

**F-1 BALANCE SHEET**  
**Assets and Other Debits**

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	Adjustments (d)	Adjusted Year End Balance (e)
<b>UTILITY PLANT</b>				
1	Utility Plant (101-106)	\$ 17,298,401	\$ 86,400	\$ 17,384,801
2	Less: Accumulated Depr. and Amort. (108-110)	6,547,479	1,340	6,548,819
3	Net Plant	\$ 10,750,922	\$ 85,060	\$ 10,835,982
4	Utility Plant Acquisition Adj. (Net) (114-115)			
5	Total Net Utility Plant	\$ 10,750,922	\$ 85,060	\$ 10,835,982
<b>OTHER PROPERTY AND INVESTMENTS</b>				
6	Nonutility Property (121)			
7	Less: Accumulated Depr. and Amort. (122)			
8	Net Nonutility Property			
9	Investment in Associated Companies (123)			
11	Utility Investments (124)			
12	Other Investments			
13	Special Funds(126-128)			
14	Total Other Property & Investments			
<b>CURRENT AND ACCRUED ASSETS</b>				
16	Cash (131)	\$ 709,320	\$ (11,426)	\$ 697,894
17	Special Deposits (132)			
18	Other Special Deposits (133)			
19	Working Funds (134)			
20	Temporary Cash Investments (135)			
21	Accounts and Notes Receivable-Net (141-144)	237,690		237,690
22	Accounts Receivable from Assoc. Co. (145)			
23	Notes Receivable from Assoc. Co. (146)			
24	Materials and Supplies (151-153)	33,240		33,240
25	Stores Expense (161)			
26	Prepayments-Other (162)	21,518		21,518
27	Prepaid Taxes (163)	47,877		47,877
28	Interest and Dividends Receivable (171)			
29	Rents Receivable (172)			
30	Accrued Utility Revenues (173)	117,847		117,847
31	Misc. Current and Accrued Assets (174)			
32	Total Current and Accrued Assets	\$ 1,167,492	\$ (11,426)	\$ 1,156,066
<b>DEFERRED DEBITS</b>				
32	Unamortized Debt Discount & Expense (181)	\$ 36,353		\$ 36,353
33	Extraordinary Property Losses (182)			
34	Prelim. Survey & Investigation Charges (183)			
35	Clearing Accounts (184)			
36	Temporary Facilities (185)			
37	Miscellaneous Deferred Debits (186)	153,320		153,320
38	Research & Development Expenditures (187)			
39	Accumulated Deferred Income Taxes (190)	13,297		13,297
40	Total Deferred Debits	\$ 202,970	\$ -	\$ 202,970
<b>TOTAL ASSETS AND OTHER DEBITS</b>				
		\$ 12,121,384	\$ 73,633	\$ 12,195,017

