

Class C Water Utility

F-1 BALANCE SHEET
Assets and Other Debits

Line # (a)	Acct # (b)	Account Title (c)	Current Year End Balance (d)	Proforma Adjustments (e)	Proforma Year End Balance (f)
		UTILITY PLANT			
1	101-105	Utility Plant	\$127,050	\$266,000	\$393,050
2	108-110	Less: Accumulated Depreciation & Amortization	38,687	7,997	46,684
3		Net Plant	\$88,363	\$258,003	\$346,366
4	114-115	Utility Plant Acquisition Adjustment - Net			
5		Total Net Utility Plant	\$88,363	\$258,003	\$346,366
		OTHER PROPERTY AND INVESTMENTS			
6	121	Nonutility Property			
7	122	Less: Accumulated Depreciation & Amortization			
8		Net Nonutility Property			
9	124	Utility Investments			
10	127	Depreciation Funds			
11		Total Other Property and Investments			
		CURRENT AND ACCRUED ASSETS			
12	131	Cash	\$4,347	\$3,369	\$7,716
13	132	Special Deposits			
14	141-143	Accounts & Notes Receivable Net	9,229		9,229
15	151	Plant Materials and Supplies			
16	162-163	Prepayments			
17	174	Miscellaneous Current and Accrued Assets			
18		Total Current and Accrued Assets	\$13,576	\$3,369	\$16,945
		DEFERRED DEBITS			
19	186	Miscellaneous Deferred Debits	\$2,000	(\$100)	\$1,900
20	190	Accumulated Deferred Income Taxes			
21		Total Deferred Debits	\$2,000	(\$100)	\$1,900
		TOTAL ASSETS AND OTHER DEBITS	\$103,939	\$261,272	\$365,211

Class C Water Utility

F-1 BALANCE SHEET
Equity Capital and Liabilities

Line # (a)	Acct # (b)	Account Title ©	Current Year End Balance (d)	Proforma Adjustments (e)	Proforma Year End Balance (f)
EQUITY CAPITAL					
1	201	Common Stock Issued	\$200		\$200
2	204	Preferred Stock Issued			
3	211	Other Paid In Capital	50,522		50,522
4	217	Retained Earnings	(53,337)	\$3,826	(49,511)
5	218	Proprietary Capital (Proprietorships & Partnerships)			
6		Total Equity Capital	(\$2,615)	\$3,826	\$1,211
LONG TERM DEBT					
7	224	Other Long-Term Debt	\$54,908	128,444	\$183,352
CURRENT AND ACCRUED LIABILITIES					
8	231	Accounts Payable	\$16,288		\$16,288
9	232	Notes Payable			
10	235	Customer Deposits			
11	236	Accrued Taxes	228		228
12	237	Accrued Interest	14,081		14,081
13	241	Miscellaneous Current & Accrued Liabilities			
14		Total Current and Accrued Liabilities	\$30,597	\$0	\$30,597
OTHER LIABILITIES					
15	252	Advances for Construction			
16	253	Other Deferred Credits			
17	255	Accumulated Deferred Investment Tax Credit			
18	265	Miscellaneous Operating Reserves			
19	271-272	CIAC - Net	21,049	129,002	150,051
20	281-283	Accumulated Deferred Income Taxes			
21		Total Other Liabilities	\$21,049	\$129,002	\$150,051
22		TOTAL LIABILITIES AND CAPITAL	\$103,939	\$261,272	\$365,211

