

Abenaki Water Company - Tioga Belmont

SPS 1-1

2020 NH DWGTF Financing of tank / gate valves

Balance Sheet

Assets and Other Debits

Line No. (a)	Account Title (Number) (b)	2019 Year End Balance (c)	Adjustments (d)	2019 Proformed Year End Balance (e)
UTILITY PLANT				
1	Utility Plant (101-106)	\$ 187,535	\$ 45,806	\$ 233,341
2	Less: Accumulated Depr. and Amort. (108-110)	\$ 74,829	\$ (3,598)	\$ 71,231
3	Net Plant	\$ 112,706	\$ 49,404	\$ 162,110
4	Utility Plant Acquisition Adj. (Net) (114-115)			-
5	Total Net Utility Plant	\$ 112,706	\$ 49,404	\$ 162,110
OTHER PROPERTY AND INVESTMENTS				
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			
CURRENT AND ACCRUED ASSETS				
16	Cash (131)	4,918	(10,188)	(5,270)
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)	2,109		2,109
22	Accounts Receivable from Assoc. Co. (145)			
23	Notes Receivable from Assoc. Co. (146)			
24	Materials and Supplies (151-153)	2,351		2,351
25	Stores Expense (161)			
26	Prepayments-Other (162)			
27	Prepaid Taxes (163)			
28	Interest and Dividends Receivable (171)			
29	Rents Receivable (172)			
30	Accrued Utility Revenues (173)	1,317		1,317
31	Misc. Current and Accrued Assets (174)			
32	Total Current and Accrued Assets	\$ 10,695	\$ (10,188)	\$ 507
DEFERRED DEBITS				
32	Unamortized Debt Discount & Expense (181)	2,324	9,500	11,824
33	Extraordinary Property Losses (182)			
34	Prelim. Survey & Investigation Charges (183)	49,628		49,628
35	Clearing Accounts (184)			
36	Temporary Facilities (185)			
37	Miscellaneous Deferred Debits (186)	12,667		12,667
38	Research & Development Expenditures (187)			
39	Accumulated Deferred Income Taxes (190)			
40	Total Deferred Debits	\$ 64,619	\$ 9,500	\$ 74,119
TOTAL ASSETS AND OTHER DEBITS		\$ 188,020	\$ 48,717	\$ 236,737

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Balance Sheet

Equity Capital and Liabilities

Line No. (a)	Account Title (Number) (b)	2019 Year End Balance (c)	Adjustments (f)	2019 Proformed Year End Balance (g)
EQUITY CAPITAL				
1	Common Stock Issued (201)			
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)	50,948		50,948
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	(19,973)	451	(19,522)
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 30,975	\$ 451	\$ 31,426
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	43,247	43,325	86,572
17	Total Long-Term Debt	\$ 43,247	\$ 43,325	\$ 86,572
CURRENT AND ACCRUED LIABILITIES				
18	Accounts Payable (231)	8,364		8,364
19	Notes Payable (232)			
20	Accounts Payable to Associated Co. (233)	36,173		36,173
21	Notes Payable to Associated Co. (234)			
22	Customer Deposits (235)			
23	Accrued Taxes (236)	(2,015)		(2,015)
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)	40,463		40,463
29	Total Current and Accrued Liabilities	\$ 82,985	\$ -	\$ 82,985
DEFERRED CREDITS				
30	Unamortized Premium on Debt (251)			
31	Advances for Construction (252)			
32	Other Deferred Credits (253)			
33	Accumulated Deferred Investment Tax Credits (255)			
34	Accumulated Deferred Income Taxes:			
35	Accelerated Amortization (281)			
36	Liberalized Depreciation (282)	(1,000)		(1,000)
37	Other (283)			
38	Total Deferred Credits	\$ (1,000)	\$ -	\$ (1,000)
OPERATING RESERVES				
39	Property Insurance Reserve (261)			
40	Injuries and Damages Reserve (262)			
41	Pensions and Benefits Reserves (263)			
42	Miscellaneous Operating Reserves (265)			
43	Total Operating Reserves			
CONTRIBUTIONS IN AID OF CONSTRUCTION				
44	Contributions In Aid of Construction (271)	61,894	5,000	66,894
45	Accumulated Amortization of C.I.A.C. (272)	30,081	60	30,141
46	Total Net C.I.A.C.	\$ 31,813	\$ 4,940	\$ 36,753
46	TOTAL EQUITY CAPITAL AND LIABILITIES	\$ 188,020	\$ 48,717	\$ 236,737

Abenaki Water Company - Tioga Belmont

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2020 NH DWGTF Financing of tank / gate valves

Statement of Income (for the period 5/1/2019 - 12/31/19)