**F-1 BALANCE SHEET**  
**Equity Capital and Liabilities**

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	Adjustments (d)	Adjusted Year End Balance (e)
<b>EQUITY CAPITAL</b>				
1	Common Stock Issued (201)	\$ 16,767		\$ 16,767
2	Preferred Stock Issued (204)			
3	Capital Stock Subscribed (202,205)			
4	Stock Liability for Conversion (203, 206)			
5	Premium on Capital Stock (207)			
6	Installments Received On Capital Stock (208)			
7	Other Paid-In Capital (209,211)	3,154,354		3,154,354
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	(759,974)	3,782	(756,192)
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 2,411,147	\$ 3,782	\$ 2,414,929
<b>LONG TERM DEBT</b>				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	\$ 3,893,007	\$ 22,000	\$ 3,915,007
17	Total Long-Term Debt	\$ 3,893,007	\$ 22,000	\$ 3,915,007
<b>CURRENT AND ACCRUED LIABILITIES</b>				
18	Accounts Payable (231)	\$ 17,494		\$ 17,494
19	Notes Payable (232)			
20	Accounts Payable to Associated Co. (233)	48,471		48,471
21	Notes Payable to Associated Co. (234)			
22	Customer Deposits (235)	8,437		8,437
23	Accrued Taxes (236)	3,005		3,005
24	Accrued Interest (237)			
25	Accrued Dividends (238)			
26	Matured Long-Term Debt (239)			
27	Matured Interest (240)			
28	Misc. Current and Accrued Liabilities (241)	27,236		27,236
29	Total Current and Accrued Liabilities	\$ 104,643	\$ -	\$ 104,643
<b>DEFERRED CREDITS</b>				
30	Unamortized Premium on Debt (251)			
31	Advances for Construction (252)			
32	Other Deferred Credits (253)			
33	Accumulated Deferred Investment Tax Credits (255)			
34	<b>Accumulated Deferred Income Taxes:</b>			
35	Accelerated Amortization (281)			
36	Liberalized Depreciation (282)	48,621		48,621
37	Other (283)			
38	Total Deferred Credits	\$ 48,621		\$ 48,621
<b>OPERATING RESERVES</b>				
39	Property Insurance Reserve (261)			
40	Injuries and Damages Reserve (262)			
41	Pensions and Benefits Reserves (263)	7,733		7,733
42	Miscellaneous Operating Reserves (265)			
43	Total Operating Reserves	\$ 7,733	\$ -	\$ 7,733
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
44	Contributions In Aid of Construction (271)	\$ 9,142,476	\$ 48,500	\$ 9,190,976
45	Accumulated Amortization of C.I.A.C. (272)	3,486,243	649	3,486,892
46	Total Net C.I.A.C.	\$ 5,656,233	\$ 47,851	\$ 5,704,084
46	<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>	\$ 12,121,384	\$ 73,633	\$ 12,195,017

## F-2 STATEMENT OF INCOME

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	Adjustments (d)	Adjusted Year End Balance (e)
<b>UTILITY OPERATING INCOME</b>				
1	Operating Revenues(400)	\$ 1,788,762	\$ 19,266	\$ 1,808,028
2	Operating Expenses:			
3	Operating and Maintenance Expense (401)	1,180,014	3,299	1,183,313
4	Depreciation Expense (403)	500,470	1,340	501,810
5	Amortization of Contribution in Aid of Construction (405)	(216,489)	(649)	(217,138)
6	Amortization of Utility Plant Acquisition Adjustment (406)			
7	Amortization Expense-Other (407)	2,715		2,715
8	Taxes Other Than Income (408.1-408.13)	159,664	1,308	160,972
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	11,492	10,185	21,677
10	<b>Total Operating Expenses</b>	<b>\$ 1,637,866</b>	<b>\$ 15,484</b>	<b>\$ 1,653,350</b>
11	Net Operating Income (Loss)	\$ 150,896	\$ 3,782	\$ 154,678
12	Income From Utility Plant Leased to Others (413)			
13	Gains(Losses) From Disposition of Utility Property (414)			
14	<b>Net Water Utility Operating Income</b>	<b>\$ 150,896</b>	<b>\$ 3,782</b>	<b>\$ 154,678</b>
<b>OTHER INCOME AND DEDUCTIONS</b>				
15	Revenues From Merchandising, Jobbing and Contract Work (415)			
16	Costs and Expenses of Merchandising, Jobbing and Contract Work (416)			
17	Equity in Earnings of Subsidiary Companies (418)			
18	Interest and Dividend Income (419)	537		
19	Allow. for funds Used During Construction (420)			
20	Nonutility Income (421)			
21	Gains (Losses) Form Disposition Nonutility Property (422)			
22	Miscellaneous Nonutility Expenses (426)			
23	<b>Total Other Income and Deductions</b>	<b>\$ 537</b>	<b>\$ -</b>	<b>537</b>
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
24	Taxes Other Than Income (408.2)			
25	Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)			
26	<b>Total Taxes Applicable To Other Income</b>			
<b>INTEREST EXPENSE</b>				
27	Interest Expense (427)	\$ 129,400	\$ -	\$ 129,400
28	Amortization of Debt Discount & Expense (428)	2,765	-	2,765
29	Amortization of Premium on Debt (429)			
30	<b>Total Interest Expense</b>	<b>\$ 132,165</b>	<b>\$ -</b>	<b>\$ 132,165</b>
31	<b>Income Before Extraordinary Items</b>	<b>\$ 19,268</b>	<b>\$ 3,782</b>	<b>\$ 23,050</b>
<b>EXTRAORDINARY ITEMS</b>				
32	Extraordinary Income (433)			
33	Extraordinary Deductions (434)			
34	Income Taxes, Extraordinary Items (409.3)			
35	<b>Net Extraordinary Items</b>			
<b>NET INCOME (LOSS)</b>		<b>\$ 19,268</b>	<b>\$ 3,782</b>	<b>\$ 23,050</b>

