
| | 433 | Extraordinary Income | | 0 |
| 8 | 434 | Extraordinary Deductions | | 0 |
| 9 | | Net Income | | \$240,366 |

| UTILITY PLANT SUMMARY | | | | |
|------------------------------|---------|--|--|----------------------|
| 10 | 101 | Utility Plant in Service | | 4,845,516 |
| 11 | 108 | Deduct: Accumulated Depreciation | | 2,432,785 |
| 12 | 110 | Deduct: Accumulated Amortization | | |
| 13 | 271 | Deduct: Contributions In Aid of Construction (CIAC) | | 3,735,766 |
| 14 | 252 | Deduct: Advances for Construction | | 31,843 |
| 15 | | Subtotal | | (\$1,354,878) |
| | | Add: Construction Work In Progress (CWIP) Commission Approved | | |
| 16 | 105 | | | |
| 17 | 103 | Add: Plant Held for Future Use | | |
| 18 | 272 | Add: Accumulated Amortization of CIAC | | 2,432,785 |
| 19 | 151 | Add: Materials and Supplies in Inventory | | |
| 21 | 114 | Add: Utility Plant Acquisition Adjustments (2) | | |
| | | Deduct: Accumulated Amortization of Acquisition Adjustments (2) | | |
| 22 | 115 | | | |
| 23 | 190 | Add: Accumulated Deferred Income Taxes (asset) | | |
| | | | | |
| 24 | 281-283 | Deduct: Accumulated Deferred Income Taxes (liability) | | |
| 25 | | Net Utility Plant | | \$1,077,907 |
| | | Add: Working Capital Allowance (1/12 of total operating expense) | | |
| 26 | | | | 77,450 |

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 |
|----------------------------------|--|--------------------------------------|--------------------------|---------------|
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| TOTAL | | | | \$0 |

STATEMENT OF RETAINED EARNINGS

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. | ACCT. NO. | ACCOUNT NAME | AMOUNTS |
|----------|-----------|--|--------------------|
| (a) | (b) | (c) | (d) |
| 1 | 215 | Unappropriated retained earnings (balance @ beginning of year) | (649,209) |
| 2 | | Credits: | 98,015 |
| 3 | | Debits | |
| 4 | 435 | Balance transferred from income (line 12, page 7) | |
| 5 | 436 | Appropriations of retained earnings | |
| 6 | | SUBTOTAL (add lines 1-5) | (\$551,194) |
| 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 | | TOTAL DIVIDENDS DECLARED (add lines 7, 8, 9, & 10) | \$0 |
| 12 | | BALANCE @ END OF YEAR (line 6 minus line 12) | (\$551,194) |

APPROPRIATED RETAINED EARNINGS

(state balance & purpose of each appropriated amount at year end)

| | | | |
|----|-----|--|--------------------|
| 13 | 214 | | |
| 14 | 214 | | |
| 15 | 214 | | |
| 16 | 214 | | |
| 17 | 214 | | |
| 18 | 214 | | |
| 19 | 214 | | |
| 20 | 214 | | |
| 21 | | TOTAL APPROPRIATED RETAINED EARNINGS | \$0 |
| 22 | | TOTAL RETAINED EARNINGS (total lines 12 & 22) | (\$551,194) |

COMPARATIVE OPERATING STATEMENT

| ACCOUNTING METHOD: | | ACCRUAL BASIS <input checked="" type="checkbox"/> Check Box 1 | CASH BASIS <input type="checkbox"/> Check Box 2 | |
|--|-----------|--|--|--------------------|
| UTILITY OPERATING INCOME & DEDUCTIONS | | | | |
| LINE NO. | ACCT. NO. | ACCOUNT NAME | REPORTING YEAR | PREVIOUS YEAR |
| (a) | (b) | (c) | (e) | (f) |
| 1 | 400 | TOTAL OPERATING UTILITY REVENUE | 1,446,454 | 1,174,353 |
| 2 | 401 | Total Operating Expenses | 929,400 | 864,938 |
| 3 | 403 | Annual Depreciation Expense | 186,062 | 209,273 |
| 4 | 406 | Amortization of Utility Plant Acquisition Adjustment | | |
| 5 | 407 | Amortization Expense | | |
| 6 | 408 | Taxes Other Than Income Taxes (total) | 90,626 | 109,321 |
| 7 | 409 | Income Taxes | 0 | 69,080 |
| 8 | 410.1 | Provision for Deferred Income Taxes (utility operations) | | |
| 9 | 411.1 | Provision for Deferred Income Taxes (utility credit) | | |
| 10 | | TOTAL OPERATING EXPENSES | \$1,206,088 | \$1,252,612 |
| 11 | 413 | Income From Utility Plant Leased to Others | | |
| 12 | 419 | Interest & Dividend Income | | |
| 13 | | TOTAL OTHER INCOME | \$0 | \$0 |
| 14 | 427 | Interest Expense | | |
| 15 | 414 | Gains/Losses From Utility Property Disposition (net) | | |
| 16 | 433 & 434 | Extraordinary Income/deductions (net) | 0 | |
| 17 | | TOTAL OTHER DEDUCTIONS | \$0 | \$0 |
| 18 | | TOTAL NET UTILITY OPERATING INCOME | \$240,366 | (\$78,259) |
| NONUTILITY INCOME, TAXES & DEDUCTIONS | | | | |
| 19 | 421 | Nonutility Income | | |
| 20 | 415 | Revenue From Merchandising, Jobbing, & Contracts | | |
| 21 | | Nonutility Extraordinary Income | | |
| 22 | | TOTAL NONUTILITY INCOME | \$0 | \$0 |
| 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 | | TOTAL NONUTILITY DEDUCTIONS | \$0 | \$0 |
| 32 | | TOTAL NET NONUTILITY INCOME | \$0 | \$0 |

