

Docket No. DW 20-187
Lakes Region Water Company, Inc.
Rate Proceeding

LAKES REGION WATER COMPANY, INC.
PERMANENT RATE CASE DOCUMENTATION
REQUIRED BY PUC 1604.01

Index to Full Rate Case Schedules per PUC 1604.01(a)

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TAB 01

**PUC 1604.01(a)(1)
Internal Financial Reports**

Lakes Region Water Company, Inc

Balance Sheet

As of December 31, 2019

Docket No. DW 20-187
Puc 1604.01(a)(1) a b Requirement

| | Jan 2019 | Feb 2019 | Mar 2019 | Apr 2019 | May 2019 | Jun 2019 | Jul 2019 | Aug 2019 | Sep 2019 | Oct 2019 | Nov 2019 | Dec 2019 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| ASSETS | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | |
| Bank Accounts | | | | | | | | | | | | |
| 131.01 BNH (Operating Account) | 84,264.51 | 74,992.56 | 77,034.88 | 83,431.87 | 40,016.79 | 43,670.77 | 34,938.68 | 49,001.99 | 57,911.76 | 72,571.63 | 94,739.46 | 62,430.84 |
| 131.04 BNH (Debit Card) | 1,980.61 | 2,000.00 | 1,969.21 | 2,537.44 | 1,000.00 | 1,000.00 | 923.78 | 1,000.00 | 2,000.00 | 1,548.00 | 2,225.04 | 1,816.28 |
| Total Bank Accounts | \$ 86,245.12 | \$ 76,992.56 | \$ 79,004.09 | \$ 85,969.31 | \$ 42,457.83 | \$ 44,670.77 | \$ 35,862.46 | \$ 50,001.99 | \$ 59,911.76 | \$ 74,119.63 | \$ 96,964.50 | \$ 64,247.12 |
| Accounts Receivable | | | | | | | | | | | | |
| 145 Accounts Receivable (LRWS) | 22,778.95 | 2,850.00 | 4,000.00 | 9,339.00 | 9,839.00 | 11,546.79 | 13,096.79 | 15,609.70 | 18,187.65 | 18,187.65 | 28,109.43 | 31,851.04 |
| Total Accounts Receivable | \$ 22,778.95 | \$ 2,850.00 | \$ 4,000.00 | \$ 9,339.00 | \$ 9,839.00 | \$ 11,546.79 | \$ 13,096.79 | \$ 15,609.70 | \$ 18,187.65 | \$ 18,187.65 | \$ 28,109.43 | \$ 31,851.04 |
| Other Current Assets | | | | | | | | | | | | |
| 125 CoBank Patronage | 8,250.10 | 8,250.10 | 11,312.52 | 11,312.52 | 11,312.52 | 11,312.52 | 11,312.52 | 11,312.52 | 11,312.52 | 11,312.52 | 11,312.52 | 11,312.52 |
| 141 Accounts Receivable | 142,592.70 | 117,951.51 | 109,179.81 | 84,680.93 | 58,203.84 | 82,982.96 | 30,129.15 | 8,144.73 | 42,110.26 | -21,789.82 | -46,877.75 | 163,944.48 |
| 151 Materials & Supplies-Inventory | 18,876.21 | 17,436.62 | 17,467.04 | 17,467.04 | 17,515.04 | 17,515.04 | 21,136.16 | 21,136.16 | 24,274.19 | 24,274.19 | 24,274.19 | 24,274.19 |
| 151.01 Meters | 16,869.39 | 17,429.39 | 18,565.92 | 20,105.92 | 23,465.92 | 24,585.92 | 25,705.92 | 25,705.92 | 25,705.92 | 25,705.92 | 27,385.92 | 27,385.92 |
| 151.01a Meter (PIS) | -17,231.37 | -17,931.37 | -18,913.43 | -20,883.76 | -22,707.90 | -24,527.90 | -25,227.90 | -25,787.90 | -26,067.90 | -26,487.90 | -26,487.90 | -26,907.90 |
| Total 151.01 Meters | -\$ 361.98 | -\$ 501.98 | -\$ 347.51 | -\$ 777.84 | \$ 758.02 | \$ 58.02 | \$ 478.02 | -\$ 81.98 | -\$ 361.98 | -\$ 781.98 | \$ 898.02 | \$ 478.02 |
| Total 151 Materials & Supplies-Inventory | \$ 18,514.23 | \$ 16,934.64 | \$ 17,119.53 | \$ 16,689.20 | \$ 18,273.06 | \$ 17,573.06 | \$ 21,614.18 | \$ 21,054.18 | \$ 23,912.21 | \$ 23,492.21 | \$ 25,172.21 | \$ 24,752.21 |
| 162 Prepayments-Other | 5,123.66 | 4,561.16 | 3,377.12 | 2,814.62 | 2,339.62 | 1,243.08 | 6,468.08 | 5,993.08 | 6,021.54 | 5,546.54 | 5,071.54 | 6,218.18 |
| 162.01 Insurance | 11,484.14 | 11,309.61 | 8,645.42 | 1,464.00 | 3,706.07 | 6,213.27 | 7,190.37 | 7,028.47 | 6,866.57 | 7,841.67 | 7,679.77 | 7,517.87 |
| 162.02 One Call | 1,331.25 | 1,331.25 | 1,331.25 | 1,331.25 | 1,331.25 | 1,331.25 | 1,331.25 | 1,331.25 | 1,331.25 | 2,045.20 | 2,045.20 | 936.18 |
| 162.03 Monitoring Systems | 10,410.00 | 11,250.00 | 8,577.50 | 8,577.50 | 9,417.50 | 6,535.00 | 7,375.00 | 7,375.00 | 4,212.50 | 4,212.50 | 4,212.50 | 840.00 |
| Total 162 Prepayments-Other | \$ 28,349.05 | \$ 28,452.02 | \$ 21,931.29 | \$ 14,187.37 | \$ 16,794.44 | \$ 15,322.60 | \$ 22,364.70 | \$ 21,727.80 | \$ 18,431.86 | \$ 19,645.91 | \$ 19,009.01 | \$ 15,512.23 |
| 163 Prepaid Taxes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 163.01 NHDRA Utility Tax | 6,492.90 | 6,492.90 | 0.00 | 6,492.90 | 6,492.90 | 6,058.05 | 6,058.05 | 6,226.77 | 5,791.92 | 5,791.92 | 5,791.92 | 6,928.07 |
| 163.02 Property Taxes | 8,849.33 | 4,424.67 | 0.00 | -3,920.17 | 15,199.66 | 11,279.49 | 7,359.32 | 3,439.15 | -481.02 | -4,561.52 | 15,907.98 | 12,242.50 |
| Total 163 Prepaid Taxes | \$ 15,342.23 | \$ 10,917.57 | \$ 0.00 | \$ 2,572.73 | \$ 21,692.56 | \$ 17,337.54 | \$ 13,417.37 | \$ 9,665.92 | \$ 5,310.90 | \$ 1,230.40 | \$ 21,699.90 | \$ 19,170.57 |
| Total Other Current Assets | \$ 213,048.31 | \$ 182,505.84 | \$ 159,543.15 | \$ 129,442.75 | \$ 126,276.42 | \$ 144,528.68 | \$ 98,837.92 | \$ 71,905.15 | \$ 101,077.75 | \$ 33,891.22 | \$ 30,315.89 | \$ 234,692.01 |
| Total Current Assets | \$ 322,072.38 | \$ 262,348.40 | \$ 242,547.24 | \$ 224,751.06 | \$ 178,573.25 | \$ 200,746.24 | \$ 147,797.17 | \$ 137,516.84 | \$ 179,177.16 | \$ 126,198.50 | \$ 155,389.82 | \$ 330,790.17 |
| Fixed Assets | | | | | | | | | | | | |
| 101 Utility Plant | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 101.01 Intangible Plant | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 301 Organization Cost | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 |
| 302 Franchise | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 |
| Total 101.01 Intangible Plant | \$ 27,694.00 |
| 101.02 Source/Pumping | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 303.02 Land and Land Rights | 423,293.00 | 423,293.00 | 423,293.00 | 423,293.00 | 423,293.00 | 423,293.00 | 423,293.00 | 423,293.00 | 423,293.00 | 423,293.00 | 423,293.00 | 423,293.00 |
| 304.02 Structures & Improvements | 890,068.32 | 890,068.32 | 890,068.32 | 890,068.32 | 890,068.32 | 902,047.99 | 902,047.99 | 902,047.99 | 902,047.99 | 902,047.99 | 902,047.99 | 902,047.99 |
| 307 Wells | 722,203.64 | 722,203.64 | 722,203.64 | 722,203.64 | 722,203.64 | 722,203.64 | 722,203.64 | 722,203.64 | 722,203.64 | 722,203.64 | 722,203.64 | 722,203.64 |
| 310 Power Generation Equipment | 29,616.97 | 29,616.97 | 29,616.97 | 29,616.97 | 29,616.97 | 29,616.97 | 29,616.97 | 29,616.97 | 29,616.97 | 29,616.97 | 29,616.97 | 29,616.97 |
| 311 Pumping Equipment | 402,935.98 | 402,328.92 | 403,050.30 | 403,050.30 | 406,474.16 | 412,784.19 | 415,202.78 | 413,443.95 | 413,443.95 | 413,443.95 | 413,443.95 | 405,863.95 |
| 339.02 Other Plant & Misc. Equip. | 64,076.37 | 66,251.17 | 66,251.17 | 66,251.17 | 66,251.17 | 66,251.17 | 66,251.17 | 66,251.17 | 66,251.17 | 66,251.17 | 66,251.17 | 66,251.17 |
| Total 101.02 Source/Pumping | \$ 2,532,194.28 | \$ 2,533,762.02 | \$ 2,534,483.40 | \$ 2,534,483.40 | \$ 2,537,907.26 | \$ 2,556,196.96 | \$ 2,558,615.55 | \$ 2,556,856.72 | \$ 2,556,856.72 | \$ 2,556,856.72 | \$ 2,556,856.72 | \$ 2,549,276.72 |
| 101.03 Treatment Plant | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 320 Water Treatment Equipment | 5,197.00 | 5,197.00 | 5,197.00 | 6,039.56 | 6,039.56 | 6,039.56 | 6,039.56 | 6,039.56 | 6,039.56 | 6,039.56 | 6,039.56 | 6,039.56 |
| 339.03 Other Plant & Misc. Equip. | 65,475.43 | 65,475.43 | 65,475.43 | 65,475.43 | 65,475.43 | 65,475.43 | 65,475.43 | 65,475.43 | 65,475.43 | 65,475.43 | 65,475.43 | 65,475.43 |
| Total 101.03 Treatment Plant | \$ 70,672.43 | \$ 70,672.43 | \$ 70,672.43 | \$ 71,514.99 |
| 101.04 Transmission & Distribution | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Lakes Region Water Company, Inc

