

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)
<b>UTILITY PLANT</b>					
1	101-105	Utility Plant	\$59,476	\$126,000	\$185,476
2	108-110	Less: Accumulated Depreciation & Amortization	27,553	2,800	30,353
3		Net Plant	\$31,923	\$123,200	\$155,123
4	114-115	Utility Plant Acquisition Adjustment - Net			
5		Total Net Utility Plant	\$31,923	\$123,200	\$155,123
<b>OTHER PROPERTY AND INVESTMENTS</b>					
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			
<b>CURRENT AND ACCRUED ASSETS</b>					
12	131	Cash	\$1,553	(\$814)	\$739
13	132	Special Deposits			
14	141-143	Accounts & Notes Receivable Net	6,541		6,541
15	151	Plant Materials and Supplies			-
16	162-163	Prepayments	1,181		1,181
17	174	Miscellaneous Current and Accrued Assets			
18		Total Current and Accrued Assets	\$9,275	(\$814)	\$8,461
<b>DEFERRED DEBITS</b>					
19	186	Miscellaneous Deferred Debits	\$7,955	\$1,350	\$9,305
20	190	Accumulated Deferred Income Taxes			
21		Total Deferred Debits	\$7,955	\$1,350	\$9,305
<b>TOTAL ASSETS AND OTHER DEBITS</b>			<b>\$49,153</b>	<b>\$123,736</b>	<b>\$172,889</b>

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)
<b>EQUITY CAPITAL</b>					
1	201	Common Stock Issued			
2	204	Preferred Stock Issued			
3	211	Other Paid In Capital	92,677		92,677
4	217	Retained Earnings	(96,929)	\$2,736	(94,193)
5	218	Proprietary Capital (Proprietorships & Partnerships)			
6		Total Equity Capital	(\$4,252)	\$2,736	(\$1,516)
<b>LONG TERM DEBT</b>					
7	224	Other Long-Term Debt	\$52,454	121,000	\$173,454
<b>CURRENT AND ACCRUED LIABILITIES</b>					
8	231	Accounts Payable	\$156		\$156
9	232	Notes Payable			
10	235	Customer Deposits			
11	236	Accrued Taxes	201		201
12	237	Accrued Interest			
13	241	Miscellaneous Current & Accrued Liabilities	594		594
14		Total Current and Accrued Liabilities	\$951	\$0	\$951
<b>OTHER LIABILITIES</b>					
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			-
20	281-283	Accumulated Deferred Income Taxes			-
21		Total Other Liabilities	\$0	\$0	\$0
22		<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$49,153</b>	<b>\$123,736</b>	<b>\$172,889</b>

## 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)
<b>UTILITY OPERATING INCOME</b>					
1	400	Operating Revenue	\$14,896	\$11,289	\$26,185
2	-	Operating Expenses:			
3	401	Operation and Maintenance	\$15,198	\$0	\$15,198
4	403	Depreciation	2,648	2,800	5,448
5	405	Amortization of CIAC			
6	406	Amortization of Utility Plant Acquisition Adj			
7	407	Amortization - Other			
8	408	Taxes Other Than Income	837	2,708	3,545
9	-	Income Taxes (409.1, 410.1, 411.1, 412.1)		-	-
10		Total Operating Expenses	\$18,683	\$5,508	\$24,191
11		Net Operating Income (Loss)	(\$3,787)	\$5,781	\$1,994
<b>OTHER INCOME AND DEDUCTIONS</b>					
12	419	Interest & Dividend Income			\$0
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	65	3,045	3,110
18	-	Taxes Other Than Income (409.2+410.2+411.2+412.2)			-
19		Total Other Income and Deductions	(\$65)	(\$3,045)	(\$3,110)
20		<b>NET INCOME (LOSS)</b>	<b>(\$3,852)</b>	<b>\$2,736</b>	<b>(\$1,116)</b>

**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)
<b>EQUITY CAPITAL</b>					
1	201	Common Stock Issued			\$0
2	204	Preferred Stock Issued			
3	211	Other Paid In Capital	92,677		92,677
4	215	Unappropriated Retained Earnings			
5	217	Retained Earnings	(96,929)	\$2,736	(94,193)
6	218	Proprietary Capital (Proprietorships & Partnerships)			
7		Total Equity Capital	(\$4,252)	\$2,736	(\$1,516)
<b>LONG TERM DEBT</b>					
8	224	Other Long-Term Debt	\$52,454	\$121,000	\$173,454
9		<b>TOTAL CAPITAL</b>	\$48,202	\$123,736	\$171,938

**Capital Structure**

Line # (a)	Acct # (b)	Account Title ©	Current Year End Balance (d)	Proforma Adjustments (e)	Proforma Year End Balance (f)
<b>EQUITY CAPITAL</b>					
1	201	Common Stock Issued	0.00%		0.00%
2	204	Preferred Stock Issued			
3	211	Other Paid In Capital	192.27%		53.90%
4	215	Unappropriated Retained Earnings			
5	217	Retained Earnings	-201.09%	2.21%	-54.78%
6	218	Proprietary Capital (Proprietorships & Partnerships)			
7		Total Equity Capital	-8.82%	2.21%	-0.88%
<b>LONG TERM DEBT</b>					
8	224	Other Long-Term Debt	108.82%	97.79%	100.88%
9		<b>TOTAL CAPITAL</b>	100.00%	100.00%	100.00%