Class C Water Utility

F-2 STATEMENT OF INCOME

Line # (a)	Acct # (b)	Account Title (c)	Current Year End Balance (d)	Proforma Adjustments (e)	Proforma Year End Balance (f)
		UTILITY OPERATING INCOME			
1	400	Operating Revenue	\$23,929	\$15,582	\$39,511
2	-	Operating Expenses:			
3	401	Operation and Maintenance	\$24,909	\$0	\$24,909
4	403	Depreciation	4,682	7,997	12,679
5	405	Amortization of CIAC	(1,299)	(3,998)	(5,297)
6	406	Amortization of Utility Plant Acquisition Adj			
7	407	Amortization - Other			
8	408	Taxes Other Than Income	1,159	2,755	3,914
9	-	Income Taxes (409.1, 410.1, 411.1, 412.1)	-	-	-
10		Total Operating Expenses	\$29,451	\$6,753	\$36,204
11		Net Operating Income (Loss)	(\$5,522)	\$8,828	\$3,306
		OTHER INCOME AND DEDUCTIONS			
12	419	Interest & Dividend Income			
13	420	Allowance for Funds Used During Construction			
14	421	Non-Utility Income			
15	422	Gain (Loss) From Disposition Nonutility Property			
16	426	Miscellaneous Non-Utility Expenses			
17	427	Interest Expense	3,848	5,002	8,850
18	-	Taxes Other Than Income (409.2+410.2+411.2+412.2)	-		-
19		Total Other Income and Deductions	(\$3,848)	(\$5,002)	(\$8,850)
20		NET INCOME (LOSS)	(\$9,370)	\$3,826	(\$5,544)

Class C Water Utility

F-1 BALANCE SHEET
Capital Structure

Line # (a)	Acct # (b)	Account Title ©	Current Year End Balance (d)	Proforma Adjustments (e)	Proforma Year End Balance (f)
EQUITY CAPITAL					
1	201	Common Stock Issued	\$200		\$200
2	204	Preferred Stock Issued			
3	211	Other Paid In Capital	50,522		50,522
4	215	Unappropriated Retained Earnings			
5	217	Retained Earnings	(53,337)	\$3,826	(49,511)
6	218	Proprietary Capital (Proprietorships & Partnerships)			
7		Total Equity Capital	(\$2,615)	\$3,826	\$1,211
LONG TERM DEBT					
8	224	Other Long-Term Debt	\$54,908	\$128,444	\$183,352
9		TOTAL CAPITAL	\$52,293	\$132,270	\$184,563

Capital Structure

Line # (a)	Acct # (b)	Account Title ©	Current Year End Balance (d)	Proforma Adjustments (e)	Proforma Year End Balance (f)
EQUITY CAPITAL					
1	201	Common Stock Issued	0.38%		0.11%
2	204	Preferred Stock Issued			
3	211	Other Paid In Capital	96.61%		27.37%
4	215	Unappropriated Retained Earnings			
5	217	Retained Earnings	-102.00%	2.89%	-26.83%
6	218	Proprietary Capital (Proprietorships & Partnerships)			
7		Total Equity Capital	-5.00%	2.89%	0.66%
LONG TERM DEBT					
8	224	Other Long-Term Debt	105.00%	97.11%	99.34%
9		TOTAL CAPITAL	100.00%	100.00%	100.00%

JOURNAL ENTRIES

				Impact on NI
JE#1	Dr. Unamortized Debt Expense	2,000		
	Cr. Miscellaneous Deferred Debits		2,000	
	To record costs associated with financing (See SPS 11)			
JE#2	Dr. Cash	266,000		
	Cr. Other Long Term Debt		133,000	
	Cr. Contribution in Aid of Construction		133,000	
	To record receipt of cash and additional long term debt (See SPS 10)			
JE#3	Dr. Accumulated Depreciation			
	Cr. Depreciation Expense		0	0
	Dr. Accumulated Depreciation			
	Cr. Plant		0	
	To reverse 2008 depreciation on retired plant and record retirement of such plant			
JE#4	Dr. Plant	266,000		
	Cr. Cash		266,000	
	To record additional investment in plant (See SPS 6)			
JE#5	Dr. Depreciation Expense	7,997		(7,997)
	Cr. Accumulated Depreciation		7,997	
	To record annual depreciation expense (See SPS 6)			
JE#6	Dr. Accumulated Amortization of CIAC	3,998		
	Cr. Amortization Expense		3,998	3,998
	To record annual amortization expense (See SPS 7)			
JE#7	Dr. Operating Expenses			0
	Cr. Cash			
	To record increase in operating expenses			
JE#8	Dr. Taxes other than Income - State	851		(851)
	Dr. Taxes other than Income - Local	1,904		(1,904)
	Dr. State Business Enterprise Taxes	0		0
	Dr. Federal Income Taxes	0		0
	Cr. Cash		2,755	
	To record increase in property taxes and business enterprise taxes (See SPS 8 & 9)			
JE#9	Dr. Other Long Debt	4,556		
	Dr. Interest Expense	4,902		(4,902)
	Cr. Cash		9,458	
	To record repayment of principal and interest			
JE#10	Dr. Amortization of Debt Expense	100		(100)
	Cr. Miscellaneous Deferred Debt		100	
	To record amortization of debt expense			
JE#11	Dr. Cash	15,582		
	Cr. Revenue		15,582	15,582
	To record receipt of revenue (See SPS 5)			
	Total Impact on Net Income			3,826