Balance Sheet

As of December 31, 2019

Docket No. DW 20-187
Puc 1604.01(a)(1) a b Requirement

| | Jan 2019 | Feb 2019 | Mar 2019 | Apr 2019 | May 2019 | Jun 2019 | Jul 2019 | Aug 2019 | Sep 2019 | Oct 2019 | Nov 2019 | Dec 2019 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 330 Tank | 513,970.75 | 513,970.75 | 513,970.75 | 513,970.75 | 513,970.75 | 513,970.75 | 513,970.75 | 513,970.75 | 513,970.75 | 513,970.75 | 513,970.75 | 513,970.75 |
| 331 T&D Mains | 2,093,840.11 | 2,093,840.11 | 2,093,840.11 | 2,093,840.11 | 2,093,840.11 | 2,093,840.11 | 2,093,840.11 | 2,093,840.11 | 2,093,840.11 | 2,093,840.11 | 2,093,840.11 | 2,093,840.11 |
| 333 Services | 307,268.96 | 307,268.96 | 307,268.96 | 307,268.96 | 307,268.96 | 307,268.96 | 307,268.96 | 307,268.96 | 307,268.96 | 307,268.96 | 307,268.96 | 307,268.96 |
| 334 Meters & Meter Installations | 266,854.00 | 266,999.09 | 267,444.30 | 268,288.31 | 268,825.17 | 254,660.99 | 255,412.99 | 255,865.87 | 255,973.08 | 256,308.77 | 256,342.04 | 256,567.33 |
| 335 Hydrants | 12,065.00 | 12,065.00 | 12,065.00 | 12,065.00 | 12,065.00 | 12,065.00 | 12,065.00 | 12,065.00 | 12,065.00 | 12,065.00 | 12,065.00 | 12,065.00 |
| 339.04 Other Plant & Misc. Equip. | 39,467.93 | 39,467.93 | 39,985.18 | 39,985.18 | 39,985.18 | 40,832.32 | 40,832.32 | 40,832.32 | 41,892.27 | 41,892.27 | 41,892.27 | 41,892.27 |
| Total 101.04 Transmission & Distribution | \$ 3,233,466.75 | \$ 3,233,611.84 | \$ 3,234,574.30 | \$ 3,235,418.31 | \$ 3,235,955.17 | \$ 3,222,638.13 | \$ 3,223,390.13 | \$ 3,223,843.01 | \$ 3,225,010.17 | \$ 3,225,345.86 | \$ 3,225,379.13 | \$ 3,225,604.42 |
| 101.05 General Plant | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 303.05 Land and Land Rights-Admin Bld | 19,960.00 | 19,960.00 | 19,960.00 | 19,960.00 | 19,960.00 | 19,960.00 | 19,960.00 | 19,960.00 | 19,960.00 | 19,960.00 | 19,960.00 | 19,960.00 |
| 304.05 Structures & Improvements | 114,876.00 | 114,876.00 | 114,876.00 | 114,876.00 | 114,876.00 | 114,876.00 | 114,876.00 | 114,876.00 | 114,876.00 | 114,876.00 | 119,651.00 | 119,651.00 |
| 340 Office Furniture & Equipment | 10,056.00 | 10,056.00 | 10,056.00 | 10,056.00 | 10,056.00 | 10,056.00 | 10,056.00 | 10,056.00 | 10,056.00 | 10,056.00 | 10,056.00 | 10,056.00 |
| 341 Transportation Equipment | 369,288.62 | 380,788.62 | 380,788.62 | 390,066.62 | 407,641.62 | 407,641.62 | 407,641.62 | 407,641.62 | 407,641.62 | 407,641.62 | 415,307.18 | 399,664.18 |
| 343 Shop Equipment | 99,584.38 | 102,242.31 | 102,242.31 | 102,242.31 | 102,242.31 | 102,242.31 | 102,242.31 | 102,242.31 | 102,242.31 | 103,844.14 | 103,844.14 | 104,794.14 |
| 344 Laboratory Equipment | 2,329.00 | 2,329.00 | 2,329.00 | 2,329.00 | 2,329.00 | 2,329.00 | 2,329.00 | 2,329.00 | 2,329.00 | 2,329.00 | 2,329.00 | 2,329.00 |
| 346 Communication Equipment | 499.00 | 499.00 | 499.00 | 499.00 | 499.00 | 499.00 | 499.00 | 499.00 | 499.00 | 499.00 | 499.00 | 499.00 |
| 347.05 Computer Equipment | 67,944.50 | 67,944.50 | 67,944.50 | 67,944.50 | 67,944.50 | 67,944.50 | 67,944.50 | 67,944.50 | 67,763.50 | 67,763.50 | 65,883.50 | 65,383.50 |
| Total 101.05 General Plant | \$ 684,537.50 | \$ 698,695.43 | \$ 698,695.43 | \$ 707,973.43 | \$ 725,548.43 | \$ 725,548.43 | \$ 725,548.43 | \$ 725,548.43 | \$ 725,367.43 | \$ 726,969.26 | \$ 737,529.82 | \$ 722,336.82 |
| Total 101 Utility Plant | \$ 6,548,564.96 | \$ 6,564,435.72 | \$ 6,566,119.56 | \$ 6,577,084.13 | \$ 6,598,619.85 | \$ 6,603,592.51 | \$ 6,606,763.10 | \$ 6,605,457.15 | \$ 6,606,443.31 | \$ 6,608,380.83 | \$ 6,618,974.66 | \$ 6,596,426.95 |
| 105 Construction Work In Process | 64,803.47 | 83,377.32 | 91,318.52 | 94,103.45 | 124,503.03 | 105,289.04 | 151,310.58 | 158,153.16 | 186,375.62 | 189,677.64 | 212,266.20 | 220,278.65 |
| 108 Accumulated Depreciation | -2,031,979.34 | -2,025,900.91 | -2,077,287.17 | -2,075,631.78 | -2,071,880.74 | -2,107,149.47 | -2,103,006.39 | -2,100,952.31 | -2,153,089.51 | -2,152,892.74 | -2,120,373.74 | -2,152,270.01 |
| 114 Acquisition Adjustment | -276,688.88 | -276,688.88 | -276,688.88 | -276,688.88 | -276,688.88 | -276,688.88 | -276,688.88 | -276,688.88 | -276,688.88 | -276,688.88 | -276,688.88 | -276,688.88 |
| 115 Accum. Amort. Aquisition | 197,685.42 | 198,223.76 | 198,762.10 | 199,300.44 | 199,838.78 | 200,377.12 | 200,915.46 | 201,453.80 | 201,992.14 | 202,530.48 | 203,068.82 | 204,365.20 |
| Total Fixed Assets | \$ 4,502,385.63 | \$ 4,543,447.01 | \$ 4,502,224.13 | \$ 4,518,167.36 | \$ 4,574,392.04 | \$ 4,525,420.32 | \$ 4,579,293.87 | \$ 4,587,422.92 | \$ 4,565,032.68 | \$ 4,571,007.33 | \$ 4,637,247.06 | \$ 4,592,111.91 |
| Other Assets | | | | | | | | | | | | |
| 181 Unamort Debt-Def. Debt | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 181.01 Cobank Refinance | 4,206.59 | 4,173.26 | 4,139.93 | 4,106.60 | 4,073.27 | 4,039.94 | 4,006.61 | 3,973.28 | 3,939.95 | 3,906.62 | 3,873.29 | 3,839.96 |
| 181.02 Cobank (Indian Mound) | 10,533.14 | 10,455.97 | 10,378.80 | 10,301.63 | 10,224.46 | 10,147.29 | 10,070.12 | 9,992.95 | 9,915.78 | 9,838.61 | 9,761.44 | 9,684.27 |
| 181.03 Cobank (Step 2) | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 |
| 181.04 Ford Motor Credit | 1,508.22 | 1,457.19 | 1,406.16 | 1,355.13 | 1,304.10 | 1,253.07 | 1,202.04 | 1,151.01 | 1,099.98 | 1,048.95 | 997.92 | 946.89 |
| 181.05 DW 19-135 Cobank (2019 Projects) | | 0.00 | 35.00 | 70.00 | 175.00 | 700.00 | 1,680.00 | 3,548.50 | 4,736.50 | 6,036.91 | 6,124.41 | 6,176.91 |
| Total 181 Unamort Debt-Def. Debt | \$ 19,388.14 | \$ 19,226.61 | \$ 19,100.08 | \$ 18,973.55 | \$ 18,917.02 | \$ 19,280.49 | \$ 20,098.96 | \$ 21,805.93 | \$ 22,832.40 | \$ 23,971.28 | \$ 23,897.25 | \$ 23,788.22 |
| 186 Misc. Deferred Debts | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 186.03 Def. Debt- DW 07-105 | 29,075.84 | 28,244.18 | 27,412.52 | 26,580.86 | 25,749.20 | 24,917.54 | 24,085.88 | 23,254.22 | 22,422.56 | 21,590.90 | 20,759.24 | 19,927.58 |
| 186.04 Def. Debt- Mt. Roberts | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 186.06 Def. Debt- DW 15-209 RC Expense | 20,503.58 | 16,205.66 | 10,984.22 | 5,140.34 | 851.30 | 851.30 | 851.30 | 851.30 | 851.30 | 851.30 | 851.30 | 851.30 |
| 186.07 Def. Debt- Acquisition Exp. | 53,776.56 | 54,634.81 | 55,936.81 | 55,936.81 | 55,936.81 | 56,156.81 | 56,184.31 | 56,184.31 | 56,184.31 | 56,184.31 | 56,184.31 | 50,539.82 |
| 186.08 Def. Debt- DW 15-209 Step 2 | 2,144.51 | 2,144.51 | 2,144.51 | 2,144.51 | 2,144.51 | 2,144.51 | 2,144.51 | 2,144.51 | 2,144.51 | 2,144.51 | 2,144.51 | 2,144.51 |
| 186.09 Def. Debt- IR 19-005 ROE Petition | 37,861.84 | 41,128.57 | 42,209.57 | 44,159.57 | 44,159.57 | 44,829.82 | 44,857.32 | 45,723.32 | 47,217.32 | 48,507.37 | 48,524.87 | 50,834.87 |
| 186.10 Def. Debt- WP Dry Well | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 |
| 186.11 Def. Debt.- DW 18-056 Tax Act | 157.50 | 262.50 | 262.50 | 920.00 | 6,420.00 | 6,871.50 | 14,539.00 | 18,494.50 | 18,526.28 | 18,526.28 | 18,526.28 | 18,526.28 |
| 186.12 Def. Debt- DW 19-177 DS Rate Case | | 0.00 | 0.00 | 0.00 | 0.00 | 1,015.00 | 1,505.00 | 1,505.00 | 1,960.00 | 3,476.26 | 4,351.26 | 10,933.52 |
| 186.13 DW 16-619 DS Step Increase | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,644.49 |
| Total 186 Misc. Deferred Debts | \$ 160,100.69 | \$ 159,201.09 | \$ 155,530.99 | \$ 151,462.95 | \$ 151,842.25 | \$ 153,367.34 | \$ 160,748.18 | \$ 164,738.02 | \$ 165,887.14 | \$ 167,861.79 | \$ 167,922.63 | \$ 175,131.93 |
| Total Other Assets | \$ 179,488.83 | \$ 178,427.70 | \$ 174,631.07 | \$ 170,436.50 | \$ 170,759.27 | \$ 172,647.83 | \$ 180,847.14 | \$ 186,543.95 | \$ 188,719.54 | \$ 191,833.07 | \$ 191,819.88 | \$ 198,920.15 |
| TOTAL ASSETS | \$ 5,003,946.84 | \$ 4,984,223.11 | \$ 4,919,402.44 | \$ 4,913,354.92 | \$ 4,923,724.56 | \$ 4,898,814.39 | \$ 4,907,938.18 | \$ 4,911,483.71 | \$ 4,932,929.38 | \$ 4,889,038.90 | \$ 4,984,456.76 | \$ 5,121,822.23 |
| LIABILITIES AND EQUITY | | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | |

Lakes Region Water Company, Inc

Balance Sheet

As of December 31, 2019

Docket No. DW 20-187
Puc 1604.01(a)(1) a b Requirement

| | Jan 2019 | Feb 2019 | Mar 2019 | Apr 2019 | May 2019 | Jun 2019 | Jul 2019 | Aug 2019 | Sep 2019 | Oct 2019 | Nov 2019 | Dec 2019 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| Accounts Payable | | | | | | | | | | | | |
| 231 Accounts Payable (A/P) | 76,859.90 | 64,165.45 | 48,941.00 | 36,141.36 | 68,194.82 | 65,008.44 | 59,580.67 | 49,817.03 | 66,619.28 | 34,880.13 | 71,975.00 | 60,460.11 |
| Total Accounts Payable | \$ 76,859.90 | \$ 64,165.45 | \$ 48,941.00 | \$ 36,141.36 | \$ 68,194.82 | \$ 65,008.44 | \$ 59,580.67 | \$ 49,817.03 | \$ 66,619.28 | \$ 34,880.13 | \$ 71,975.00 | \$ 60,460.11 |
| Credit Cards | | | | | | | | | | | | |
| 231a Amex | 159.47 | 187.47 | 1,682.48 | 4,526.96 | 4,952.94 | 2,158.50 | 1,307.08 | 1,504.46 | 383.49 | 134.49 | 216.98 | 1,211.86 |
| Total Credit Cards | \$ 159.47 | \$ 187.47 | \$ 1,682.48 | \$ 4,526.96 | \$ 4,952.94 | \$ 2,158.50 | \$ 1,307.08 | \$ 1,504.46 | \$ 383.49 | \$ 134.49 | \$ 216.98 | \$ 1,211.86 |
| Other Current Liabilities | | | | | | | | | | | | |
| 232 Short Term Notes Payable | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 232.01 Health/Dental Payable | -168.72 | -337.44 | 0.15 | -170.77 | 171.27 | -28.45 | -217.97 | 157.60 | -86.16 | -2,246.03 | 212.91 | -2.57 |
| 232.02 Retirement Payable | 0.00 | 0.00 | 0.00 | 0.00 | -9.54 | 0.00 | 0.00 | 0.00 | 0.00 | -352.30 | 0.00 | 0.00 |
| 232.03 North Star Leasing (deleted) | 10,104.12 | 8,083.28 | 6,062.44 | 4,041.60 | 2,020.76 | 2,020.84 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 232.04 Cat Financial-Mini Hammer (deleted) | | 10,500.00 | 10,500.00 | 9,186.00 | 9,186.00 | 8,267.40 | 7,348.80 | 6,430.20 | 5,511.60 | 4,593.00 | 3,674.40 | 2,755.80 |
| Total 232 Short Term Notes Payable | \$ 9,935.40 | \$ 18,245.84 | \$ 16,562.59 | \$ 13,056.83 | \$ 11,368.49 | \$ 10,259.79 | \$ 7,130.83 | \$ 6,587.80 | \$ 5,425.44 | \$ 1,994.67 | \$ 3,887.31 | \$ 2,753.23 |
| 236 Accrued Taxes | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 236.01 Accur. Payroll Taxes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 236.01a 941 PR Taxes | 0.00 | 0.00 | 2,064.55 | 1,811.88 | 1,982.55 | 1,664.73 | 0.00 | 1,950.54 | 1,690.19 | 0.00 | 1,913.27 | 0.00 |
| 236.01b 940 PR Taxes | 148.15 | 263.47 | 297.34 | 323.67 | 336.00 | 336.00 | 336.00 | 343.43 | 361.33 | 378.00 | 386.32 | 421.31 |
| 236.01c Accr. NH UC | 78.00 | 193.72 | 311.98 | 13.38 | 39.70 | 51.90 | -25.18 | -22.70 | -16.74 | -23.24 | -14.54 | 2.31 |
| Total 236.01 Accur. Payroll Taxes | \$ 226.15 | \$ 457.19 | \$ 2,673.87 | \$ 2,148.93 | \$ 2,358.25 | \$ 2,052.63 | \$ 310.82 | \$ 2,271.27 | \$ 2,034.78 | \$ 354.76 | \$ 2,285.05 | \$ 423.62 |
| 236.02 Accr. Federal Income Taxes | -13,904.00 | -13,904.00 | -13,904.00 | -13,904.00 | -13,904.00 | -13,904.00 | -13,904.00 | -13,904.00 | -13,904.00 | -13,904.00 | -13,904.00 | 25,811.00 |
| 236.03 Accr. NHBPT | -9,588.00 | -9,588.00 | -9,588.00 | -9,588.00 | -9,588.00 | -9,588.00 | -9,588.00 | -9,588.00 | -9,588.00 | -9,588.00 | -9,588.00 | -817.00 |
| Total 236 Accrued Taxes | -\$ 23,265.85 | -\$ 23,034.81 | -\$ 20,818.13 | -\$ 21,343.07 | -\$ 21,133.75 | -\$ 21,439.37 | -\$ 23,181.18 | -\$ 21,220.73 | -\$ 21,457.22 | -\$ 23,137.24 | -\$ 21,206.95 | \$ 25,417.62 |
| 241 Accrued Payroll | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 7,035.55 |
| 271 272 Contribution in Aid of Constr. | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 271 CIAC | 899,677.64 | 899,677.64 | 899,677.64 | 899,677.64 | 899,677.64 | 899,677.64 | 899,677.64 | 899,677.64 | 899,677.64 | 899,677.64 | 899,677.64 | 899,677.64 |
| 272 Accum. Amort of CIAC | -324,353.16 | -325,814.40 | -327,275.64 | -328,736.88 | -330,198.12 | -331,659.36 | -333,120.60 | -334,581.84 | -336,043.08 | -337,504.32 | -338,965.56 | -340,426.80 |
| Total 271 272 Contribution in Aid of Constr. | \$ 575,324.48 | \$ 573,863.24 | \$ 572,402.00 | \$ 570,940.76 | \$ 569,479.52 | \$ 568,018.28 | \$ 566,557.04 | \$ 565,095.80 | \$ 563,634.56 | \$ 562,173.32 | \$ 560,712.08 | \$ 559,250.84 |
| 282 Accum Defer Income Taxes | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 282.01 Accum Def Income Taxes-Lib Depr | 329,999.74 | 329,999.74 | 329,999.74 | 329,999.74 | 329,999.74 | 329,999.74 | 329,999.74 | 329,999.74 | 329,999.74 | 329,999.74 | 329,999.74 | 359,999.74 |
| 282.02 DW 18-056 EDIT Reserve | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 133,517.44 |
| 282.03 DW 18-056 Tax Savings | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 85,414.00 |
| Total 282 Accum Defer Income Taxes | \$ 329,999.74 | \$ 578,931.18 |
| Total Other Current Liabilities | \$ 891,993.77 | \$ 899,074.01 | \$ 898,146.20 | \$ 892,654.26 | \$ 889,714.00 | \$ 886,838.44 | \$ 880,506.43 | \$ 880,462.61 | \$ 877,602.52 | \$ 871,030.49 | \$ 873,392.18 | \$ 1,173,388.42 |
| Total Current Liabilities | \$ 969,013.14 | \$ 963,426.93 | \$ 948,769.68 | \$ 933,322.58 | \$ 962,861.76 | \$ 954,005.38 | \$ 941,394.18 | \$ 931,784.10 | \$ 944,605.29 | \$ 906,045.11 | \$ 945,584.16 | \$ 1,235,060.39 |
| Long-Term Liabilities | | | | | | | | | | | | |
| 221 Long Term Debt-Bonds | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 221.01 CoBank T01 (15yr Note) | 343,280.62 | 340,761.36 | 338,299.20 | 335,812.17 | 333,340.81 | 330,844.85 | 328,364.25 | 325,879.03 | 323,369.64 | 320,875.13 | 318,356.73 | 315,852.90 |
| 221.01a CoBank S01 (LOC) | 40,000.00 | 40,000.00 | 30,000.00 | 30,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | 0.00 | 0.00 | 0.00 |
| 221.02 CoBank T02 (5 Yr Note) (deleted) | 22,360.11 | 16,782.79 | 11,199.13 | 5,604.41 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 221.03 CoBank T03 (15yr Note) | 103,382.40 | 102,722.07 | 102,085.40 | 101,438.78 | 100,798.86 | 100,149.09 | 99,505.90 | 98,861.09 | 98,206.57 | 97,558.47 | 96,900.76 | 96,249.35 |
| 221.04 CoBank T04 DS | 128,607.17 | 128,184.56 | 127,803.16 | 127,406.32 | 127,022.25 | 126,622.82 | 126,236.06 | 125,844.66 | 125,444.66 | 125,053.87 | 124,647.91 | 124,254.39 |
| 221.05 CoBank T05 (20yr Note) Stp2 | 253,975.13 | 253,150.85 | 252,408.18 | 251,634.99 | 250,887.12 | 250,108.87 | 249,355.75 | 248,600.04 | 247,814.19 | 247,053.19 | 246,262.19 | 245,495.86 |
| Total 221 Long Term Debt-Bonds | \$ 891,605.43 | \$ 881,601.63 | \$ 861,795.07 | \$ 851,896.67 | \$ 832,049.04 | \$ 827,725.63 | \$ 823,461.96 | \$ 819,188.14 | \$ 814,835.06 | \$ 790,540.66 | \$ 786,167.59 | \$ 781,852.50 |
| 224 Other Long Term Debt | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 224.04 Ford 2014 F150 6505 (deleted) | 4,217.33 | 3,599.56 | 3,047.37 | 2,429.60 | 1,811.83 | 1,232.50 | 614.73 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 224.05 Ford 2016 F150 8576 | 19,428.92 | 18,735.03 | 18,041.14 | 17,347.25 | 16,653.36 | 15,959.47 | 15,265.58 | 14,571.69 | 13,877.80 | 13,183.91 | 12,490.02 | 11,796.13 |
| 224.07 Ford 2017 F550 0334 | 39,792.32 | 38,828.85 | 38,293.10 | 37,329.63 | 36,366.16 | 35,812.56 | 34,849.09 | 33,885.62 | 33,304.68 | 32,341.21 | 31,377.74 | 30,765.49 |
| 224.08 Ford 2018 F250 2428 | 37,054.03 | 36,199.64 | 35,789.58 | 34,935.19 | 34,080.80 | 33,654.37 | 32,799.98 | 31,945.59 | 31,492.88 | 30,638.49 | 29,784.10 | 29,300.94 |