**Forest Edge Water Company**

**Year ended December 31, 2009 SPS 4**

		JOURNAL ENTRIES		Impact on NI
JE#1	Dr. Unamortized Debt Expense	1,500		
	Cr. Cash		1,500	
	To record costs associated with financing (See SPS 10)			
JE#2	Dr. Cash	126,000		
	Cr. Other Long Term Debt		126,000	
	To record receipt of cash and additional long term debt (See SPS 9)			
JE#3	Dr. Plant	126,000		
	Cr. Cash		126,000	
	To record additional investment in plant (See SPS 6)			
JE#4	Dr. Accumulated Depreciation			
	Cr. Plant			
	To record retirement of plant			
JE#5	Dr. Depreciation Expense	2,800		(2,800)
	Cr. Accumulated Depreciation		2,800	
	To record annual depreciation expense (See SPS 6)			
JE#6	Dr. Operating Expenses			0
	Cr. Cash			
	To record increase in operating expenses			
JE#7	Dr. Taxes other than Income - State	813		(813)
	Dr. Taxes other than Income - Local	1,895		(1,895)
	Dr. State Business Enterprise Taxes	0		0
	Dr. Federal Income Taxes	0		0
	Cr. Cash		2,708	
	To record increase in property taxes and business enterprise taxes (See SPS 7 & 8)			
JE#8	Dr. Other Long Debt	5,000		
	Dr. Interest Expense	2,895		(2,895)
	Cr. Cash		7,895	
	To record repayment of principal and interest			
JE#9	Dr. Amortization of Debt Expense	150		(150)
	Cr. Miscellaneous Deferred Debt		150	
	To record amortization of debt expense			
JE#10	Dr. Cash	11,289		
	Cr. Revenue		11,289	<u>11,289</u>
	To record receipt of revenue (See SPS 5)			
	Impact on Net Income			<u>2,736</u>

Financing and Step Increase for ARRA Projects

Preliminary Calculation of Revenue Requirement

	Total Projected Costs
Plant Additions/Retirements:	
Plant Additions	
Structures	\$90,000
Pumping Equipment	26,000
Power Generation Equipment	<u>10,000</u>
Total	\$126,000
Less: Accumulated Depreciation	<u>2,800</u>
Net Plant	<u>\$123,200</u>
Plus: Working Capital	<u>0</u>
Total Additional Rate Base	\$123,200
Rate of Return (2.34% + .08%)	<u>2.420%</u>
Additional Net Operating Income Required	<u>\$2,981</u>
Increase in Operating and Maintenance Expenses	0
Increase in Depreciation Expense	5,600
Increase in Taxes other than Income - State	813
Increase in Taxes other than Income - Town	1,895
Increase in Business Taxes - State	0
Increase in Income Taxes - Federal	<u>0</u>
Total Increase in Operating Expenses	<u>8,308</u>
Total Additional Revenue Required	\$11,289
2009 Operating Revenues	<u>14,896</u>
Total Revenue Required	<u>\$26,185</u>
Percentage Increase Required	<u>75.79%</u>

SPSt. Cyr  
9/29/2010

**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.
304	Structure - Addition, Electrical, Piping, etc.	\$70,000	2.50%	\$1,750	\$875
304	Structure - Propane Heater	5,000	10.00%	500	250
304	Structures - Telemetry/SCADA/Alarm	15,000	5.00%	750	375
307	Pumping Equipment - VFD pumps	26,000	10.00%	2,600	1,300
310	Power Generation Equipment	10,000	10.00%	1,000	500
	<b>TOTAL</b>	<b>\$126,000</b>		<b>\$5,600</b>	<b>\$2,800</b>

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**Financing and Step Increase for ARRA Projects****Taxes**

<u>State Property Taxes</u>	<u>Projected Costs</u>
Total Project Costs	\$126,000
Accumulated Depreciation	<u>2,800</u>
Net Plant	<u>\$123,200</u>
Thousand Dollars of Assessed Value	\$123
Property Tax Rate	<u>6.60</u>
State Property Taxes	<u>\$813</u>
 <u>Local Property Taxes</u>	
Total Project Costs	\$126,000
Accumulated Depreciation	<u>2,800</u>
Net Plant	<u>\$123,200</u>
Thousand Dollars of Assessed Value	\$123
Property Tax Rate	<u>15.38</u>
Local Property Taxes	<u>\$1,895</u>

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**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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**Financing and Step Increase for ARRA Projects**

Total Costs of Projects \$126,000

**Source of Funds:**

State of New Hampshire - SRF Loan \$126,000

Total Source of Funds \$126,000

**Use of Funds:**

Structures and Improvements \$90,000

VFD Pumps 26,000

Generators 10,000

Total Use of Funds \$126,000

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**Financing and Step Increase for ARRA Projects**

**Estimated Financing and Step Increase Costs**

Stephen P. St. Cyr & Associates	<u>\$1,500</u>
Total Financing Costs	<u>\$1,500</u>

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9/29/2010