| 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 | | \$941,474 | \$1,077,907 |
| NONUTILITY PROPERTY & INVESTMENT | | | | | |
| 2 | 121 | Nonutility Property | | | |
| 3 | 122 | Less: Accumulated Depreciation & Amortization of Nonutility Plant | | | |
| 4 | | Net Nonutility Property | | \$0 | \$0 |
| 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 | | TOTAL NONUTILITY PROPERTY & INVESTMENT | | \$0 | \$0 |
| CURRENT & ACCRUED ASSETS | | | | | |
| 9 | 131 | Cash | | (4,214) | (11,213) |
| 10 | 132 | Special Deposits | | | |
| 11 | 141 | Customer Account Receivables | | | |
| 12 | 142 | Other Accounts Receivable | | | |
| 13 | 143 | Accumulated Provisions for Uncollectible Accounts | | | |
| 14 | 144 | Notes Receivable | | | |
| 15 | 145 & 146 | Accounts & Notes Receivable From Associated Companies | | 1,047,090 | 1,300,168 |
| 16 | 151 | Inventory: Plant Material & Supplies | | 47,124 | 38,994 |
| 17 | 162 | Prepayments | | 42,964 | 44,078 |
| 18 | 171 | Accrued Interest & Dividends Receivable | | | |
| 19 | 172 | Rents Receivable & Accrued | | | |
| 20 | 174 | Miscellaneous Current & Accrued Assets | | | |
| 21 | | TOTAL CURRENT AND ACCRUED ASSETS | | \$1,132,964 | \$1,372,027 |
| 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 | | Total Deferred Debits | | \$0 | \$0 |
| 27 | | TOTAL ASSETS AND OTHER DEBITS | | \$2,074,438 | \$2,449,934 |

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) |
| EQUITY CAPITAL | | | | |
| 1 | 201 | Common stock issued | | |
| 2 | 204 | Preferred stock issued | | |
| 3 | 207 | Premium on capital stock | | |
| 4 | 211 | Other paid-in capital | 3,320,708 | 3,320,708 |
| 5 | 212 | Discount on capital stock | | |
| 6 | 213 | Capital stock expense | | |
| 7 | 214 | Appropriated retained earnings | | |
| 8 | 215 | Unappropriated retained earnings | 649,209 | 551,195 |
| 9 | 216 | Reacquired capital stock | | |
| 10 | 218 | Proprietary Capital (proprietorship & Partnership only) | | |
| 11 | | Total equity capital | \$3,969,917 | \$3,871,903 |
| CURRENT AND ACCRUED LIABILITIES | | | | |
| 12 | 224 | Long-term debt | | |
| 13 | 231 | Accounts payable | 2,854 | 10,866 |
| 14 | 232 | Notes payable | | |
| 15 | 233 | Accounts payable to associated companies | | 6,554 |
| 16 | 234 | Notes payable to associated companies | 325 | 0 |
| 17 | 235 | Customer deposits | | |
| 18 | 236 | Accrued taxes | | |
| 19 | 237 | Accrued interest | | |
| 20 | 238 | Accrued dividends | | |
| 21 | 241 | Miscellaneous current and accrued liabilities | | |
| 22 | | Total current and accrued liabilities | \$3,179 | \$17,420 |
| DEFERRED CREDITS | | | | |
| 23 | 251 | Premium on unamortized debt | | |
| 24 | 252 | Advances for construction | | 31,843 |
| 25 | 253 | Other deferred credit | | |
| 26 | | Total deferred credits | \$0 | \$31,843 |
| CONTRIBUTIONS IN AID OF CONSTRUCTION - CIAC | | | | |
| 27 | 271 | Contributions in aid of construction (ciac) | 3,735,765 | 3,735,766 |
| 28 | 272 | Deduct accumulated amortization of CIAC | 2,359,311 | 2,432,785 |
| 29 | | Total net CIAC | \$1,376,454 | \$1,302,981 |
| ACCUMULATED DEFERRED INCOME TAXES | | | | |
| 30 | 281 | Accumulated deferred income taxes-accelerated amortization | | 0 |
| 31 | 282 | Accumulated deferred income taxes-Liberalized Depreciation | | 0 |
| 32 | 283 | Accumulated deferred income taxes-other | | 0 |
| 33 | | Total accumulated deferred income taxes | \$0 | \$0 |
| 34 | | TOTAL EQUITY CAPITAL AND LIABILITIES | \$5,349,550 | \$5,224,147 |

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 |
|---|-----------|------------|
| Net income for the year: | | |
| Reconciling items for the year | | |
| Taxable income not reported on books: | | |
| | | |
| | | |
| Deductions recorded on books not deducted for return: | | |
| Interest expense - tax effect | | |
| Difference in book/tax depreciation | | |
| 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 | | |
| | | |
| | | |
| Deduction on return not charged against book income: | | |
| | | |
| | | |
| | | |
| Federal tax net income | | \$0 |

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

| | |
|---------------------------------------|-------------------------|
| SIGNATURE: | TITLE: |
| PRINT NAME: | DATE |
| FULL NAME OF REPORTING UTILITY | TELEPHONE NUMBER |