Lakes Region Water Company, Inc

Balance Sheet

As of December 31, 2019

Docket No. DW 20-187
Puc 1604.01(a)(1) a b Requirement

| | Jan 2019 | Feb 2019 | Mar 2019 | Apr 2019 | May 2019 | Jun 2019 | Jul 2019 | Aug 2019 | Sep 2019 | Oct 2019 | Nov 2019 | Dec 2019 |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 224.09 Ford 2018 F250 2159 | 32,067.59 | 31,328.18 | 30,973.31 | 30,233.90 | 29,494.49 | 29,125.45 | 28,386.04 | 27,646.63 | 27,254.85 | 26,515.44 | 25,776.03 | 25,357.89 |
| 224.10 Ford 2019 F150 4338 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 36,468.56 | 36,468.56 |
| Total 224 Other Long Term Debt | \$ 132,560.19 | \$ 128,691.26 | \$ 126,144.50 | \$ 122,275.57 | \$ 118,406.64 | \$ 115,784.35 | \$ 111,915.42 | \$ 108,049.53 | \$ 105,930.21 | \$ 102,679.05 | \$ 135,896.45 | \$ 133,689.01 |
| Total Long-Term Liabilities | \$ 1,024,165.62 | \$ 1,010,292.89 | \$ 987,939.57 | \$ 974,172.24 | \$ 950,455.68 | \$ 943,509.98 | \$ 935,377.38 | \$ 927,237.67 | \$ 920,765.27 | \$ 893,219.71 | \$ 922,064.04 | \$ 915,541.51 |
| Total Liabilities | \$ 1,993,178.76 | \$ 1,973,719.82 | \$ 1,936,709.25 | \$ 1,907,494.82 | \$ 1,913,317.44 | \$ 1,897,515.36 | \$ 1,876,771.56 | \$ 1,859,021.77 | \$ 1,865,370.56 | \$ 1,799,264.82 | \$ 1,867,648.20 | \$ 2,150,601.90 |
| Equity | | | | | | | | | | | | |
| 201 Common Stock | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 |
| 211 Other Paid in Capital | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,423,321.69 |
| 213 Capital Stock | 4.44 | 4.44 | 4.44 | 4.44 | 4.44 | 4.44 | 4.44 | 4.44 | 4.44 | 4.44 | 4.44 | 4.44 |
| 217 Retained Earnings | 931,263.48 | 931,263.48 | 931,263.48 | 931,263.48 | 931,263.48 | 931,263.48 | 931,263.48 | 931,263.48 | 931,263.48 | 931,263.48 | 931,263.48 | 931,263.48 |
| 217.01 Inter-Div Profit Distribution | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 |
| 217.02 DW 18-056 EDIT & Tax Savings | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -180,463.22 |
| 438 Dividends Declared-Common Stock | -2,500.00 | -5,000.00 | -7,500.00 | -10,000.00 | -12,500.00 | -15,000.00 | -17,500.00 | -20,000.00 | -22,500.00 | -25,000.00 | -27,500.00 | -30,000.00 |
| Net Income | 48,634.87 | 50,870.08 | 25,559.98 | 51,226.89 | 58,273.91 | 51,665.82 | 84,033.41 | 107,828.73 | 125,425.61 | 150,140.87 | 179,675.35 | 220,050.34 |
| Total Equity | \$ 3,010,768.08 | \$ 3,010,503.29 | \$ 2,982,693.19 | \$ 3,005,860.10 | \$ 3,010,407.12 | \$ 3,001,299.03 | \$ 3,031,166.62 | \$ 3,052,461.94 | \$ 3,067,558.82 | \$ 3,089,774.08 | \$ 3,116,808.56 | \$ 2,971,220.33 |
| TOTAL LIABILITIES AND EQUITY | \$ 5,003,946.84 | \$ 4,984,223.11 | \$ 4,919,402.44 | \$ 4,913,354.92 | \$ 4,923,724.56 | \$ 4,898,814.39 | \$ 4,907,938.18 | \$ 4,911,483.71 | \$ 4,932,929.38 | \$ 4,889,038.90 | \$ 4,984,456.76 | \$ 5,121,822.23 |

Lakes Region Water Company, Inc.

Profit and Loss

January - December 2019

Docket No. DW 20-184
Puc 1604.01(a)(1) a b Requirement

| | Jan 2019 | Feb 2019 | Mar 2019 | Apr 2019 | May 2019 | Jun 2019 | Jul 2019 | Aug 2019 | Sep 2019 | Oct 2019 | Nov 2019 | Dec 2019 | Total |
|---|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|---------------------|---------------------|----------------------|------------------------|
| Income | | | | | | | | | | | | | |
| 400 Operating Revenue | | | | | | | | | | | | | 0.00 |
| 460 Unmetered Sales | 70,013.31 | 39,591.15 | 6,394.50 | 70,326.75 | 39,652.57 | 24,818.29 | 51,824.68 | 39,526.90 | 25,160.83 | 51,331.11 | 39,615.95 | 6,193.56 | 464,449.60 |
| 461 Metered Sales | | | | | | | | | | | | | 0.00 |
| 461.01 Base Charge | 35,760.68 | 39,405.58 | 87,961.37 | 36,003.41 | 39,587.19 | 87,942.35 | 36,400.67 | 39,601.75 | 88,639.27 | 36,255.59 | 39,974.25 | 88,325.56 | 655,857.67 |
| 461.02 Usage Charge | 3,871.44 | 13,114.22 | 23,363.59 | 3,526.18 | 12,910.46 | 25,872.17 | 9,559.74 | 19,323.24 | 40,288.96 | 8,586.22 | 14,506.60 | 26,138.00 | 201,060.82 |
| 461.03 POASI | | | | | | | | | | | | 228,514.61 | 228,514.61 |
| Total 461 Metered Sales | \$ 39,632.12 | \$ 52,519.80 | \$ 111,324.96 | \$ 39,529.59 | \$ 52,497.65 | \$ 113,814.52 | \$ 45,960.41 | \$ 58,924.99 | \$ 128,928.23 | \$ 44,841.81 | \$ 54,480.85 | \$ 342,978.17 | \$ 1,085,433.10 |
| 471 Miscellaneous Service Revenue | | | | | | | | | | | | | 0.00 |
| 471.01 Disconnect/Reconnect | 460.00 | 440.00 | 390.00 | 1,417.50 | 1,857.50 | 345.00 | 335.00 | 155.00 | 545.00 | 1,500.00 | 1,355.00 | 1,120.00 | 9,920.00 |
| 471.02 House Transfers | 90.00 | 278.04 | 232.50 | 242.50 | 335.00 | 472.50 | 210.00 | 427.50 | 570.00 | 710.00 | 670.00 | 370.00 | 4,608.04 |
| 471.03 Misc. Customer Fees | 380.00 | 570.00 | | 380.00 | 190.00 | 950.00 | | | 27.50 | | | | 2,497.50 |
| 471.04 NSF Customer Charge | 39.00 | 12.00 | 12.00 | | | 12.00 | | 15.00 | | 16.00 | 8.00 | 30.00 | 144.00 |
| 471.05 Customer Finance Charge | 489.76 | 617.06 | 560.72 | 442.68 | 585.25 | 505.83 | 496.86 | 524.04 | 521.85 | 280.97 | 868.79 | 471.43 | 6,365.24 |
| Total 471 Miscellaneous Service Revenue | \$ 1,458.76 | \$ 1,917.10 | \$ 1,195.22 | \$ 2,482.68 | \$ 2,967.75 | \$ 2,285.33 | \$ 1,041.86 | \$ 1,121.54 | \$ 1,664.35 | \$ 2,506.97 | \$ 2,901.79 | \$ 1,991.43 | \$ 23,534.78 |
| 474 Other Water Revenue | | | | | | | | | | | | | 0.00 |
| 474.01 Rate Case Expense Surcharge | 7,314.58 | 5,674.70 | 6,894.63 | 7,344.83 | 5,680.59 | | | | | | | 70.38 | 32,979.71 |
| 474.02 DW18-056 Tax Savings Refund | | | | | | | | | | | | -42,707.00 | -42,707.00 |
| Total 474 Other Water Revenue | \$ 7,314.58 | \$ 5,674.70 | \$ 6,894.63 | \$ 7,344.83 | \$ 5,680.59 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | -\$ 42,636.62 | -\$ 9,727.29 |
| Total 400 Operating Revenue | \$ 118,418.77 | \$ 99,702.75 | \$ 125,809.31 | \$ 119,683.85 | \$ 100,798.56 | \$ 140,918.14 | \$ 98,826.95 | \$ 99,573.43 | \$ 155,753.41 | \$ 98,679.89 | \$ 96,998.59 | \$ 308,526.54 | \$ 1,563,690.19 |
| Total Income | \$ 118,418.77 | \$ 99,702.75 | \$ 125,809.31 | \$ 119,683.85 | \$ 100,798.56 | \$ 140,918.14 | \$ 98,826.95 | \$ 99,573.43 | \$ 155,753.41 | \$ 98,679.89 | \$ 96,998.59 | \$ 308,526.54 | \$ 1,563,690.19 |
| Cost of Goods Sold | | | | | | | | | | | | | |
| Cost of Goods Sold | | | | 0.00 | | 0.00 | | -4.25 | 4.25 | | 0.00 | 0.00 | 0.00 |
| Total Cost of Goods Sold | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | -\$ 4.25 | \$ 4.25 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Gross Profit | \$ 118,418.77 | \$ 99,702.75 | \$ 125,809.31 | \$ 119,683.85 | \$ 100,798.56 | \$ 140,918.14 | \$ 98,826.95 | \$ 99,577.68 | \$ 155,749.16 | \$ 98,679.89 | \$ 96,998.59 | \$ 308,526.54 | \$ 1,563,690.19 |
| Expenses | | | | | | | | | | | | | |
| 401 Operating & Maintenance Expense | | | | | | | | | | | | | 0.00 |
| 401.01 Production-Source of Supply O&M | | | | | | | | | | | | | 0.00 |
| 601 Operations Labor & Expense | | | | | | | | | | | | | 0.00 |
| 601.01 Labor-Source other | 2,438.05 | 786.53 | -3,224.58 | 894.36 | 620.50 | -1,489.86 | 1,843.69 | 772.07 | -2,640.76 | 1,396.75 | 457.63 | -1,854.38 | 0.00 |
| Total 601 Operations Labor & Expense | \$ 2,438.05 | \$ 786.53 | -\$ 3,224.58 | \$ 894.36 | \$ 620.50 | -\$ 1,489.86 | \$ 1,843.69 | \$ 772.07 | -\$ 2,640.76 | \$ 1,396.75 | \$ 457.63 | -\$ 1,854.38 | \$ 0.00 |
| 603 Misc. Expense Source | | | | | | | | | | | | | 0.00 |
| 603.01 Labor-Maintenance | | | | | | | | | | | | 913.73 | 913.73 |
| 603.02 Materials | | 100.00 | | | | 621.85 | | | 57.96 | | | 720.00 | 1,499.81 |
| 603.03 Contract Services | | 200.00 | | | | 550.00 | | | | | | 315.00 | 1,065.00 |
| Total 603 Misc. Expense Source | \$ 0.00 | \$ 300.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 1,171.85 | \$ 0.00 | \$ 0.00 | \$ 57.96 | \$ 0.00 | \$ 0.00 | \$ 1,948.73 | \$ 3,478.54 |
| 604 Rents | 1,000.00 | | | | | | | | | | | | 1,000.00 |
| Total 401.01 Production-Source of Supply O&M | \$ 3,438.05 | \$ 1,086.53 | -\$ 3,224.58 | \$ 894.36 | \$ 620.50 | -\$ 318.01 | \$ 1,843.69 | \$ 772.07 | -\$ 2,582.80 | \$ 1,396.75 | \$ 457.63 | \$ 94.35 | \$ 4,478.54 |
| 401.02 Production-Pumping O&M | | | | | | | | | | | | | 0.00 |
| 623 Purchase Power (Electric) | 12,929.99 | 10,557.80 | 10,176.04 | 9,113.69 | 7,352.64 | 6,602.95 | 7,267.33 | 8,171.16 | 6,890.66 | 4,990.15 | 5,763.89 | 8,384.30 | 98,200.60 |
| 624 Pumping Labor & Expense | | | | | | | | | 1,128.00 | | | 649.92 | 1,777.92 |
| 630 Maint. Supervision & Engineering | | 1,210.00 | 3,570.03 | 1,125.00 | | 1,698.87 | | | 1,589.31 | | | 787.18 | 9,980.39 |
| 631 Maint. of Structures & Improvements | | | 425.00 | 52.53 | | 1,040.72 | 599.10 | 925.68 | | 300.00 | | 5,675.00 | 9,018.03 |

Lakes Region Water Company, Inc.