**F-1 BALANCE SHEET**  
**Capital Structure**

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	Adjustments (d)	Adjusted Year End Balance (e)
<b>EQUITY CAPITAL</b>				
1	Common Stock Issued (201)	\$ 16,767		\$ 16,767
2	Other Paid-In Capital (209,211)	3,154,354	-	3,154,354
3	Retained Earnings (214-215)	(759,974)	3,782	(756,192)
4	Total Equity Capital	\$ 2,411,147	\$ 3,782	\$ 2,414,929
<b>LONG TERM DEBT</b>				
5	Other Long-Term Debt (224)	\$ 3,893,007	\$ 22,000	\$ 3,915,007
6	Total Long-Term Debt	\$ 3,893,007	\$ 22,000	\$ 3,915,007
7	Total Capital Structure	\$ 6,304,154	\$ 25,782	\$ 6,329,936

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	Adjustments (d)	Adjusted Year End Balance (e)
<b>EQUITY CAPITAL</b>				
1	Common Stock Issued (201)	0.27%	0.00%	0.26%
2	Other Paid-In Capital (209,211)	50.04%	0.00%	49.83%
3	Retained Earnings (214-215)	-12.06%	14.67%	-11.95%
4	Total Equity Capital	38.25%	14.67%	38.15%
<b>LONG TERM DEBT</b>				
5	Other Long-Term Debt (224)	61.75%	85.33%	61.85%
6	Total Long-Term Debt	61.75%	85.33%	61.85%
7	Total Capital Structure	100.00%	100.00%	100.00%

**Hampstead Area Water Company  
Journal Entries**

**SPS-4**

					<u>Impact on Net Income</u>
1	Dr.	101	Plant in Service	86,400	
	Dr.	131	Cash	10,185	
	Cr.	271	CIAC		48,500
	Cr.	224	Promissory Note		22,000
	Cr.	474	Other Water Revenues		10,185
	Cr.	131	Cash		15,900
	To record plant and related CIAC				
2	Dr.	403	Depreciation Expense	1,340	
	Cr.	108	Accumulated Depreciation		1,340
	To record 1/2 year depreciation and related accumulated depreciation for year 1				
3	Dr.	272	A/A of CIAC	649	
	Cr.	405	Amortization of CIAC		649
	To record 1/2 year amortization of CIAC and related accumulated amortization for year 1				
4	Dr.	131	Cash	9,081	
	Cr.	461	Revenue		9,081
	To record estimated annual revenues				
5	Dr.	600	O&M Expenses	3,299	
	Cr.	131	Cash		3,299
	To record estimated annual expenses				
6	Dr.	408.11	State Utility Property Taxes	278	
	Dr.	408.11	Local Utility Property Taxes	1,030	
	Cr.	131	Cash		1,308
	To record estimated annual property taxes expenses				
7	Dr.	409.1	Federal Income Taxes	10,185	
	Cr.	131	Cash		10,185
	To record estimated federal income taxes on \$48,500 of CIAC (\$48,500 X 21%)				
8	Impact on Net Income				3,782
	Impact on Cash				19,266
	Net Impact on Cash				30,692 (11,426)

