

Special Contract for Heritage Estates

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)	\$ 19,855,659	\$ 36,417	\$ 19,892,076
2	Less: Accumulated Depr. and Amort. (108-110)	7,375,714	\$ 380	7,376,094
3	Net Plant	\$ 12,479,945	\$ 36,037	\$ 12,515,982
4	Utility Plant Acquisition Adj. (Net) (114-115)	1,388		
5	Total Net Utility Plant	\$ 12,481,333	\$ 36,037	\$ 12,517,370
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)	\$ 40,520	\$ (5,000)	\$ 35,520
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)	307,114		307,114
22	Accounts Receivable from Assoc. Co. (145)			
23	Notes Receivable from Assoc. Co. (146)			
24	Materials and Supplies (151-153)	37,237		37,237
25	Stores Expense (161)			
26	Prepayments-Other (162)	33,768		33,768
27	Prepaid Taxes (163)	37,610		37,610
28	Interest and Dividends Receivable (171)			
29	Rents Receivable (172)			
30	Accrued Utility Revenues (173)	129,220		129,220
31	Misc. Current and Accrued Assets (174)			
32	Total Current and Accrued Assets	\$ 585,469	\$ (5,000)	\$ 580,469
DEFERRED DEBITS				
32	Unamortized Debt Discount & Expense (181)	\$ 55,964	\$ 4,500	\$ 60,464
33	Extraordinary Property Losses (182)			
34	Prelim. Survey & Investigation Charges (183)			
35	Clearing Accounts (184)			
36	Temporary Facilities (185)			
37	Miscellaneous Deferred Debits (186)	1,163,245		1,163,245
38	Research & Development Expenditures (187)			
39	Accumulated Deferred Income Taxes (190)	10,711		10,711
40	Total Deferred Debits	\$ 1,229,920	\$ 4,500	\$ 1,234,420
TOTAL ASSETS AND OTHER DEBITS		\$ 14,296,722	\$ 35,537	\$ 14,332,259

Special Contract for Heritage Estates

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)	4,054,354		4,054,354
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	(949,024)	(500)	(949,524)
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 3,122,097	\$ (500)	\$ 3,121,597
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	\$ 4,504,424		\$ 4,504,424
17	Total Long-Term Debt	\$ 4,504,424	\$ -	\$ 4,504,424
CURRENT AND ACCRUED LIABILITIES				
18	Accounts Payable (231)	\$ 143,888		\$ 143,888
19	Notes Payable (232)			
20	Accounts Payable to Associated Co. (233)	156,209		156,209
21	Notes Payable to Associated Co. (234)			
22	Customer Deposits (235)	6,569		6,569
23	Accrued Taxes (236)	2,261		2,261
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)	28,634		28,634
29	Total Current and Accrued Liabilities	\$ 337,561	\$ -	\$ 337,561
DEFERRED CREDITS				
30	Unamortized Premium on Debt (251)			
31	Advances for Construction (252)			
32	Other Deferred Credits (253)	898,404		898,404
33	Accumulated Deferred Investment Tax Credits (255)			
34	Accumulated Deferred Income Taxes:			
35	Accelerated Amortization (281)			
36	Liberalized Depreciation (282)	67,854		67,854
37	Other (283)			
38	Total Deferred Credits	\$ 966,258		\$ 966,258
OPERATING RESERVES				
39	Property Insurance Reserve (261)			
40	Injuries and Damages Reserve (262)			
41	Pensions and Benefits Reserves (263)	(64)		(64)
42	Miscellaneous Operating Reserves (265)			
43	Total Operating Reserves	\$ (64)	\$ -	\$ (64)
CONTRIBUTIONS IN AID OF CONSTRUCTION				
44	Contributions In Aid of Construction (271)	\$ 9,239,980	\$ 36,417	\$ 9,276,397
45	Accumulated Amortization of C.I.A.C. (272)	3,873,534	380	3,873,914
46	Total Net C.I.A.C.	\$ 5,366,446	\$ 36,037	\$ 5,402,483
46	TOTAL EQUITY CAPITAL AND LIABILITIES	\$ 14,296,722	\$ 35,537	\$ 14,332,259

Special Contract for Heritage Estates

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)	\$ 2,325,428	\$ 12,524	\$ 2,337,952
2	Operating Expenses:			
3	Operating and Maintenance Expense (401)	1,745,684		1,745,684
4	Depreciation Expense (403)	557,503	380	557,883
5	Amortization of Contribution in Aid of Construction (405)	(221,541)	(380)	(221,921)
6	Amortization of Utility Plant Acquisition Adjustment (406)	84		84
7	Amortization Expense-Other (407)	3,597		3,597
8	Taxes Other Than Income (408.1-408.13)	146,846		146,846
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	15,577	12,524	28,101
10	Total Operating Expenses	\$ 2,247,750	\$ 12,524	\$ 2,260,274
11	Net Operating Income (Loss)	\$ 77,678	\$ -	\$ 77,678
12	Income From Utility Plant Leased to Others (413)			
13	Gains(Losses) From Disposition of Utility Property (414)			
14	Net Water Utility Operating Income	\$ 77,678	\$ -	\$ 77,678
	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)	235		235
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	\$ 235	\$ -	235
	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)	\$ 125,631	\$ -	\$ 125,631
28	Amortization of Debt Discount & Expense (428)	4,249	500	4,749
29	Amortization of Premium on Debt (429)			
30	Total Interest Expense	\$ 129,880	\$ 500	\$ 130,380
31	Income Before Extraordinary Items	\$ (51,967)	\$ (500)	\$ (52,467)
	EXTRAORDINARY ITEMS			
32	Extraordinary Income (433)			
33	Extraordinary Deductions (434)			
34	Income Taxes, Extraordinary Items (409.3)			
35	Net Extraordinary Items			
	NET INCOME (LOSS)	\$ (51,967)	\$ (500)	\$ (52,467)