Profit and Loss

January - December 2019

Docket No. DW 20-184
Puc 1604.01(a)(1) a b Requirement

| | Jan 2019 | Feb 2019 | Mar 2019 | Apr 2019 | May 2019 | Jun 2019 | Jul 2019 | Aug 2019 | Sep 2019 | Oct 2019 | Nov 2019 | Dec 2019 | Total |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|----------------------|
| 633 Maint. of Pumping Equip. | | 99.69 | 1,507.66 | 400.00 | | | | | | | | 0.00 | 2,007.35 |
| Total 401.02 Production-Pumping O&M | \$ 12,929.99 | \$ 11,867.49 | \$ 15,678.73 | \$ 10,691.22 | \$ 7,352.64 | \$ 9,342.54 | \$ 7,866.43 | \$ 9,096.84 | \$ 9,607.97 | \$ 5,290.15 | \$ 5,763.89 | \$ 15,496.40 | \$ 120,984.29 |
| 401.03 Treatment O&M | | | | | | | | | | | | | 0.00 |
| 641 Chemicals | | 320.60 | | | | | | | 320.60 | 206.24 | | | 847.44 |
| 642 Labor-Treatment | 672.08 | 560.02 | 278.00 | 1,346.56 | 240.01 | 349.76 | 731.34 | 1,048.34 | 589.92 | 783.99 | 308.01 | 565.00 | 7,473.03 |
| 643 Misc. Expense | | | | | | | | | | | | | 0.00 |
| 643.01 Materials | 426.72 | 410.84 | 166.54 | 4,188.28 | 88.02 | 1,012.28 | 320.60 | | 83.22 | | | 0.00 | 6,696.50 |
| 643.02 Water Tests | 4,646.00 | 3,476.00 | 669.00 | 1,061.00 | 1,366.00 | 448.00 | 964.00 | 1,118.00 | 2,632.00 | 1,224.00 | 7,311.00 | 1,640.00 | 26,555.00 |
| Total 643 Misc. Expense | \$ 5,072.72 | \$ 3,886.84 | \$ 835.54 | \$ 5,249.28 | \$ 1,454.02 | \$ 1,460.28 | \$ 1,284.60 | \$ 1,118.00 | \$ 2,715.22 | \$ 1,224.00 | \$ 7,311.00 | \$ 1,640.00 | \$ 33,251.50 |
| 652 Maint. of Water Treat. Equip. | | | | | | | | | | | | 3,295.01 | 3,295.01 |
| Total 401.03 Treatment O&M | \$ 5,744.80 | \$ 4,767.46 | \$ 1,113.54 | \$ 6,595.84 | \$ 1,694.03 | \$ 1,810.04 | \$ 2,015.94 | \$ 2,166.34 | \$ 3,625.74 | \$ 2,214.23 | \$ 7,619.01 | \$ 5,500.01 | \$ 44,866.98 |
| 401.04 Trans/Distribution O&M | | | | | | | | | | | | | 0.00 |
| 662 Trans. & Dist. Line Expense | | | | | | | | | | | | | 0.00 |
| 662.01 Labor-T&D | 6,343.00 | 4,194.25 | 1,058.34 | 6,442.51 | 5,704.50 | 2,587.17 | 4,091.19 | 3,503.87 | 2,585.02 | 3,822.46 | 4,574.45 | -958.09 | 43,948.67 |
| 662.02 Materials | 4,343.29 | 4,743.46 | 737.40 | 10,448.14 | 1,815.27 | 2,969.75 | 19.43 | | 5,047.22 | 5,641.85 | 1,676.80 | 5,259.48 | 42,702.09 |
| 662.04 Equipment Repair/Rental | 92.39 | 8,195.00 | 609.61 | 45.00 | 346.61 | | 29.77 | | 92.85 | | | 79.96 | 9,491.19 |
| 662.05 Vehicle Fuel | 4,354.95 | 292.69 | 4,039.22 | 410.19 | 6,676.73 | 2,495.45 | 2,240.48 | 466.67 | 3,189.39 | 1,869.64 | 2,114.74 | 4,507.42 | 32,657.57 |
| 662.06 Vehicle Maintenance | 198.57 | 1,294.99 | 5.29 | 816.90 | 1,563.30 | 4,204.49 | 982.47 | 534.63 | 495.95 | | 1,297.88 | 1,062.64 | 12,457.11 |
| 662.07 Vehicle Registration | 219.84 | | | | | 3,906.26 | | | | | | 392.00 | 4,518.10 |
| 662.08 Telemetry-Telephone | | | 2,672.50 | | | 2,882.50 | | | 3,162.50 | | | 3,372.50 | 12,090.00 |
| 662.09 Misc. Line Expense | 134.78 | 927.94 | | | | | | | | | | 0.00 | 1,062.72 |
| Total 662 Trans. & Dist. Line Expense | \$ 15,686.82 | \$ 19,648.33 | \$ 9,122.36 | \$ 18,162.74 | \$ 16,106.41 | \$ 19,045.62 | \$ 7,363.34 | \$ 4,505.17 | \$ 14,572.93 | \$ 11,333.95 | \$ 9,663.87 | \$ 13,715.91 | \$ 158,927.45 |
| 663 Meter Expenses | | | | 72.35 | -72.35 | | | | | | | | 0.00 |
| 665 Miscellaneous Expense | 1,497.55 | | 80.00 | | | 302.31 | | | 57.00 | | | 581.10 | 2,517.96 |
| 665.02 Laboratory Testing | | | | | | | | | | | | 69.00 | 69.00 |
| Total 665 Miscellaneous Expense | \$ 1,497.55 | \$ 0.00 | \$ 80.00 | \$ 0.00 | \$ 0.00 | \$ 302.31 | \$ 0.00 | \$ 0.00 | \$ 57.00 | \$ 0.00 | \$ 0.00 | \$ 650.10 | \$ 2,586.96 |
| 671 Maint. of Structures & Improvements | | 540.00 | 1,322.37 | 151.98 | 63.89 | | 80.44 | 165.25 | 42.77 | | | 0.00 | 2,366.70 |
| 673 Maint. of T&D Mains | 2,830.00 | 9,383.83 | 3,847.87 | 358.99 | 4,234.40 | 8,105.06 | 5,059.55 | 5,147.66 | 5,161.48 | | | 10,415.17 | 54,544.01 |
| 675 Maint. of Services | 623.75 | | | | | 391.23 | | | | 266.15 | | | 1,281.13 |
| 676 Maint. of Meters | | 25.00 | 462.00 | | | 1,142.86 | | 1,271.71 | 237.50 | | | 339.91 | 3,478.98 |
| Total 401.04 Trans/Distribution O&M | \$ 20,638.12 | \$ 29,597.16 | \$ 14,834.60 | \$ 18,746.06 | \$ 20,332.35 | \$ 28,987.08 | \$ 12,503.33 | \$ 11,089.79 | \$ 20,071.68 | \$ 11,600.10 | \$ 9,663.87 | \$ 25,121.09 | \$ 223,185.23 |
| 401.05 Customer Accounts Expenses | | | | | | | | | | | | | 0.00 |
| 902 Meter Reading Expense | 939.00 | 550.00 | 638.01 | 1,238.49 | 1,300.50 | -148.83 | 527.89 | 527.77 | 651.66 | 2,361.67 | 954.04 | 1,425.57 | 10,965.77 |
| 903 Records & Collections Expense | | | | | | | | | | | | | 0.00 |
| 903.01 Labor | | 2,295.00 | 2,898.75 | 2,263.13 | 2,812.50 | 1,915.00 | 2,300.00 | 3,106.00 | 2,276.00 | 1,012.00 | 628.13 | 3,096.25 | 24,602.76 |
| 903.02 Postage | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 4,800.00 |
| Total 903 Records & Collections Expense | \$ 400.00 | \$ 2,695.00 | \$ 3,298.75 | \$ 2,663.13 | \$ 3,212.50 | \$ 2,315.00 | \$ 2,700.00 | \$ 3,506.00 | \$ 2,676.00 | \$ 1,412.00 | \$ 1,028.13 | \$ 3,496.25 | \$ 29,402.76 |
| 904.01 Uncollectible Accounts | 654.35 | | | | | -264.46 | | | | | | 20,464.19 | 20,854.08 |
| 905.01 Misc. Customer Acct Expense | | | | | | | | | 51.50 | | | 1,109.02 | 1,160.52 |
| Total 401.05 Customer Accounts Expenses | \$ 1,993.35 | \$ 3,245.00 | \$ 3,936.76 | \$ 3,901.62 | \$ 4,248.54 | \$ 2,166.17 | \$ 3,227.89 | \$ 4,033.77 | \$ 3,379.16 | \$ 3,773.67 | \$ 1,982.17 | \$ 26,495.03 | \$ 62,383.13 |
| 401.07 Admin & General Expenses | | | | | | | | | | | | | 0.00 |
| 920 Admin & General Salaries | | | | | | | | | | | | | 0.00 |
| 920.01 Field Staff Other | 10,697.75 | 12,995.25 | 17,940.50 | 14,586.75 | 18,369.25 | 13,603.50 | 12,768.45 | 17,219.48 | 12,195.37 | 12,681.97 | 16,160.66 | 18,031.67 | 177,250.60 |
| 920.01a Work Order Dist. | -10,757.00 | -8,209.25 | -8,309.33 | -10,387.46 | -10,693.50 | -9,072.50 | -9,758.22 | -10,004.86 | -7,676.83 | -9,123.92 | -6,420.63 | -6,397.15 | -106,810.65 |

Lakes Region Water Company, Inc.