Financing and Step Increase for ARRA Projects

Preliminary Calculation of Revenue Requirement

	Tioga Projected <u>Costs</u>	GVWD Projected <u>Costs</u>	Total Projected <u>Costs</u>
Plant Additions/Retirements:			
Plant Additions			
Structures and Improvements	\$35,952	\$10,953	\$46,905
Pumping Equipment	47,937	65,714	113,651
Water Treatment Equipment	23,968	32,857	56,825
Mains	43,143		43,143
Other Plant and Equipment		5,476	5,476
Total	\$151,000	\$115,000	\$266,000
Plant Retirements	<u>0</u>	<u>0</u>	<u>0</u>
Net Additions/Retirements	\$151,000	\$115,000	\$266,000
Add: Accum Depr on Retired Plant	0	0	0
Less: Accum Depr on New Plant	<u>3,709</u>	<u>4,288</u>	<u>7,997</u>
Net Plant	<u>\$147,291</u>	<u>\$110,712</u>	<u>\$258,003</u>
Contribution in Aid of Construction			
Structures and Improvements	\$17,976	\$5,477	\$23,453
Pumping Equipment	23,969	32,857	56,826
Water Treatment Equipment	11,984	16,429	28,413
Mains	21,572		21,572
Other Plant and Equipment		<u>2,738</u>	<u>2,738</u>
Total	\$75,500	\$57,500	\$133,000
Less: Accumulated Amortization of CIAC	<u>1,855</u>	<u>2,144</u>	<u>3,998</u>
Net Contribution in Aid of Construction	<u>73,645</u>	<u>55,356</u>	<u>129,002</u>
Plus: Working Capital	<u>0</u>	<u>0</u>	<u>0</u>
Total Additional Rate Base	\$73,645	\$55,356	\$129,002
Rate of Return	<u>3.744%</u>	<u>3.744%</u>	<u>3.744%</u>
Additional Net Operating Income Required	<u>\$2,757</u>	<u>\$2,073</u>	<u>\$4,830</u>
Increase in Operating and Maintenance Expenses			0
Increase in Depreciation Expense	7,418	8,576	15,994
Increase in Amortization of CIAC	(3,709)	(4,288)	(7,997)
Increase in Taxes other than Income - State	486	365	851
Increase in Taxes other than Income - Town	1,156	747	1,904
Increase in Business Taxes - State			0
Increase in Income Taxes - Federal			0
Total Increase in Operating Expenses	<u>5,351</u>	<u>5,400</u>	<u>10,752</u>
Total Additional Revenue Required	\$8,109	\$7,473	\$15,582
Fiscal Year Ended 10/31/08 Operating Revenues	<u>10,928</u>	<u>13,001</u>	<u>23,929</u>
Total Revenue Required	<u>\$19,037</u>	<u>\$20,474</u>	<u>\$39,511</u>
Percentage Increase Required	<u>74.20%</u>	<u>57.48%</u>	<u>65.12%</u>

Financing and Step Increase for ARRA Projects

Plant

Preliminary Accumulated Depreciation and Depreciation Expense

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
	<u>Tioga</u>				
304	Structures	\$35,952	2.50%	\$899	\$449
311	Pumping Equipment	47,937	10.00%	4,794	2,397
320	Water Treatment Equipment	23,968	3.60%	863	431
331	Mains	43,143	2.00%	863	431
	TOTAL	<u>\$151,000</u>		<u>\$7,418</u>	<u>\$3,709</u>
	<u>Gilford Village Water District</u>				
304	Structures	\$10,953	2.50%	\$274	\$137
311	Pumping Equipment	65,714	10.00%	6,571	3,286
320	Water Treatment Equipment	32,857	3.60%	1,183	591
339	Other Plant and Equipment	5,476	10.00%	548	274
	TOTAL	<u>\$115,000</u>		<u>\$8,576</u>	<u>\$4,288</u>
	GRAND TOTAL	<u>\$266,000</u>		<u>\$15,994</u>	<u>\$7,997</u>