SPSt. Cyr  
1/31/2019

**Hampstead Area Water Company**  
**Plant / Accumulated Depreciation / Depreciation Expenses**

SPS-5

<u>Acct. No.</u>	<u>Account Title</u>	<u>Amount</u>	<u>Depr Rate</u>	<u>Year 1 Annual Depreciation</u>	<u>Year 1 Accumulated Depreciation</u>	<u>Year 1 Net Book Value</u>	<u>Estimated Assessed Value (1)</u>	<u>State Util Prop Taxes (2)</u>	<u>Local Util Prop Taxes (3)</u>
302	Franchises	\$ 6,000	5.00%	\$ 300	\$ 150	\$ 5,850	\$ 2,901		
304	Structures	5,826	2.50%	146	73	5,753	2,853		
307	Wells	12,818	3.30%	423	211	12,607	6,252		
309	Supply Mains	2,913	2.00%	58	29	2,884	1,430		
320	Treatment Equipment	17,479	3.60%	629	315	17,164	8,512		
331	T&D Mains	31,464	2.00%	629	315	31,149	15,447		
334	Meter & Meter Installations	9,900	5.00%	495	248	9,653	4,787		
	<b>Total</b>	<b>\$ 86,400</b>		<b>\$ 2,680</b>	<b>\$ 1,340</b>	<b>\$ 85,060</b>	<b>\$ 42,181</b>	<b>\$ 278</b>	<b>\$ 1,030</b>

Notes: (1) Estimated Assessed Value is 49.59% of net book value based on State assessed value as of 4/1/18 / total net utility plant at 12/31/17 (\$5,331,300 / \$10,750,992).  
(2) State utility property taxes is the estimated assessed value divided by 1,000 times \$6.60 (\$42,118 /1,000 x \$6.60).  
(3) Local utility property taxes is the estimated assessed value divided by 1,000 times \$19.30 (\$42,181 /1,000 x \$24.42).

**CIAC / A/A of CIAC / Amortization of CIAC**

<u>Acct. No.</u>	<u>Account Title</u>	<u>Amount</u>	<u>Amort Rate</u>	<u>Year 1 Annual Amort of CIAC</u>	<u>Year 1 Accumulated Amort of CIAC</u>
302	Franchises	\$ -	5.00%	\$ -	\$ -
304	Structures	4,008	2.50%	100	50
307	Wells	8,818	3.30%	291	145
309	Supply Mains	2,004	2.00%	40	20
320	Treatment Equipment	12,025	3.60%	433	216
331	T&D Mains	21,645	2.00%	433	216
334	Meter & Meter Installations		5.00%	-	-
	<b>Total</b>	<b>\$ 48,500</b>		<b>\$ 1,297</b>	<b>\$ 649</b>

**Hampstead Area Water Company  
Source and Use of Funds**

**SPS-6**

Source of Funds

2019

CIAC	\$	48,500
CIAC Tax		10,185
Promissory Note		22,000
Internal Cash		15,900
Total Source of Funds	\$	<u>96,585</u>

Use of Funds

Plant contibuted	\$	48,500
CIAC Tax		10,185
Plant purchased		22,000
Plant meters		9,900
Franchise Costs		6,000
Total Use of Funds	\$	<u>96,585</u>

SPSt. Cyr  
1/31/2019

**Hampstead Area Water Company  
Estimated Franchise Costs**

**SPS-7**

2019 Franchise Costs

St. Cyr & Associates	\$ 2,000
Lewis Builders Development	<u>4,000</u>
Total Estimated Franchise Costs	<u>\$ 6,000</u>

SPSt. Cyr  
1/31/2019