Profit and Loss

January - December 2019

Docket No. DW 20-184
Puc 1604.01(a)(1) a b Requirement

| | Jan 2019 | Feb 2019 | Mar 2019 | Apr 2019 | May 2019 | Jun 2019 | Jul 2019 | Aug 2019 | Sep 2019 | Oct 2019 | Nov 2019 | Dec 2019 | Total |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Total 920.01 Field Staff Other | -\$ 59.25 | \$ 4,786.00 | \$ 9,631.17 | \$ 4,199.29 | \$ 7,675.75 | \$ 4,531.00 | \$ 3,010.23 | \$ 7,214.62 | \$ 4,518.54 | \$ 3,558.05 | \$ 9,740.03 | \$ 11,634.52 | \$ 70,439.95 |
| 920.02 Administration | 5,973.53 | 7,746.37 | 10,154.20 | 7,961.36 | 9,906.70 | 7,466.37 | 8,014.80 | 10,026.23 | 7,958.15 | 8,195.05 | 10,615.90 | 11,095.75 | 105,114.41 |
| 920.03 Officer | 4,418.88 | 5,891.84 | 7,364.80 | 5,891.84 | 7,364.80 | 5,891.84 | 6,068.60 | 7,585.75 | 6,068.60 | 6,068.60 | 7,585.75 | 8,085.75 | 78,287.05 |
| Total 920 Admin & General Salaries | \$ 10,333.16 | \$ 18,424.21 | \$ 27,150.17 | \$ 18,052.49 | \$ 24,947.25 | \$ 17,889.21 | \$ 17,093.63 | \$ 24,826.60 | \$ 18,545.29 | \$ 17,821.70 | \$ 27,941.68 | \$ 30,816.02 | \$ 253,841.41 |
| 921 Office Supplies and Other Expense | | | | | | | | | | | | 18,160.49 | 18,160.49 |
| 923 Outside Services Employed | | | | | | | | | | | | | 0.00 |
| 923.01 Accounting | 260.00 | 1,397.50 | 3,118.33 | 4,290.00 | 1,925.00 | | 35.00 | | | 892.43 | 207.00 | 296.50 | 12,421.76 |
| 923.02 Computer Services | 720.80 | 722.30 | 1,144.60 | 301.50 | 743.30 | 743.30 | 751.80 | 1,075.10 | 329.50 | 751.80 | 750.30 | 753.30 | 8,787.60 |
| 923.03 Legal | 860.00 | | | 286.00 | 2,517.00 | 394.17 | 473.00 | 88.00 | 528.00 | 1,084.66 | 5,000.00 | 1,342.00 | 12,572.83 |
| Total 923 Outside Services Employed | \$ 1,840.80 | \$ 2,119.80 | \$ 4,262.93 | \$ 4,877.50 | \$ 5,185.30 | \$ 1,137.47 | \$ 1,259.80 | \$ 1,163.10 | \$ 857.50 | \$ 2,728.89 | \$ 5,957.30 | \$ 2,391.80 | \$ 33,782.19 |
| 924 Insurance Expense | | | | | | | | | | | | | 0.00 |
| 924.01 Property Insurance | 2,263.61 | 2,419.14 | 2,263.61 | 7,242.93 | 2,424.58 | 2,424.58 | 2,424.58 | 2,424.58 | 2,424.58 | 2,424.58 | 2,424.58 | 2,424.58 | 33,585.93 |
| 924.02 Workers Compensation | 400.58 | 400.58 | 400.58 | 1,431.49 | 406.42 | 406.42 | 454.42 | 406.42 | 406.42 | 406.42 | 406.42 | 406.42 | 5,932.59 |
| Total 924 Insurance Expense | \$ 2,664.19 | \$ 2,819.72 | \$ 2,664.19 | \$ 8,674.42 | \$ 2,831.00 | \$ 2,831.00 | \$ 2,879.00 | \$ 2,831.00 | \$ 39,518.52 |
| 926 Employee Pension & Benefits | 3,777.17 | 3,777.17 | 3,777.17 | 3,805.97 | 4,435.13 | 5,138.35 | 3,874.37 | 4,611.51 | 5,057.63 | 5,213.43 | 146.88 | 3,707.26 | 47,322.04 |
| 926.02 Pension | 671.23 | 737.63 | 943.97 | 790.89 | 990.84 | 736.08 | 740.40 | 970.44 | 721.28 | 704.58 | 859.25 | 831.48 | 9,698.07 |
| 926.03 HRA Expense | | | | | | | | 1,050.00 | | | | 920.20 | 1,970.20 |
| Total 926 Employee Pension & Benefits | \$ 4,448.40 | \$ 4,514.80 | \$ 4,721.14 | \$ 4,596.86 | \$ 5,425.97 | \$ 5,874.43 | \$ 4,614.77 | \$ 6,631.95 | \$ 5,778.91 | \$ 5,918.01 | \$ 1,006.13 | \$ 5,458.94 | \$ 58,990.31 |
| 928 Regulatory Commission Expense | 8,224.66 | 5,129.58 | 6,053.10 | 8,233.54 | 5,120.70 | 831.66 | 831.66 | 2,018.66 | 831.66 | 2,397.66 | 831.66 | 1,682.96 | 42,187.50 |
| 930 Miscellaneous General Expense | | | | | | | | | | | | | 0.00 |
| 930.01 Bank Service Charge | 87.09 | 110.98 | 87.00 | 83.01 | 101.05 | 120.32 | 90.00 | 89.99 | 73.00 | 106.00 | 100.60 | 91.65 | 1,140.69 |
| 930.02 Building Maintenance | 1,066.51 | 851.20 | 1,339.13 | 763.50 | 2,651.09 | 997.22 | 1,621.19 | 1,149.96 | 2,614.42 | 6,270.29 | 778.06 | 1,839.32 | 21,941.89 |
| 930.03 Dig Safe Notifications | 40.00 | | | 20.00 | | 70.00 | | | | 97.00 | | 0.00 | 227.00 |
| 930.04 Heat/Electric-Admin Building | | 295.96 | | 235.16 | | | 162.02 | 207.47 | 124.57 | 159.47 | 442.44 | 234.20 | 1,861.29 |
| 930.05 Membership/Dues | 500.00 | 107.00 | 433.00 | | | | 995.00 | | | | 105.00 | 0.00 | 2,140.00 |
| 930.06 Operating Permits | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 5,700.00 |
| 930.07 Training/Workshops | | 198.00 | 100.00 | 60.00 | | | 420.00 | 1,180.00 | 140.00 | 559.00 | | 1,892.63 | 4,549.63 |
| 930.08 Shop Supplies/Small Tools | 579.10 | 1,739.20 | 2,179.84 | 2,799.58 | 2,012.80 | 1,899.30 | 1,222.91 | 211.87 | 1,617.62 | 874.90 | 1,313.05 | 2,245.25 | 18,695.42 |
| 930.09 Telephone | 605.36 | 759.11 | 451.64 | 603.05 | 674.02 | 579.71 | 658.06 | 640.72 | 648.11 | 570.16 | 608.82 | 763.58 | 7,562.34 |
| 930.10 Office/Other Expense | 1,950.70 | 1,969.87 | 1,914.25 | 2,304.12 | 1,438.11 | 895.57 | 884.62 | 2,121.83 | 1,001.36 | 903.16 | 939.40 | -16,322.99 | 0.00 |
| 930.11 Reimbursements | | 21.47 | 243.84 | 130.48 | 155.11 | 42.73 | 51.89 | 79.99 | 270.45 | 167.50 | 104.40 | 86.83 | 1,354.69 |
| 930.12 Other Computer Services | 591.50 | 88.24 | 724.78 | 106.49 | 106.49 | 728.03 | 106.49 | 106.49 | 728.03 | 106.49 | 106.49 | 728.03 | 4,227.55 |
| Total 930 Miscellaneous General Expense | \$ 5,895.26 | \$ 6,616.03 | \$ 7,948.48 | \$ 7,580.39 | \$ 7,613.67 | \$ 5,807.88 | \$ 6,687.18 | \$ 6,263.32 | \$ 7,692.56 | \$ 10,288.97 | \$ 4,973.26 | -\$ 7,966.50 | \$ 69,400.50 |
| Total 401.07 Admin & General Expenses | \$ 33,406.47 | \$ 39,624.14 | \$ 52,800.01 | \$ 52,015.20 | \$ 51,123.89 | \$ 34,371.65 | \$ 33,366.04 | \$ 43,734.63 | \$ 36,536.92 | \$ 41,986.23 | \$ 43,541.03 | \$ 53,374.71 | \$ 515,880.92 |
| Total 401 Operating & Maintenance Expense | \$ 78,150.78 | \$ 90,187.78 | \$ 85,139.06 | \$ 92,844.30 | \$ 85,371.95 | \$ 76,359.47 | \$ 60,823.32 | \$ 70,893.44 | \$ 70,638.67 | \$ 66,261.13 | \$ 69,027.60 | \$ 126,081.59 | \$ 971,779.09 |
| 403 Depreciation Expense | -15,867.10 | | 53,088.67 | | | | 53,963.34 | | 54,157.86 | | | 55,526.53 | 200,869.30 |
| 405 Amortization of CIAC | -1,461.24 | -1,461.24 | -1,461.24 | -1,461.24 | -1,461.24 | -1,461.24 | -1,461.24 | -1,461.24 | -1,461.24 | -1,461.24 | -1,461.24 | -1,461.24 | -17,534.88 |
| 406 Amort. of Utility Plant Acq. | -538.34 | -538.34 | -538.34 | -538.34 | -538.34 | -538.34 | -538.34 | -538.34 | -538.34 | -538.34 | -538.34 | -1,296.38 | -7,218.12 |
| 408 Taxes Other Than Income | | | | | | | | | | | | | 0.00 |
| 408.11 Property Tax- Local | 4,424.66 | 4,424.66 | 4,424.67 | 3,920.17 | 3,920.17 | 3,920.17 | 3,920.17 | 3,920.17 | 3,920.17 | 4,080.50 | 4,080.50 | 4,080.48 | 49,036.49 |
| 408.12 Payroll Taxes | 2,143.84 | 2,289.13 | 2,892.89 | 2,262.40 | 2,786.64 | 2,066.34 | 2,062.98 | 2,698.03 | 2,035.21 | 1,992.23 | 2,480.77 | 2,438.23 | 28,148.69 |
| 408.12a PR Taxes (WO Dist.) | -318.14 | -618.60 | -211.35 | -135.88 | -825.78 | -294.64 | -748.81 | -1,280.66 | -197.47 | -218.40 | -41.31 | -48.02 | -4,939.06 |
| Total 408.12 Payroll Taxes | \$ 1,825.70 | \$ 1,670.53 | \$ 2,681.54 | \$ 2,126.52 | \$ 1,960.86 | \$ 1,771.70 | \$ 1,314.17 | \$ 1,417.37 | \$ 1,837.74 | \$ 1,773.83 | \$ 2,439.46 | \$ 2,390.21 | \$ 23,209.63 |
| 408.13 Utilities Tax- State | | | 6,492.90 | | | 6,927.75 | | | 6,927.75 | | | 6,927.75 | 27,276.15 |

Lakes Region Water Company, Inc.

Profit and Loss

January - December 2019

Docket No. DW 20-184
Puc 1604.01(a)(1) a b Requirement

| | Jan 2019 | Feb 2019 | Mar 2019 | Apr 2019 | May 2019 | Jun 2019 | Jul 2019 | Aug 2019 | Sep 2019 | Oct 2019 | Nov 2019 | Dec 2019 | Total |
|------------------------------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|--------------|---------------|-----------------|
| Total 408 Taxes Other Than Income | \$ 6,250.36 | \$ 6,095.19 | \$ 13,599.11 | \$ 6,046.69 | \$ 5,881.03 | \$ 12,619.62 | \$ 5,234.34 | \$ 5,337.54 | \$ 12,685.66 | \$ 5,854.33 | \$ 6,519.96 | \$ 13,398.44 | \$ 99,522.27 |
| 409-411 Income Taxes | | | | | | | | | | | | | 0.00 |
| 409.10 Federal Income Taxes | | | | | | | | | | | | 39,715.00 | 39,715.00 |
| 409.11 State Business Tax | | | | | | | | | | | | 8,771.00 | 8,771.00 |
| 410.10 Def. Federal Income Tax | | | | | | | | | | | | 30,000.00 | 30,000.00 |
| 411.10 DW 18-056- Amort of EDIT | | | | | | | | | | | | -4,238.78 | -4,238.78 |
| Total 409-411 Income Taxes | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 74,247.22 | \$ 74,247.22 |
| Total Expenses | \$ 66,534.46 | \$ 94,283.39 | \$ 149,827.26 | \$ 96,891.41 | \$ 89,253.40 | \$ 140,942.85 | \$ 64,058.08 | \$ 74,231.40 | \$ 135,482.61 | \$ 70,115.88 | \$ 73,547.98 | \$ 266,496.16 | \$ 1,321,664.88 |
| Net Operating Income | \$ 51,884.31 | \$ 5,419.36 | \$ -24,017.95 | \$ 22,792.44 | \$ 11,545.16 | \$ -24.71 | \$ 34,768.87 | \$ 25,346.28 | \$ 20,266.55 | \$ 28,564.01 | \$ 23,450.61 | \$ 42,030.38 | \$ 242,025.31 |
| Other Income | | | | | | | | | | | | | |
| 415 Revenues from Contract Work | 2,200.00 | 650.00 | 1,150.00 | 2,400.00 | 500.00 | 650.00 | 1,550.00 | 2,375.00 | 2,225.00 | | 9,887.50 | 3,125.00 | 26,712.50 |
| 419 Interest and Dividend Income | | | 3,062.42 | 4,593.62 | | | | | | | | 0.00 | 7,656.04 |
| Total Other Income | \$ 2,200.00 | \$ 650.00 | \$ 4,212.42 | \$ 6,993.62 | \$ 500.00 | \$ 650.00 | \$ 1,550.00 | \$ 2,375.00 | \$ 2,225.00 | \$ 0.00 | \$ 9,887.50 | \$ 3,125.00 | \$ 34,368.54 |
| Other Expenses | | | | | | | | | | | | | |
| 426 Misc. Nonutility Expense | | | | | | | | | | | | | 0.00 |
| 426.02 Donations | | | | 135.00 | 200.00 | 100.00 | | | | | 135.00 | 0.00 | 570.00 |
| Total 426 Misc. Nonutility Expense | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 135.00 | \$ 200.00 | \$ 100.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 135.00 | \$ 0.00 | \$ 570.00 |
| 427-428 Interest Expenses | | | | | | | | | | | | | 0.00 |
| 427 Interest Expense | 5,287.91 | 3,672.62 | 5,343.04 | 3,822.62 | 4,636.61 | 6,971.85 | 3,789.75 | 3,764.43 | 4,733.14 | 3,687.22 | 3,507.10 | 4,618.86 | 53,835.15 |
| 428 Amort. Of Debt Expense | 161.53 | 161.53 | 161.53 | 161.53 | 161.53 | 161.53 | 161.53 | 161.53 | 161.53 | 161.53 | 161.53 | 161.53 | 1,938.36 |
| Total 427-428 Interest Expenses | \$ 5,449.44 | \$ 3,834.15 | \$ 5,504.57 | \$ 3,984.15 | \$ 4,798.14 | \$ 7,133.38 | \$ 3,951.28 | \$ 3,925.96 | \$ 4,894.67 | \$ 3,848.75 | \$ 3,668.63 | \$ 4,780.39 | \$ 55,773.51 |
| Total Other Expenses | \$ 5,449.44 | \$ 3,834.15 | \$ 5,504.57 | \$ 4,119.15 | \$ 4,998.14 | \$ 7,233.38 | \$ 3,951.28 | \$ 3,925.96 | \$ 4,894.67 | \$ 3,848.75 | \$ 3,803.63 | \$ 4,780.39 | \$ 56,343.51 |
| Net Other Income | -\$ 3,249.44 | -\$ 3,184.15 | -\$ 1,292.15 | \$ 2,874.47 | -\$ 4,498.14 | -\$ 6,583.38 | -\$ 2,401.28 | -\$ 1,550.96 | -\$ 2,669.67 | -\$ 3,848.75 | \$ 6,083.87 | -\$ 1,655.39 | -\$ 21,974.97 |
| Net Income | \$ 48,634.87 | \$ 2,235.21 | -\$ 25,310.10 | \$ 25,666.91 | \$ 7,047.02 | -\$ 6,608.09 | \$ 32,367.59 | \$ 23,795.32 | \$ 17,596.88 | \$ 24,715.26 | \$ 29,534.48 | \$ 40,374.99 | \$ 220,050.34 |