Line No. (a)	Account Title (Number) (b)	2019 Year End Balance (c)	Adjustments (e)	2019 Proformed Year End Balance (f)
	UTILITY OPERATING INCOME			
1	Operating Revenues(400)	\$ 12,638	\$ 3,947	\$ 16,585
2	Operating Expenses:			
3	Operating and Maintenance Expense (401)	36,461		36,461
4	Depreciation Expense (403)	5,532	596	6,128
5	Amortization of Contribution in Aid of Construction (405)	(2,314)	(60)	(2,374)
6	Amortization of Utility Plant Acquisition Adjustment (406)			
7	Amortization Expense-Other (407)			
8	Taxes Other Than Income (408.1-408.13)	273	1,150	1,423
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	(7,600)		(7,600)
10	Total Operating Expenses	\$ 32,352	\$ 1,686	\$ 34,038
11	Net Operating Income (Loss)	(19,714)	2,260	(17,454)
12	Income From Utility Plant Leased to Others (413)			
13	Gains(Losses) From Disposition of Utility Property (414)			
14	Net Water Utility Operating Income	\$ (19,714)	\$ 2,260	\$ (17,454)
	OTHER INCOME AND DEDUCTIONS			
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)			-
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	Total Other Income and Deductions	\$ -	\$ -	\$ -
	TAXES APPLICABLE TO OTHER INCOME			
24	Taxes Other Than Income (408.2)			
25	Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)			
26	Total Taxes Applicable To Other Income			
	INTEREST EXPENSE			
27	Interest Expense (427)	259	1,309	1,568
28	Amortization of Debt Discount & Expense (428)		500	500
29	Amortization of Premium on Debt (429)			
30	Total Interest Expense	\$ 259	\$ 1,809	\$ 2,068
31	Income Before Extraordinary Items	(19,973)	451	(19,522)
	EXTRAORDINARY ITEMS			
32	Extraordinary Income (433)			
33	Extraordinary Deductions (434)			
34	Income Taxes, Extraordinary Items (409.3)			
35	Net Extraordinary Items			
	NET INCOME (LOSS)	\$ (19,973)	\$ 451	\$ (19,522)

2020 NH DWGTF Financing of tank / gate valves

Capital Structure

Line No. (a)	Account Title (Number) (b)	12/31/2019 (c)	Proforma Adjustments (d)	Proformed 12/31/2019 (e)
EQUITY CAPITAL				
1	Common Stock Issued (201)			
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)	50,948		50,948
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	(19,973)	451	(19,522)
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 30,975	\$ 451	\$ 31,426
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	43,247	43,325	86,572
17	Total Long-Term Debt	\$ 43,247	\$ 43,325	\$ 86,572
	Total Capitalization	\$ 74,222	\$ 43,776	\$ 117,998

Capitalization Ratios

Line No. (a)	Account Title (Number) (a)	12/31/2018	Proforma Adjustments	Proformed 12/31/2008
EQUITY CAPITAL				
1	Common Stock Issued (201)			
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)	68.64%		43.18%
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	-26.91%	1.03%	-16.54%
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	41.73%	1.03%	26.63%
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	58.27%	98.97%	73.37%
17	Total Long-Term Debt	58.27%	98.97%	73.37%
	Total Capitalization	100.00%	100.00%	100.00%

2020 NH DWGTF Financing of tank / gate valves

Journal Entries				Impact on NI
JE#1	Dr. Miscellaneous Deferred Debits	10,000		
	Cr. Cash		10,000	
	To record costs associated with financing (See SPS 10)			
JE#2	Dr. Cash	45,000		
	Cr. Other Long Term Debt		45,000	
	To record receipt of cash and additional LTD (See SPS 6)			
JE#3	Dr. Plant	50,000		
	Cr. Cash		45,000	
	Cr. CIAC		5,000	
	To record plant and CIAC (See SPS 7 & 8)			
JE#4	Dr. Accumulated Depreciation	4,194		
	Cr. Plant		4,194	
	To record retirement of plant			
JE#5	Dr. Depreciation Expenses	596		(596)
	Cr. Accumulated Depreciation		596	
	To record first year depreciation expense and related A/D (See SPS 7)			
JE#6	Dr. Accumulated Amortization of CIAC	60		
	Cr. Amortization of CIAC		60	60
	To record first year depreciation expense and related A/D (See SPS 8)			
JE#7	Dr. Amortization of Debt Expense	500		(500)
	Cr. Miscellaneous Deferred Debt		500	
	To record amortization of debt expense (See SPS-10)			
JE#8	Dr. Other Long Debt	1,675		
	Dr. Interest Expense	1,309		(1,309)
	Cr. Cash		2,984	
	To record first year repayment of principal and interest on \$50,000 of NH DWGTF Loan			
JE#9	Dr. Cash	3,947		
	Cr. Revenue		3,947	3,947
JE#10	Dr. O&M Expenses	-		-
	Dr. Taxes other than Income	1,150		(1,150)
	Dr. Income Taxes	-		-
	Cr. Cash		1,150	
	To record increase in property taxes (See SPS 8)			
	Total Impact on Net Income			451
	Impact on Cash			
		48,947	59,134	
			(10,188)	