Special Contract for Heritage Estates

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)	4,054,354		4,054,354
3	Retained Earnings (214-215)	(949,024)	(500)	(949,524)
4	Total Equity Capital	\$ 3,122,097	\$ (500)	\$ 3,121,597
LONG TERM DEBT				
5	Other Long-Term Debt (224)	\$ 4,504,424		\$ 4,504,424
6	Total Long-Term Debt	\$ 4,504,424	\$ -	\$ 4,504,424
7	Total Capital Structure	\$ 7,626,521	\$ (500)	\$ 7,626,021

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)	0.22%	0.00%	0.22%
2	Other Paid-In Capital (209,211)	53.16%	0.00%	53.16%
3	Retained Earnings (214-215)	-12.44%	100.00%	-12.45%
4	Total Equity Capital	40.94%	100.00%	40.93%
LONG TERM DEBT				
5	Other Long-Term Debt (224)	59.06%	0.00%	59.07%
6	Total Long-Term Debt	59.06%	0.00%	59.07%
7	Total Capital Structure	100.00%	100.00%	100.00%

SPSt. Cyr
5/12/2020

Hampstead Area Water Company

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Special Contract for Heritage Estates

Journal Entries

					<u>Impact on Net Income</u>	
1	Dr.	181	Unamortized Debt Expense	5,000		
	Cr.	131	Cash		5,000	
To record estimated debt expense associated with obtaining PUC approval of of 2020 Special Contract						
2	Dr.	108	Accumulated Depreciation			
	Cr.	101	Plant in Service		-	
To record retirement						
3	Dr.	101	Plant in Service	36,417		
	Dr.	131	Cash	12,524		
	Cr.	271	Contribution in Aid of Construction		36,417	
	Cr.	474	Other Water Revenues		12,524	12,524
To record receipt of contributed plant, cash and revenue						
4	Dr.	403	Depreciation Expense	380		(380)
	Cr.	108	Accumulated Depreciation		380	
To record 1/2 year depreciation and related accumulated depreciation for year 1						
5	Dr.	272	Accumulated Amortization of CIAC	380		
	Cr.	405	Amortization of CIAC		380	380
To record 1/2 year amortization and related accumulated amortization for year 1						
6	Dr.	409	Federal Income and State Business Taxes	12,524		(12,524)
	Cr.	131	Cash		12,524	
To record increased federal and state business taxes due CIAC tax						
7	Dr.	428	Amortization of Debt Expense	500		(500)
	Cr.	181	Unamortized Debt Expense		500	
To record annual amortization of debt expense						
Impact on Net Income						<u>(500)</u>
Impact on Cash				12,524	17,524	
Net Impact on Cash					(5,000)	

SPSt. Cyr
5/12/2020

Special Contract for Heritage Estates

Plant / Accumulated Depreciation / Depreciation Expense

PUC Acct. No.	Description	Costs	Depr. Rate	Depreciation Expense	Accum Depr.	Net Plant
333	Services	\$ 30,417	2.50%	\$ 760	\$ 380	\$ 30,037
335	Hydrants	6,000	2.00%	120	60	5,940
	Total	<u>\$ 36,417</u>		<u>\$ 760</u>	<u>\$ 380</u>	<u>\$ 30,037</u>

Note: Company expect to incur an additional \$3,990 fo the purchase and installation of 7 meters. Such expenditures are not subject to Special Contract.

CIAC / Accumulated Amortization / Amortization of CIAC

PUC Acct. No.	Description	Costs	Amort. Rate	Amort of CIAC	Accum Amort.	Net CIAC
333	Services	\$ 30,417	2.50%	\$ 760	\$ 380	\$ 30,037
335	Hydrants	6,000	2.00%	120	60	5,940
	Total	<u>\$ 36,417</u>		<u>\$ 760</u>	<u>\$ 380</u>	<u>\$ 30,037</u>
Calculation of CIAC Tax		<u>\$ 36,417</u>		<u>34.39%</u>		<u>\$ 12,524</u>

Hampstead Area Water Company

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Special Contract for Heritage Estates

Source and Use of Funds

Source of Funds

2020

GCDs Development Corp	\$ 48,941
Total Source of Funds	<u>\$ 48,941</u>

Use of Funds

Services	\$ 30,417
Hydrants	6,000
CIAC tax	<u>12,524</u>
Total Use of Funds	<u>\$ 48,941</u>

SPSt. Cyr
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Hampstead Area Water Company

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Special Contract for Heritage Estates

Estimated Cost of Financing

2020 Financing Costs

GSDC Development Corp	-
St. Cyr & Associates	2,000
Lewis Builders Development	<u>3,000</u>
Total Estimated Financing Costs	<u>\$ 5,000</u>

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