SPSt. Cyr
6/16/2009

Financing and Step Increase for ARRA Projects

CIAC

Preliminary Accumulated Amortization of CIAC and Amortization of CIAC

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Amort
	<u>Tioga</u>				
304	Structures	\$17,976	2.50%	\$449	\$225
311	Pumping Equipment	23,969	10.00%	2,397	1,198
320	Water Treatment Equipment	11,984	3.60%	431	216
331	Mains	<u>21,572</u>	2.00%	<u>431</u>	<u>216</u>
	TOTAL	<u>\$75,500</u>		<u>\$3,709</u>	<u>\$1,855</u>
	<u>Gilford Village Water District</u>				
304	Structures	\$5,477	2.50%	\$137	\$68
311	Pumping Equipment	32,857	10.00%	3,286	1,643
320	Water Treatment Equipment	16,429	3.60%	591	296
339	Other Plant and Equipment	<u>2,738</u>	10.00%	<u>274</u>	<u>137</u>
	TOTAL	<u>\$57,500</u>		<u>\$4,288</u>	<u>\$2,144</u>
	GRAND TOTAL	<u>\$133,000</u>		<u>\$7,997</u>	<u>\$3,998</u>

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6/16/2009

Financing and Step Increase for ARRA Projects

Taxes	Tioga Projected Costs	GVWD Projected Costs	Total Projected Costs
<u>State Property Taxes</u>			
Total Project Costs	\$151,000	\$115,000	\$266,000
Accumulated Depreciation	<u>3,709</u>	<u>4,288</u>	<u>7,997</u>
Net Plant	<u>\$147,291</u>	<u>\$110,712</u>	<u>\$258,003</u>
Thousand Dollars of Assessed Value	<u>\$147</u>	<u>\$111</u>	<u>\$258</u>
Adjusted \$000 of Assessed Value	<u>\$74</u>	<u>\$55</u>	<u>\$129</u>
Property Tax Rate	<u>6.60</u>	<u>6.60</u>	<u>6.60</u>
State Property Taxes	<u>\$486</u>	<u>\$365</u>	<u>\$851</u>
<u>Local Property Taxes</u>			
Total Project Costs	\$151,000	\$115,000	\$266,000
Accumulated Depreciation	<u>3,709</u>	<u>4,288</u>	<u>7,997</u>
Net Plant	<u>\$147,291</u>	<u>\$110,712</u>	<u>\$258,003</u>
Thousand Dollars of Assessed Value	<u>\$147</u>	<u>\$111</u>	<u>\$258</u>
Adjusted \$000 of Assessed Value	<u>\$74</u>	<u>\$55</u>	<u>\$129</u>
Property Tax Rate	<u>15.70</u>	<u>13.50</u>	
Local Property Taxes	<u>\$1,156</u>	<u>\$747</u>	<u>\$1,904</u>

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6/16/2009

Financing and Step Increase for ARRA Projects**Income Taxes**State Business Taxes

Pretax Income	
State Business Taxes Rate	<u>8.50%</u>
State Business Taxes	<u>\$0</u>

Federal Income Taxes

Pretax Income	\$0
State Business Taxes	<u>0</u>
Pretax Federal Income	\$0
Federal Income Rate	<u>15.00%</u>
Federal Income Taxes	<u>\$0</u>

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5/21/2009

Financing and Step Increase for ARRA Projects

Total Costs of Projects	<u>\$266,000</u>
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Source of Funds:

State of New Hampshire - Loan	\$133,000
State of New Hampshire - Grant	<u>133,000</u>
Total Source of Funds	<u>\$266,000</u>

Use of Funds:

Tioga - Pump Station, Pumps & Treatment Equipment	\$151,000
GVWD - Pump Station, Pumps, Treatment Equipment & Generator	<u>115,000</u>
Total Use of Funds	<u>\$266,000</u>

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6/16/2009

Financing and Step Increase for ARRA Projects

Estimated Financing and Step Increase Costs

Stephen P. St. Cyr & Associates	<u>\$2,000</u>
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Total Financing Costs	<u>\$2,000</u>
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6/16/2009