Abenaki Water Company - Tioga Belmont

SPS 5

2020 NH DWGTF Financing of tank / gate valves

Preliminary Calculation of Revenue Requirement

	<u>Total</u>
Plant Additions/Retirements:	
Plant Additions	
330 Tank	\$ 38,210
331 Mains - Gate Vavles	11,790
TOTAL	<u>\$ 50,000</u>
Plant Retirements	
330 Tank	\$ 4,194
TOTAL	<u>\$ 4,194</u>
Net Additions/Retirements	<u>\$ 45,806</u>
Add: Accum Depr on Retired Plant	4,194
Less: Accum Depr on New Plant	<u>(596)</u>
Net Plant	\$49,404
CIAC	
330 Tank	\$ (3,821)
331 Mains - Gate Vavles	(1,179)
TOTAL	<u>\$ (5,000)</u>
Plus: Accum Amort on CIAC	60
Net CIAC	<u>(4,940)</u>
Plus: Working Capital	<u>0</u>
Total Additional Rate Base	\$44,464
Rate of Return	<u>4.02%</u>
Return on Investment	<u>\$ 1,787</u>
Increase in Operating Expenses	\$ -
Decrease in Depreciation Expense on Retired Plant	(63)
Increase in Depreciation Expense on New Plant	1,191
Increase in Amortization of CIAC	(119)
Taxes other than Income	1,150
Income Taxes	-
Total Increase in Operating Expenses	<u>\$ 2,159</u>
Increase in Revenue Required	<u>\$ 3,947</u>

SPSt. Cyr

4/3/2020

2020 NH DWGTF Financing of tank / gate valves

Weighted Average Cost of Capital

<u>Financing</u>	<u>Amount</u>	<u>Percent</u>	<u>Interest Rate</u>	<u>Interest Expense</u>	<u>Amortization of Fin Costs</u>	<u>Total Interest</u>	<u>Cost Rate</u>	Weighted Average Cost of Capital
NH DWGTF	<u>\$45,000</u>	<u>100.00%</u>	2.96%	\$1,309	\$500	\$1,809	4.02%	<u>4.02%</u>
Total Capitalization	<u>\$45,000</u>	<u>100.00%</u>						<u>4.02%</u>

SPSt. Cyr
4/3/2020

Abenaki Water Company - Tioga Belmont

SPS 7

2020 NH DWGTF Financing of tank / gate valves

Plant / Accumulated Depreciation / Depreciation Expense

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
<u>Additions to Plant</u>					
330	Tank	\$ 38,210	2.50%	\$ 955	\$ 478
331	Mains - 6 gate valves	11,790	2.00%	236	118
	Total	<u>\$ 50,000</u>		<u>\$ 1,191</u>	<u>\$ 596</u>
<u>Retirement from Plant</u>					
330	Tank	<u>\$ 4,194</u>	2.00%	<u>\$ 84</u>	<u>\$ 4,166</u>

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4/3/2020

Abenaki Water Company - Tioga Belmont

SPS 8

2020 NH DWGTF Financing of tank / gate valves

CIAC / A/A of CIAC / Amortization of CIAC

PUC Acct. No.	Description	Cost	CIAC Rate	Annual Cost	AA of CIAC
<u>Tioga Belmont</u>					
330	Tank	3,821	2.50%	96	48
331	Mains - 6 gate valves	1,179	2.00%	24	12
	Total	<u>\$ 5,000</u>		<u>\$ 119</u>	<u>\$ 60</u>

SPSt. Cyr
4/3/2020

2020 NH DWGTF Financing of tank / gate valves

Property Taxes

Total
Projected
Costs

Total Project Costs	\$ 50,000
Accumulated Depreciation	<u>(596)</u>
Net Plant	\$ 49,404
Thousand Dollars of Assessed Value	\$ 49.40
Tax Value as % of Net Book Value	78.34%
Combined State and Local Property Tax Rate	<u>29.72</u>
State Property Taxes	\$ <u>1,150</u>

Combined State and Local Property Tax Rate:

New Hampshire	\$ 6.60
Belmont	<u>23.12</u>
Total	\$ <u>29.72</u>

NHDRA Assessed value as of 4/1/19	\$ 1,300,600
Net Plant at 12/31/18	<u>1,660,290</u>
Percent of assessed value to net plant	<u>78.34%</u>

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4/3/2020

Abenaki Water Company - Tioga Belmont

SPS 10

2020 NH DWGTF Financing of tank / gate valves

Total Costs of Projects	\$ 50,000
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Source of Funds:

NH DWGTF Loan Funds	45,000
NH DWGTF Grant Funds	5,000
Total Source of Funds	\$ 50,000

Use of Funds:

Water Tank	35,000
Gate Valves	10,800
Engineering	4,200
Total Use of Funds	\$ 50,000

SPSt. Cyr
4/3/2020

2020 NH DWGTF Financing of tank / gate valves**Estimated Financing Costs**

NH DWGTF	\$ -
NESC	5,000
Stephen P. St. Cyr & Associates	<u>5,000</u>
Total Financing Costs	\$ 10,000
Life of Loan	<u>20 Yrs.</u>
Annual Amortization Expense	<u>\$ 500</u>

SPSt. Cyr
4/3/2020