Lakes Region Water Company, Inc
Balance Sheet
As of December 31, 2018

Docket No. DW 20-187
Puc 1604.01(a)(1) c- Requirement

| | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | Jul 2018 | Aug 2018 | Sep 2018 | Oct 2018 | Nov 2018 | Dec 2018 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| ASSETS | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | |
| Bank Accounts | | | | | | | | | | | | |
| 131.01 BNH (Operating Account) | 63,918.56 | 82,047.68 | 56,590.25 | 63,188.20 | 69,947.51 | 39,494.44 | 79,302.29 | 77,382.99 | 49,174.52 | 108,040.94 | 120,638.55 | 89,049.41 |
| 131.04 BNH (Debit Card) | 47,416.80 | 47,416.80 | 46,814.80 | 20,025.16 | 19,894.25 | 19,350.56 | 1,000.00 | 953.20 | 925.62 | 1,000.00 | 1,753.91 | 812.18 |
| Total Bank Accounts | \$ 111,335.36 | \$ 129,464.48 | \$ 103,405.05 | \$ 83,213.36 | \$ 89,841.76 | \$ 58,845.00 | \$ 80,302.29 | \$ 78,336.19 | \$ 50,100.14 | \$ 109,040.94 | \$ 122,392.46 | \$ 89,861.59 |
| Accounts Receivable | | | | | | | | | | | | |
| 145 Accounts Receivable (LRWS) | 6,303.95 | 7,503.95 | 8,553.95 | 10,978.95 | 12,028.95 | 13,178.95 | 14,678.95 | 16,528.95 | 17,478.95 | 18,428.95 | 19,628.95 | 20,578.95 |
| Total Accounts Receivable | \$ 6,303.95 | \$ 7,503.95 | \$ 8,553.95 | \$ 10,978.95 | \$ 12,028.95 | \$ 13,178.95 | \$ 14,678.95 | \$ 16,528.95 | \$ 17,478.95 | \$ 18,428.95 | \$ 19,628.95 | \$ 20,578.95 |
| Other Current Assets | | | | | | | | | | | | |
| 125 CoBank Patronage | 6,060.18 | 6,060.18 | 8,250.10 | 8,250.10 | 8,250.10 | 8,250.10 | 8,250.10 | 8,250.10 | 8,250.10 | 8,250.10 | 8,250.10 | 8,250.10 |
| 141 Accounts Receivable | 163,970.02 | 133,037.88 | 124,901.24 | 88,956.64 | 58,765.56 | 68,010.88 | 44,826.52 | 17,018.67 | 63,450.85 | 7,499.49 | -30,389.71 | 172,876.12 |
| 151 Materials & Supplies-Inventory | 15,260.34 | 17,355.03 | 17,355.03 | 17,355.03 | 17,355.03 | 17,355.03 | 18,040.83 | 18,040.83 | 18,040.83 | 18,040.83 | 18,040.83 | 18,040.83 |
| 151.01 Meters | 10,309.45 | 10,511.37 | 10,511.37 | 10,511.37 | 12,751.37 | 13,833.05 | 13,833.05 | 15,513.05 | 15,513.05 | 15,513.05 | 16,633.05 | 16,671.37 |
| 151.01a Meter (PIS) | -9,469.45 | -10,371.37 | -10,791.37 | -11,911.37 | -13,311.37 | -13,591.37 | -14,291.37 | -14,851.37 | -15,691.37 | -16,111.37 | -16,531.37 | -16,671.37 |
| Total 151.01 Meters | \$ 840.00 | \$ 140.00 | \$ 280.00 | \$ 1,400.00 | \$ 560.00 | \$ 241.68 | \$ 458.32 | \$ 661.68 | \$ 178.32 | \$ 598.32 | \$ 101.68 | \$ 0.00 |
| Total 151 Materials & Supplies-Inventory | \$ 16,100.34 | \$ 17,495.03 | \$ 17,075.03 | \$ 15,955.03 | \$ 16,795.03 | \$ 17,596.71 | \$ 17,582.51 | \$ 18,702.51 | \$ 17,862.51 | \$ 17,442.51 | \$ 18,142.51 | \$ 18,040.83 |
| 162 Prepayments-Other | 4,370.84 | 3,741.68 | 3,112.52 | 2,483.36 | 1,854.20 | 6,925.04 | 6,245.88 | 5,566.72 | 5,091.72 | 6,898.74 | 6,657.08 | 6,312.72 |
| 162.01 Insurance | 10,346.60 | 9,473.59 | 8,600.58 | 7,559.17 | 10,194.98 | 12,510.11 | 10,967.92 | 10,793.39 | 10,618.86 | 11,566.33 | 11,391.80 | 11,217.27 |
| 162.02 One Call | 2,169.36 | 2,169.36 | 2,169.36 | 2,169.36 | 2,169.36 | 2,169.36 | 2,169.36 | 1,524.51 | 1,524.51 | 1,524.51 | 1,524.51 | 1,331.25 |
| 162.03 Monitoring Systems | 9,825.00 | 9,090.00 | 8,355.00 | 7,585.00 | 6,710.00 | 5,835.00 | 4,960.00 | 3,980.00 | 3,000.00 | 2,020.00 | 1,880.00 | 10,410.00 |
| Total 162 Prepayments-Other | \$ 26,711.80 | \$ 24,474.63 | \$ 22,237.46 | \$ 19,796.89 | \$ 20,928.54 | \$ 27,439.51 | \$ 24,343.16 | \$ 21,864.62 | \$ 20,235.09 | \$ 22,009.58 | \$ 21,453.39 | \$ 29,271.24 |
| 163 Prepaid Taxes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 163.01 NHDRA Utility Tax | 3,093.19 | -1,227.31 | -1,031.06 | -1,031.06 | 0.00 | 0.00 | 0.00 | 6,118.00 | 6,118.00 | 6,118.00 | 12,236.00 | 6,492.90 |
| 163.02 Property Taxes | 6,636.32 | 3,318.16 | 0.00 | -3,461.83 | 12,750.34 | 10,385.51 | 6,923.68 | 3,461.85 | 0.00 | 7,047.33 | 13,438.66 | 13,273.99 |
| Total 163 Prepaid Taxes | \$ 9,729.51 | \$ 2,090.85 | \$ 1,031.06 | \$ 4,492.89 | \$ 12,750.34 | \$ 10,385.51 | \$ 6,923.68 | \$ 9,579.85 | \$ 6,118.00 | \$ 13,165.33 | \$ 25,674.66 | \$ 19,766.89 |
| Total Other Current Assets | \$ 222,571.85 | \$ 183,158.57 | \$ 171,432.77 | \$ 128,465.77 | \$ 117,489.57 | \$ 131,682.71 | \$ 101,925.97 | \$ 75,415.75 | \$ 115,916.55 | \$ 68,367.01 | \$ 43,130.95 | \$ 248,205.18 |
| Total Current Assets | \$ 340,211.16 | \$ 320,127.00 | \$ 283,391.77 | \$ 222,658.08 | \$ 219,360.28 | \$ 203,706.66 | \$ 196,907.21 | \$ 170,280.89 | \$ 183,495.64 | \$ 195,836.90 | \$ 185,152.36 | \$ 358,645.72 |
| Fixed Assets | | | | | | | | | | | | |
| 101 Utility Plant | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 101.01 Intangible Plant | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 301 Organization Cost | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 | 24,064.00 |
| 302 Franchise | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 | 3,630.00 |
| Total 101.01 Intangible Plant | \$ 27,694.00 |
| 101.02 Source/Pumping | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 303.02 Land and Land Rights | 423,292.60 | 423,292.60 | 423,292.60 | 423,292.60 | 423,292.60 | 423,292.60 | 423,292.60 | 423,292.60 | 423,292.60 | 423,292.60 | 423,292.60 | 423,292.60 |
| 304.02 Structures & Improvements | 682,036.88 | 682,036.88 | 682,036.88 | 682,036.88 | 682,036.88 | 682,036.88 | 737,020.88 | 737,020.88 | 737,020.88 | 737,020.88 | 737,020.88 | 890,069.47 |
| 307 Wells | 716,551.75 | 716,551.75 | 716,551.75 | 716,551.75 | 716,551.75 | 716,551.75 | 716,551.75 | 716,551.75 | 716,551.75 | 716,551.75 | 716,551.75 | 722,206.75 |
| 310 Power Generation Equipment | 4,718.16 | 4,718.16 | 4,718.16 | 4,718.16 | 4,718.16 | 4,718.16 | 4,718.16 | 4,718.16 | 4,718.16 | 4,718.16 | 4,718.16 | 29,616.97 |
| 311 Pumping Equipment | 396,599.29 | 397,974.64 | 397,974.64 | 397,974.64 | 397,974.64 | 397,974.64 | 406,421.58 | 405,662.84 | 408,870.66 | 409,213.04 | 409,213.04 | 405,351.03 |
| 339.02 Other Plant & Misc. Equip. | 44,944.40 | 44,944.40 | 44,944.40 | 44,944.40 | 44,944.40 | 44,944.40 | 44,944.40 | 49,323.66 | 49,427.02 | 49,427.02 | 53,749.94 | 64,078.09 |
| Total 101.02 Source/Pumping | \$ 2,268,143.08 | \$ 2,269,518.43 | \$ 2,332,949.37 | \$ 2,336,569.89 | \$ 2,339,881.07 | \$ 2,340,223.45 | \$ 2,344,546.37 | \$ 2,534,614.91 |
| 101.03 Treatment Plant | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 320 Water Treatment Equipment | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,197.00 | 5,197.00 | 5,197.00 | 5,197.00 | 5,197.00 | 5,197.00 |
| 339.03 Other Plant & Misc. Equip. | 65,474.44 | 65,474.44 | 65,474.44 | 65,474.44 | 65,474.44 | 65,474.44 | 65,474.44 | 65,474.44 | 65,474.44 | 65,474.44 | 65,474.44 | 65,474.44 |

Lakes Region Water Company, Inc

Balance Sheet
As of December 31, 2018

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|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Total 101.03 Treatment Plant | \$ 65,474.44 | \$ 70,671.44 |
| 101.04 Transmission & Distribution | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 330 Tank | 514,256.21 | 514,256.21 | 514,256.21 | 514,256.21 | 514,256.21 | 514,256.21 | 514,256.21 | 514,256.21 | 516,206.21 | 516,206.21 | 516,206.21 | 513,973.21 |
| 331 T&D Mains | 2,076,926.26 | 2,076,926.26 | 2,076,926.26 | 2,076,926.26 | 2,076,926.26 | 2,076,926.26 | 2,093,840.26 | 2,093,840.26 | 2,093,840.26 | 2,093,840.26 | 2,093,840.26 | 2,093,840.26 |
| 333 Services | 301,720.06 | 301,720.06 | 301,720.06 | 301,720.06 | 301,720.06 | 301,720.06 | 305,297.06 | 305,297.06 | 305,297.06 | 305,770.26 | 305,770.26 | 307,270.26 |
| 334 Meters & Meter Installations | 260,821.45 | 261,503.91 | 261,732.20 | 261,933.03 | 262,482.34 | 262,556.09 | 262,624.52 | 265,569.04 | 263,572.76 | 263,887.22 | 264,019.57 | 266,459.33 |
| 335 Hydrants | 12,064.89 | 12,064.89 | 12,064.89 | 12,064.89 | 12,064.89 | 12,064.89 | 12,064.89 | 12,064.89 | 12,064.89 | 12,064.89 | 12,064.89 | 12,064.89 |
| 339.04 Other Plant & Misc. Equip. | 35,967.74 | 35,967.74 | 35,967.74 | 35,967.74 | 35,967.74 | 35,967.74 | 35,967.74 | 39,467.64 | 39,467.64 | 39,467.64 | 39,467.64 | 39,467.64 |
| Total 101.04 Transmission & Distribution | \$ 3,201,756.61 | \$ 3,202,439.07 | \$ 3,202,667.36 | \$ 3,202,868.19 | \$ 3,203,417.50 | \$ 3,203,491.25 | \$ 3,224,050.68 | \$ 3,230,495.10 | \$ 3,230,448.82 | \$ 3,231,236.48 | \$ 3,231,368.83 | \$ 3,233,075.59 |
| 101.05 General Plant | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 303.05 Land and Land Rights-Admin Bld | 19,959.75 | 19,959.75 | 19,959.75 | 19,959.75 | 19,959.75 | 19,959.75 | 19,959.75 | 19,959.75 | 19,959.75 | 19,959.75 | 19,959.75 | 19,959.75 |
| 304.05 Structures & Improvements | 114,875.64 | 114,875.64 | 114,875.64 | 114,875.64 | 114,875.64 | 114,875.64 | 114,875.64 | 114,875.64 | 114,875.64 | 114,875.64 | 114,875.64 | 114,875.64 |
| 340 Office Furniture & Equipment | 10,058.65 | 10,058.65 | 10,058.65 | 10,058.65 | 10,058.65 | 10,058.65 | 10,058.65 | 10,058.65 | 10,058.65 | 10,058.65 | 10,058.65 | 10,058.65 |
| 341 Transportation Equipment | 344,045.24 | 357,288.24 | 357,288.24 | 357,288.24 | 357,288.24 | 357,288.24 | 357,288.24 | 357,288.24 | 357,288.24 | 357,288.24 | 357,288.24 | 369,288.24 |
| 343 Shop Equipment | 94,983.33 | 99,582.33 | 99,582.33 | 99,582.33 | 99,582.33 | 99,582.33 | 99,582.33 | 99,582.33 | 99,582.33 | 99,582.33 | 99,582.33 | 99,582.33 |
| 344 Laboratory Equipment | 2,329.73 | 2,329.73 | 2,329.73 | 2,329.73 | 2,329.73 | 2,329.73 | 2,329.73 | 2,329.73 | 2,329.73 | 2,329.73 | 2,329.73 | 2,329.73 |
| 346 Communication Equipment | 499.03 | 499.03 | 499.03 | 499.03 | 499.03 | 499.03 | 499.03 | 499.03 | 499.03 | 499.03 | 499.03 | 499.03 |
| 347.05 Computer Equipment | 87,836.95 | 87,836.95 | 87,836.95 | 87,836.95 | 87,836.95 | 87,836.95 | 87,836.95 | 87,836.95 | 87,836.95 | 87,836.95 | 87,836.95 | 67,945.95 |
| Total 101.05 General Plant | \$ 674,588.32 | \$ 692,430.32 | \$ 684,539.32 |
| Total 101 Utility Plant | \$ 6,237,656.45 | \$ 6,257,556.26 | \$ 6,257,784.55 | \$ 6,257,985.38 | \$ 6,258,534.69 | \$ 6,258,608.44 | \$ 6,347,795.81 | \$ 6,357,860.75 | \$ 6,361,125.65 | \$ 6,362,255.69 | \$ 6,366,710.96 | \$ 6,550,595.26 |
| 105 Construction Work In Process | 43,803.03 | 49,622.62 | 58,823.34 | 94,753.09 | 112,920.47 | 162,765.84 | 238,221.03 | 246,268.81 | 265,491.13 | 296,481.47 | 335,145.18 | 62,010.85 |
| 108 Accumulated Depreciation | -1,978,933.85 | -1,930,254.35 | -1,929,988.35 | -1,944,553.51 | -1,959,106.41 | -1,974,571.54 | -2,050,539.59 | -2,063,828.09 | -2,076,166.71 | -2,091,509.79 | -2,106,889.29 | -2,060,072.01 |
| 114 Acquisition Adjustment | -276,595.74 | -276,595.74 | -276,595.74 | -276,595.74 | -276,595.74 | -276,595.74 | -302,014.74 | -302,014.74 | -276,688.88 | -276,688.88 | -276,688.88 | -276,688.88 |
| 115 Accum. Amort. Acquisition | 190,470.34 | 191,008.68 | 191,547.02 | 192,085.36 | 192,623.70 | 193,162.04 | 193,700.38 | 194,238.72 | 194,777.06 | 195,315.40 | 195,853.74 | 197,147.08 |
| Total Fixed Assets | \$ 4,216,400.23 | \$ 4,291,337.47 | \$ 4,301,570.82 | \$ 4,323,674.58 | \$ 4,328,376.71 | \$ 4,363,369.04 | \$ 4,427,162.89 | \$ 4,432,525.45 | \$ 4,468,538.25 | \$ 4,485,853.89 | \$ 4,514,131.71 | \$ 4,472,992.30 |
| Other Assets | | | | | | | | | | | | |
| 181 Unamort Debt-Def. Debt | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 181.01 Cobank Refinance | 4,606.55 | 4,573.22 | 4,539.89 | 4,506.56 | 4,473.23 | 4,439.90 | 4,406.57 | 4,373.24 | 4,339.91 | 4,306.58 | 4,273.25 | 4,239.92 |
| 181.02 Cobank (Indian Mound) | 11,459.18 | 11,382.01 | 11,304.84 | 11,227.67 | 11,150.50 | 11,073.33 | 10,996.16 | 10,918.99 | 10,841.82 | 10,764.65 | 10,687.48 | 10,610.31 |
| 181.03 Cobank (Step 2) | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 | 3,140.19 |
| 181.04 Ford Motor Credit | 1,610.29 | 1,605.65 | 1,601.01 | 1,596.37 | 1,591.73 | 1,587.09 | 1,582.45 | 1,577.81 | 1,573.17 | 1,568.53 | 1,563.89 | 1,559.25 |
| Total 181 Unamort Debt-Def. Debt | \$ 20,816.21 | \$ 20,701.07 | \$ 20,585.93 | \$ 20,470.79 | \$ 20,355.65 | \$ 20,240.51 | \$ 20,125.37 | \$ 20,010.23 | \$ 19,895.09 | \$ 19,779.95 | \$ 19,664.81 | \$ 19,549.67 |
| 186 Misc. Deferred Debts | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 186.03 Def. Debt- DW 07-105 | 38,258.59 | 37,426.93 | 36,595.27 | 35,763.61 | 34,931.95 | 34,100.29 | 34,065.80 | 33,234.14 | 32,402.48 | 31,570.82 | 30,739.16 | 29,907.50 |
| 186.04 Def. Debt- Mt. Roberts | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 186.06 Def. Debt- DW 15-209 RC Expense | 80,035.94 | 75,764.66 | 70,569.86 | 65,907.86 | 61,618.82 | 55,536.02 | 50,865.14 | 46,576.10 | 41,381.30 | 35,831.30 | 31,542.26 | 26,338.58 |
| 186.07 Def. Debt- Acquisition Exp. | 43,697.27 | 44,576.03 | 46,521.03 | 46,731.20 | 46,771.20 | 47,619.19 | 48,560.69 | 49,717.19 | 51,079.06 | 51,079.06 | 52,142.18 | 52,901.56 |
| 186.08 Def. Debt- DW 15-209 Step 2 | 1,434.39 | 1,468.14 | 1,673.14 | 1,943.14 | 1,943.14 | 2,144.51 | 2,144.51 | 2,144.51 | 2,144.51 | 2,144.51 | 2,144.51 | 2,144.51 |
| 186.09 Def. Debt- IR 19-005 ROE Petition | 7,942.37 | 12,251.48 | 12,332.17 | 16,422.33 | 18,417.33 | 20,068.71 | 21,110.58 | 21,228.71 | 22,036.28 | 25,452.53 | 27,175.66 | 36,542.34 |
| 186.10 Def. Debt- WP Dry Well | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 | 16,580.86 |
| Total 186 Misc. Deferred Debts | \$ 187,949.42 | \$ 188,068.10 | \$ 184,272.33 | \$ 183,349.00 | \$ 180,263.30 | \$ 176,049.58 | \$ 173,327.58 | \$ 169,481.51 | \$ 165,624.49 | \$ 162,659.08 | \$ 160,324.63 | \$ 164,415.35 |
| Total Other Assets | \$ 208,765.63 | \$ 208,769.17 | \$ 204,858.26 | \$ 203,819.79 | \$ 200,618.95 | \$ 196,290.09 | \$ 193,452.95 | \$ 189,491.74 | \$ 185,519.58 | \$ 182,439.03 | \$ 179,989.44 | \$ 183,965.02 |
| TOTAL ASSETS | \$ 4,765,377.02 | \$ 4,820,233.64 | \$ 4,789,820.85 | \$ 4,750,152.45 | \$ 4,748,355.94 | \$ 4,763,365.79 | \$ 4,817,523.05 | \$ 4,792,298.08 | \$ 4,837,553.47 | \$ 4,864,129.82 | \$ 4,879,273.51 | \$ 5,015,603.04 |
| LIABILITIES AND EQUITY | | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | |
| Accounts Payable | | | | | | | | | | | | |
| 231 Accounts Payable (A/P) | 99,039.96 | 123,672.30 | 76,235.41 | 52,700.18 | 69,502.13 | 84,965.75 | 53,994.42 | 38,121.59 | 53,399.12 | 69,988.22 | 102,663.29 | 100,640.36 |

