

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)
UTILITY PLANT				
1	Utility Plant (101-106)	\$ 17,298,401	\$ 41,500	\$ 17,339,901
2	Less: Accumulated Depr. and Amort. (108-110)	6,547,479	4,150	6,551,629
3	Net Plant	\$ 10,750,922	\$ 37,350	\$ 10,788,272
4	Utility Plant Acquisition Adj. (Net) (114-115)			
5	Total Net Utility Plant	\$ 10,750,922	\$ 37,350	\$ 10,788,272
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)	\$ 709,320	\$ (13,896)	\$ 695,424
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	\$ (13,896)	\$ 1,153,596
DEFERRED DEBITS				
32	Unamortized Debt Discount & Expense (181)	\$ 36,353	\$ 3,600	\$ 39,953
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	\$ 3,600	\$ 206,570
TOTAL ASSETS AND OTHER DEBITS		\$ 12,121,384	\$ 27,054	\$ 12,148,438

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)
EQUITY CAPITAL				
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)	(6,951)	(766,925)
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 2,411,147	\$ (6,951)	\$ 2,404,196
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	\$ 3,893,007	\$ 34,005	\$ 3,927,012
17	Total Long-Term Debt	\$ 3,893,007	\$ 34,005	\$ 3,927,012
CURRENT AND ACCRUED LIABILITIES				
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
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)	48,621		48,621
37	Other (283)			
38	Total Deferred Credits	\$ 48,621		\$ 48,621
OPERATING RESERVES				
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
CONTRIBUTIONS IN AID OF CONSTRUCTION				
44	Contributions In Aid of Construction (271)	\$ 9,142,476		\$ 9,142,476
45	Accumulated Amortization of C.I.A.C. (272)	3,486,243		3,486,243
46	Total Net C.I.A.C.	\$ 5,656,233	\$ -	\$ 5,656,233
46	TOTAL EQUITY CAPITAL AND LIABILITIES	\$ 12,121,384	\$ 27,054	\$ 12,148,438

F-2 STATEMENT OF INCOME

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	Adjustments (d)	Adjusted Year End Balance (e)
	UTILITY OPERATING INCOME			
1	Operating Revenues(400)	\$ 1,788,762	\$ -	\$ 1,788,762
2	Operating Expenses:			
3	Operating and Maintenance Expense (401)	1,180,014		1,180,014
4	Depreciation Expense (403)	500,470	4,150	504,620
5	Amortization of Contribution in Aid of Construction (405)	(216,489)		(216,489)
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		159,664
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	11,492		11,492
10	Total Operating Expenses	\$ 1,637,866	\$ 4,150	\$ 1,642,016
11	Net Operating Income (Loss)	\$ 150,896	\$ (4,150)	\$ 146,746
12	Income From Utility Plant Leased to Others (413)			
13	Gains(Losses) From Disposition of Utility Property (414)			
14	Net Water Utility Operating Income	\$ 150,896	\$ (4,150)	\$ 146,746
	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)	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	Total Other Income and Deductions	\$ 537	\$ -	\$ 537
	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)	\$ 129,400	\$ 1,901	\$ 131,301
28	Amortization of Debt Discount & Expense (428)	2,765	900	3,665
29	Amortization of Premium on Debt (429)			
30	Total Interest Expense	\$ 132,165	\$ 2,801	\$ 134,966
31	Income Before Extraordinary Items	\$ 19,268	\$ (6,951)	\$ 12,317
	EXTRAORDINARY ITEMS			
32	Extraordinary Income (433)			
33	Extraordinary Deductions (434)			
34	Income Taxes, Extraordinary Items (409.3)			
35	Net Extraordinary Items			
	NET INCOME (LOSS)	\$ 19,268	\$ (6,951)	\$ 12,317

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)
EQUITY CAPITAL				
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)	(6,951)	(766,925)
4	Total Equity Capital	\$ 2,411,147	\$ (6,951)	\$ 2,404,196
LONG TERM DEBT				
5	Other Long-Term Debt (224)	\$ 3,893,007	\$ 34,005	\$ 3,927,012
6	Total Long-Term Debt	\$ 3,893,007	\$ 34,005	\$ 3,927,012
7	Total Capital Structure	\$ 6,304,154	\$ 27,054	\$ 6,331,208

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	Adjustments (d)	Adjusted Year End Balance (e)
EQUITY CAPITAL				
1	Common Stock Issued (201)	0.27%	0.00%	0.26%
2	Other Paid-In Capital (209,211)	50.04%	0.00%	49.82%
3	Retained Earnings (214-215)	-12.06%	-25.69%	-12.11%
4	Total Equity Capital	38.25%	-25.69%	37.97%
LONG TERM DEBT				
5	Other Long-Term Debt (224)	61.75%	125.69%	62.03%
6	Total Long-Term Debt	61.75%	125.69%	62.03%
7	Total Capital Structure	100.00%	100.00%	100.00%

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Hampstead Area Water Company
Journal Entries

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					<u>Impact on</u> <u>Net Income</u>	
1	Dr.	181	Unamortized Debt Expense	4,500		
	Cr.	131	Cash		4,500	
To record estimated debt expense associated with obtaining PUC approval of of 2018 Ford Motor Credit Financing						
2	Dr.	131	Cash	41,500		
	Cr.	224	Other Long Term Debt		41,500	
To record receipt of cash and related long term debt associated with Ford Motor Credit financing						
3	Dr.	101.00	Plant in Service	41,500		
	Cr.	131	Cash		41,500	
To record purchase of 2018 Ford pickup truck						
4	Dr.	403	Depreciation Expense (\$41,500 / 5 / 2)	4,150		(4,150)
	Cr.	108	Accumulated Depreciation		4,150	
To record 1/2 year depreciation and related accumulated depreciation for year 1						
5	Dr.	224	Other Long Term Debt	7,495		
	Cr.	427	Interest Expense	1,901		(1,901)
	Dr.	131	Cash		9,396	
To record the projected 1st year payments (principle and interest)						
6	Dr.	428	Amortization of Debt Expense	900		(900)
	Cr.	181	Unamortized Debt Expense		900	(6,951)
To record annual amortization of debt expense						
Impact on Cash				41,500	55,396	
Net Impact on Cash					(13,896)	

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Hampstead Area Water Company
Source and Use of Funds

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Source of Funds

2018

Ford Motor Credit	\$ 41,500
Total Source of Funds	<u>\$ 41,500</u>

Use of Funds

2018 Ford F-250 XL pickup truck	\$ 41,500
Total Use of Funds	<u>\$ 41,500</u>

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7/31/2018

**Hampstead Area Water Company
Estimated Cost of Financing**

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2018 Financing Costs

Ford Motor Credit	\$ -
St. Cyr & Associates	1,500
Lewis Builders Development	<u>3,000</u>
Total Estimated Financing Costs	<u>\$ 4,500</u>

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