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|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| Total Accounts Payable | \$ 99,039.96 | \$ 123,672.30 | \$ 76,235.41 | \$ 52,700.18 | \$ 69,502.13 | \$ 84,965.75 | \$ 53,994.42 | \$ 38,121.59 | \$ 53,399.12 | \$ 69,988.22 | \$ 102,663.29 | \$ 100,640.36 |
| Credit Cards | | | | | | | | | | | | |
| 231a Amex | 747.40 | 310.90 | 532.82 | 1,032.25 | 1,280.75 | 505.70 | 308.54 | 897.94 | 2,961.60 | 4,692.55 | 198.97 | 147.87 |
| Total Credit Cards | \$ 747.40 | \$ 310.90 | \$ 532.82 | \$ 1,032.25 | \$ 1,280.75 | \$ 505.70 | \$ 308.54 | \$ 897.94 | \$ 2,961.60 | \$ 4,692.55 | \$ 198.97 | \$ 147.87 |
| Other Current Liabilities | | | | | | | | | | | | |
| 232 Short Term Notes Payable | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 232.01 Health/Dental Payable | -492.22 | -642.89 | 0.03 | -150.64 | -301.31 | 0.06 | -222.93 | 108.01 | -60.71 | -229.43 | 108.16 | 0.00 |
| 232.02 Retirement Payable | 0.00 | -325.79 | 0.45 | 0.45 | 0.45 | 0.45 | 0.45 | 0.45 | 0.45 | 0.45 | 0.45 | 0.00 |
| 232.03 North Star Leasing (deleted) | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 20,208.32 | 20,208.32 | 18,187.48 | 16,166.64 | 14,145.80 | 12,124.96 |
| Total 232 Short Term Notes Payable | -\$ 492.22 | -\$ 968.68 | \$ 0.48 | -\$ 150.19 | -\$ 300.86 | \$ 0.51 | \$ 19,985.84 | \$ 20,316.78 | \$ 18,127.22 | \$ 15,937.66 | \$ 14,254.41 | \$ 12,124.96 |
| 236 Accrued Taxes | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 236.01 Accur. Payroll Taxes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 236.01a 941 PR Taxes | 0.00 | 0.00 | 1,680.14 | 1,792.51 | 0.00 | 1,537.84 | 1,723.16 | 1,522.39 | 0.00 | 0.00 | 1,551.51 | 1,476.38 |
| 236.01b 940 PR Taxes | 162.93 | 275.53 | 294.00 | 294.00 | 294.00 | 294.00 | 297.67 | 315.80 | 330.25 | 336.00 | 336.00 | 336.00 |
| 236.01c Accr. NH UC | 258.73 | 530.79 | 792.89 | 83.61 | 128.45 | 131.67 | -21.62 | 8.61 | 26.64 | -8.26 | 17.72 | 0.00 |
| Total 236.01 Accur. Payroll Taxes | \$ 421.66 | \$ 806.32 | \$ 2,767.03 | \$ 2,170.12 | \$ 422.45 | \$ 1,963.51 | \$ 1,999.21 | \$ 1,846.80 | \$ 356.89 | \$ 327.74 | \$ 1,905.23 | \$ 1,812.38 |
| 236.02 Accr. Federal Income Taxes | 4,793.00 | 4,793.00 | 4,793.00 | -8,800.00 | -8,800.00 | -17,600.00 | -17,600.00 | -17,600.00 | -26,400.00 | -26,400.00 | -26,400.00 | -13,904.00 |
| 236.03 Accr. NHBPT | -12,438.00 | -12,438.00 | -12,438.00 | -12,438.00 | -12,438.00 | -12,438.00 | -12,438.00 | -12,438.00 | -12,438.00 | -12,438.00 | -12,438.00 | -9,588.00 |
| Accr. Payroll Taxes (deleted) | | 0.00 | 0.00 | 0.00 | -4,421.30 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total 236 Accrued Taxes | -\$ 7,223.34 | -\$ 6,838.68 | -\$ 4,877.97 | -\$ 19,067.88 | -\$ 25,236.85 | -\$ 28,074.49 | -\$ 28,038.79 | -\$ 28,191.20 | -\$ 38,481.11 | -\$ 38,510.26 | -\$ 36,932.77 | -\$ 21,679.62 |
| 241 Accrued Payroll | 0.00 | -4,838.19 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,625.31 |
| 271 272 Contribution in Aid of Constr. | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 271 CIAC | 896,877.64 | 896,877.64 | 896,877.64 | 896,877.64 | 896,877.64 | 896,877.64 | 899,677.64 | 899,677.64 | 899,677.64 | 899,677.64 | 899,677.64 | 899,677.64 |
| 272 Accum. Amort of CIAC | -305,374.91 | -306,833.82 | -308,292.73 | -309,751.64 | -311,210.55 | -312,669.46 | -315,569.37 | -317,028.28 | -318,487.19 | -319,946.10 | -321,405.01 | -322,891.92 |
| Total 271 272 Contribution in Aid of Constr. | \$ 591,502.73 | \$ 590,043.82 | \$ 588,584.91 | \$ 587,126.00 | \$ 585,667.09 | \$ 584,208.18 | \$ 584,108.27 | \$ 582,649.36 | \$ 581,190.45 | \$ 579,731.54 | \$ 578,272.63 | \$ 576,785.72 |
| 282 Accum Defer Income Taxes | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 282.01 Accum Def Income Taxes-Lib Depr | 204,999.74 | 204,999.74 | 204,999.74 | 204,999.74 | 204,999.74 | 204,999.74 | 204,999.74 | 204,999.74 | 204,999.74 | 204,999.74 | 204,999.74 | 329,999.74 |
| Total 282 Accum Defer Income Taxes | \$ 204,999.74 | \$ 329,999.74 |
| Total Other Current Liabilities | \$ 788,786.91 | \$ 782,398.01 | \$ 788,707.16 | \$ 772,907.67 | \$ 765,129.12 | \$ 761,133.94 | \$ 781,055.06 | \$ 779,774.68 | \$ 765,836.30 | \$ 762,158.68 | \$ 760,594.01 | \$ 902,856.11 |
| Total Current Liabilities | \$ 888,574.27 | \$ 906,381.21 | \$ 865,475.39 | \$ 826,640.10 | \$ 835,912.00 | \$ 846,605.39 | \$ 835,358.02 | \$ 818,794.21 | \$ 822,197.02 | \$ 836,839.45 | \$ 863,456.27 | \$ 1,003,644.34 |
| Long-Term Liabilities | | | | | | | | | | | | |
| 221 Long Term Debt-Bonds | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 221.01 CoBank T01 (15yr Note) | 374,967.48 | 370,098.89 | 367,691.30 | 365,257.17 | 362,840.57 | 360,397.71 | 357,972.08 | 355,541.93 | 353,085.93 | 350,646.70 | 348,181.89 | 345,733.53 |
| 221.01a CoBank S01 (LOC) | 10,000.00 | 5,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 |
| 221.02 CoBank T02 (5 Yr Note) (deleted) | 93,907.94 | 83,001.48 | 77,540.98 | 72,065.67 | 66,584.83 | 61,089.80 | 55,588.55 | 50,077.06 | 44,552.32 | 39,020.31 | 33,475.67 | 27,923.05 |
| 221.03 CoBank T03 (15yr Note) | 111,554.45 | 110,297.09 | 109,679.60 | 109,051.59 | 108,430.94 | 107,799.87 | 107,176.05 | 106,550.65 | 105,914.97 | 105,286.38 | 104,647.60 | 104,015.80 |
| 221.04 CoBank T04 DS | 133,530.47 | 132,758.90 | 132,393.17 | 132,011.55 | 131,643.26 | 131,259.16 | 130,888.29 | 130,516.15 | 130,128.31 | 129,753.57 | 129,363.20 | 128,985.83 |
| 221.05 Cobank T05 (20yr Note) Stp2 | 263,564.21 | 262,060.60 | 261,348.55 | 260,605.08 | 259,888.03 | 259,139.71 | 258,417.62 | 257,693.05 | 256,937.43 | 256,207.77 | 255,447.21 | 254,712.43 |
| Total 221 Long Term Debt-Bonds | \$ 987,524.55 | \$ 963,216.96 | \$ 948,653.60 | \$ 938,991.06 | \$ 929,387.63 | \$ 919,686.25 | \$ 960,042.59 | \$ 950,378.84 | \$ 940,618.96 | \$ 930,914.73 | \$ 921,115.57 | \$ 911,370.64 |
| 224 Other Long Term Debt | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 224.02 Ford 2013 F250 9888 (deleted) | 4,875.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 224.03 Ford 2013 F250 8051 (deleted) | 3,496.63 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 224.04 Ford 2014 F150 6505 (deleted) | 11,094.47 | 10,476.70 | 10,030.86 | 9,466.25 | 8,848.48 | 8,230.71 | 7,612.94 | 6,995.17 | 6,594.91 | 5,977.14 | 5,359.37 | 4,835.10 |
| 224.05 Ford 2016 F150 8576 | 27,755.60 | 27,061.71 | 26,367.82 | 25,673.93 | 24,980.04 | 24,286.15 | 23,592.26 | 22,898.37 | 22,204.48 | 21,510.59 | 20,816.70 | 20,122.81 |
| 224.06 Cat 2014 Excavator 03/27/14 (deleted) | 4,086.72 | 2,981.67 | 1,875.30 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 224.07 Ford 2017 F550 0334 | 49,359.06 | 48,395.59 | 47,962.58 | 47,175.91 | 46,212.44 | 45,248.97 | 44,285.50 | 43,322.03 | 43,187.65 | 42,224.18 | 41,260.71 | 40,755.79 |
| 224.08 Ford 2018 F250 2428 | | 44,596.78 | 44,089.45 | 43,235.06 | 42,380.67 | 41,526.28 | 40,671.89 | 39,817.50 | 39,997.32 | 39,142.93 | 38,288.54 | 37,434.15 |
| 224.09 Ford 2018 F250 2159 | | 38,595.27 | 38,156.21 | 37,416.80 | 36,677.39 | 35,937.98 | 35,198.57 | 34,459.16 | 34,614.79 | 33,875.38 | 33,135.97 | 32,807.00 |

Lakes Region Water Company, Inc

Balance Sheet

As of December 31, 2018

Docket No. DW 20-187
Puc 1604.01(a)(1) c- Requirement

| | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | Jul 2018 | Aug 2018 | Sep 2018 | Oct 2018 | Nov 2018 | Dec 2018 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total 224 Other Long Term Debt | \$ 100,667.73 | \$ 172,107.72 | \$ 168,482.22 | \$ 162,967.95 | \$ 159,099.02 | \$ 155,230.09 | \$ 151,361.16 | \$ 147,492.23 | \$ 146,599.15 | \$ 142,730.22 | \$ 138,861.29 | \$ 135,954.85 |
| Total Long-Term Liabilities | \$ 1,088,192.28 | \$ 1,135,324.68 | \$ 1,117,135.82 | \$ 1,101,959.01 | \$ 1,088,486.65 | \$ 1,074,916.34 | \$ 1,111,403.75 | \$ 1,097,871.07 | \$ 1,087,218.11 | \$ 1,073,644.95 | \$ 1,059,976.86 | \$ 1,047,325.49 |
| Total Liabilities | \$ 1,976,766.55 | \$ 2,041,705.89 | \$ 1,982,611.21 | \$ 1,928,599.11 | \$ 1,924,398.65 | \$ 1,921,521.73 | \$ 1,946,761.77 | \$ 1,916,665.28 | \$ 1,909,415.13 | \$ 1,910,484.40 | \$ 1,923,433.13 | \$ 2,050,969.83 |
| Equity | | | | | | | | | | | | |
| 201 Common Stock | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 |
| 211 Other Paid in Capital | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 | 1,426,321.69 |
| 213 Capital Stock | -1,683.18 | -1,529.76 | -1,376.34 | -1,222.92 | -1,069.50 | -916.08 | -762.66 | -609.24 | -455.82 | -302.40 | -148.98 | 4.44 |
| 217 Retained Earnings | 789,952.90 | 789,952.90 | 789,952.90 | 789,952.90 | 789,952.90 | 789,952.90 | 789,952.90 | 789,952.90 | 789,952.90 | 789,952.90 | 789,952.90 | 789,952.90 |
| 217.01 Inter-Div Profit Distribution | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 | 597,043.60 |
| 438 Dividends Declared-Common Stock | -52,500.00 | -55,000.00 | -57,500.00 | -60,000.00 | -62,500.00 | -65,000.00 | -67,500.00 | -70,000.00 | -72,500.00 | -75,000.00 | -77,500.00 | -80,000.00 |
| Net Income | 19,475.46 | 11,739.32 | 42,767.79 | 59,458.07 | 64,208.60 | 84,441.95 | 115,705.75 | 122,923.85 | 177,775.97 | 205,629.63 | 210,171.17 | 221,310.58 |
| Total Equity | \$ 2,788,610.47 | \$ 2,778,527.75 | \$ 2,807,209.64 | \$ 2,821,553.34 | \$ 2,823,957.29 | \$ 2,841,844.06 | \$ 2,870,761.28 | \$ 2,875,632.80 | \$ 2,928,138.34 | \$ 2,953,645.42 | \$ 2,955,840.38 | \$ 2,964,633.21 |
| TOTAL LIABILITIES AND EQUITY | \$ 4,765,377.02 | \$ 4,820,233.64 | \$ 4,789,820.85 | \$ 4,750,152.45 | \$ 4,748,355.94 | \$ 4,763,365.79 | \$ 4,817,523.05 | \$ 4,792,298.08 | \$ 4,837,553.47 | \$ 4,864,129.82 | \$ 4,879,273.51 | \$ 5,015,603.04 |

Lakes Region Water Company, Inc.

Profit and Loss

January - December 2018

Docket No. DW 20-187
Puc 1604.01(a)(1) c Requirement

| | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | Jul 2018 | Aug 2018 | Sep 2018 | Oct 2018 | Nov 2018 | Dec 2018 | Total |
|---|----------------------|---------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| Income | | | | | | | | | | | | | |
| 400 Operating Revenue | | | | | | | | | | | | | 0.00 |
| 460 Unmetered Sales | 68,240.29 | 37,915.50 | 160.93 | 68,365.52 | 38,231.52 | 457.72 | 69,275.30 | 39,075.50 | 6,467.30 | 69,961.50 | 39,114.58 | 8,127.34 | 445,393.00 |
| 461 Metered Sales | | | | | | | | | | | | | 0.00 |
| 461.01 Base Charge | 35,013.50 | 38,635.60 | 85,627.05 | 35,102.29 | 39,260.10 | 85,685.08 | 35,662.39 | 39,591.10 | 87,801.58 | 35,753.09 | 39,972.93 | 50,803.73 | 608,908.44 |
| 461.02 Usage Charge | 3,732.75 | 11,264.61 | 22,615.12 | 3,107.86 | 12,171.53 | 30,395.61 | 9,486.83 | 19,142.38 | 38,665.82 | 8,688.10 | 13,804.74 | 23,496.34 | 196,571.69 |
| 461.03 POASI | | | | | | | | | | | | 247,469.24 | 247,469.24 |
| Total 461 Metered Sales | \$ 38,746.25 | \$ 49,900.21 | \$ 108,242.17 | \$ 38,210.15 | \$ 51,431.63 | \$ 116,080.69 | \$ 45,149.22 | \$ 58,733.48 | \$ 126,467.40 | \$ 44,441.19 | \$ 53,777.67 | \$ 321,769.31 | \$ 1,052,949.37 |
| 471 Miscellaneous Service Revenue | | | | | | | | | | | | | 0.00 |
| 471.01 Disconnect/Reconnect | 807.50 | 150.00 | 265.00 | 825.00 | 2,450.00 | 540.00 | 760.00 | 190.00 | 307.50 | 1,680.00 | 1,295.00 | 655.00 | 9,925.00 |
| 471.02 House Transfers | 75.00 | 75.00 | 230.00 | 62.50 | 570.00 | 612.50 | 245.00 | 325.00 | 685.00 | 410.00 | 665.00 | 312.50 | 4,267.50 |
| 471.03 Misc. Customer Fees | 1,450.00 | 497.50 | 400.00 | 135.00 | 380.00 | | 190.00 | | | | | 190.00 | 3,242.50 |
| 471.04 NSF Customer Charge | 12.00 | 12.00 | 36.00 | 39.00 | | 12.00 | | | | | 12.00 | 0.00 | 123.00 |
| 471.05 Customer Finance Charge | 457.21 | 690.43 | 483.63 | 386.96 | 539.77 | 464.48 | 364.10 | 616.19 | 1,331.37 | 142.88 | 652.53 | 568.46 | 6,698.01 |
| Total 471 Miscellaneous Service Revenue | \$ 2,801.71 | \$ 1,424.93 | \$ 1,414.63 | \$ 1,448.46 | \$ 3,939.77 | \$ 1,628.98 | \$ 1,559.10 | \$ 1,131.19 | \$ 2,323.87 | \$ 2,232.88 | \$ 2,624.53 | \$ 1,725.96 | \$ 24,256.01 |
| 474 Other Water Revenue | | | | | | | | | | | | | 0.00 |
| 474.01 Rate Case Expense Surcharge | 7,325.52 | 5,631.70 | 6,875.31 | 7,341.73 | 5,700.60 | 6,863.06 | 7,322.18 | 5,659.09 | 6,886.13 | 7,332.42 | 5,693.18 | 6,918.36 | 79,549.28 |
| Total 474 Other Water Revenue | \$ 7,325.52 | \$ 5,631.70 | \$ 6,875.31 | \$ 7,341.73 | \$ 5,700.60 | \$ 6,863.06 | \$ 7,322.18 | \$ 5,659.09 | \$ 6,886.13 | \$ 7,332.42 | \$ 5,693.18 | \$ 6,918.36 | \$ 79,549.28 |
| Total 400 Operating Revenue | \$ 117,113.77 | \$ 94,872.34 | \$ 116,693.04 | \$ 115,365.86 | \$ 99,303.52 | \$ 125,030.45 | \$ 123,305.80 | \$ 104,599.26 | \$ 142,144.70 | \$ 123,967.99 | \$ 101,209.96 | \$ 338,540.97 | \$ 1,602,147.66 |
| Total Income | \$ 117,113.77 | \$ 94,872.34 | \$ 116,693.04 | \$ 115,365.86 | \$ 99,303.52 | \$ 125,030.45 | \$ 123,305.80 | \$ 104,599.26 | \$ 142,144.70 | \$ 123,967.99 | \$ 101,209.96 | \$ 338,540.97 | \$ 1,602,147.66 |
| Gross Profit | \$ 117,113.77 | \$ 94,872.34 | \$ 116,693.04 | \$ 115,365.86 | \$ 99,303.52 | \$ 125,030.45 | \$ 123,305.80 | \$ 104,599.26 | \$ 142,144.70 | \$ 123,967.99 | \$ 101,209.96 | \$ 338,540.97 | \$ 1,602,147.66 |
| Expenses | | | | | | | | | | | | | |
| 401 Operating & Maintenance Expense | | | | | | | | | | | | | 0.00 |
| 401.01 Production-Source of Supply O&M | | | | | | | | | | | | | 0.00 |
| 601 Operations Labor & Expense | | | | | | | | | | | | | 0.00 |
| 601.01 Labor-Source other | 2,308.52 | 1,039.00 | 1,434.01 | 1,017.51 | 1,588.59 | 1,648.50 | 736.18 | 1,390.02 | 1,819.01 | -6,530.00 | -6,451.34 | 0.00 | 0.00 |
| Total 601 Operations Labor & Expense | \$ 2,308.52 | \$ 1,039.00 | \$ 1,434.01 | \$ 1,017.51 | \$ 1,588.59 | \$ 1,648.50 | \$ 736.18 | \$ 1,390.02 | \$ 1,819.01 | -\$ 6,530.00 | -\$ 6,451.34 | \$ 0.00 | \$ 0.00 |
| 603 Misc. Expense Source | | | | | | | | | | | | | 0.00 |
| 603.02 Materials | | 2,503.94 | | 300.00 | 69.65 | | | | | | | 0.00 | 2,873.59 |
| 603.03 Contract Services | | | | | 225.00 | | | | | | | 520.00 | 745.00 |
| Total 603 Misc. Expense Source | \$ 0.00 | \$ 2,503.94 | \$ 0.00 | \$ 300.00 | \$ 294.65 | \$ 0.00 | \$ 520.00 | \$ 3,618.59 |
| 604 Rents | 1,000.00 | | | | | | | | | | | | 1,000.00 |
| Total 401.01 Production-Source of Supply O&M | \$ 3,308.52 | \$ 3,542.94 | \$ 1,434.01 | \$ 1,317.51 | \$ 1,883.24 | \$ 1,648.50 | \$ 736.18 | \$ 1,390.02 | \$ 1,819.01 | -\$ 6,530.00 | -\$ 6,451.34 | \$ 520.00 | \$ 4,618.59 |
| 401.02 Production-Pumping O&M | | | | | | | | | | | | | 0.00 |
| 623 Purchase Power (Electric) | 9,420.55 | 9,504.02 | 8,521.25 | 8,483.21 | 5,921.03 | 6,792.25 | 8,225.52 | 8,090.96 | 8,192.70 | 6,161.12 | 8,477.73 | 7,316.47 | 95,106.81 |
| 630 Maint. Supervision & Engineering | | | | | | | | | | 4,778.51 | 6,765.28 | 113.00 | 11,656.79 |
| 631 Maint. of Structures & Improvements | | 450.00 | | | 196.24 | 129.22 | 3,290.51 | 916.42 | 330.42 | 1,972.47 | 45.00 | 30.00 | 7,360.28 |
| 633 Maint. of Pumping Equipmt. | | | | | | | | | | 3,045.00 | 774.00 | 0.00 | 3,819.00 |
| Total 401.02 Production-Pumping O&M | \$ 9,420.55 | \$ 9,954.02 | \$ 8,521.25 | \$ 8,483.21 | \$ 6,117.27 | \$ 6,921.47 | \$ 11,516.03 | \$ 9,007.38 | \$ 8,523.12 | \$ 15,957.10 | \$ 16,062.01 | \$ 7,459.47 | \$ 117,942.88 |
| 401.03 Treatment O&M | | | | | | | | | | | | | 0.00 |

Lakes Region Water Company, Inc.

Docket No. DW 20-187
Puc 1604.01(a)(1) c Requirement

Profit and Loss

January - December 2018

| | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | Jul 2018 | Aug 2018 | Sep 2018 | Oct 2018 | Nov 2018 | Dec 2018 | Total |
|--|---------------------|--------------------|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| 642 Labor-Treatment | 288.75 | 606.42 | 307.50 | 600.00 | 265.97 | 312.01 | 783.66 | 690.99 | 394.68 | 772.51 | 495.98 | 431.99 | 5,950.46 |
| 643 Misc. Expense | | | | | | | | | | | | | 0.00 |
| 643.01 Materials | 1,072.46 | 1,741.70 | 126.65 | | 192.61 | 720.28 | 225.10 | 383.11 | 317.77 | 967.50 | | 0.00 | 5,747.18 |
| 643.02 Water Tests | 243.00 | 2,819.00 | 780.00 | 642.00 | 572.00 | 500.00 | 266.00 | 2,759.00 | 972.00 | 676.00 | 496.00 | 710.00 | 11,435.00 |
| Total 643 Misc. Expense | \$ 1,315.46 | \$ 4,560.70 | \$ 906.65 | \$ 642.00 | \$ 764.61 | \$ 1,220.28 | \$ 491.10 | \$ 3,142.11 | \$ 1,289.77 | \$ 1,643.50 | \$ 496.00 | \$ 710.00 | \$ 17,182.18 |
| Total 401.03 Treatment O&M | \$ 1,604.21 | \$ 5,167.12 | \$ 1,214.15 | \$ 1,242.00 | \$ 1,030.58 | \$ 1,532.29 | \$ 1,274.76 | \$ 3,833.10 | \$ 1,684.45 | \$ 2,416.01 | \$ 991.98 | \$ 1,141.99 | \$ 23,132.64 |
| 401.04 Trans/Distribution O&M | | | | | | | | | | | | | 0.00 |
| 662 Trans. & Dist. Line Expense | | | | | | | | | | | | | 0.00 |
| 662.01 Labor-T&D | 4,763.83 | 2,659.37 | 1,651.25 | 5,250.56 | 4,047.50 | 5,680.22 | 5,287.22 | 4,602.29 | 4,844.50 | -2,425.51 | 1,727.00 | 1,295.50 | 39,383.73 |
| 662.02 Materials | 419.49 | 606.10 | 425.64 | 639.94 | 2,562.38 | 3,793.31 | 5,269.22 | 537.19 | 1,083.64 | 1,080.71 | | -38.32 | 16,379.30 |
| 662.03 Contract Services | | 538.32 | | | | 95.54 | | | | | | 0.00 | 633.86 |
| 662.04 Equipment Repair/Rental | 60.60 | 760.68 | 1,224.65 | 384.57 | 23.98 | | | | | 4,650.68 | | 8,889.84 | 15,995.00 |
| 662.05 Vehicle Fuel | 193.63 | 1,828.85 | 4,062.50 | 286.22 | 2,310.07 | 2,428.56 | 2,519.52 | 4,265.81 | 2,399.96 | 2,759.04 | 2,082.91 | 300.75 | 25,437.82 |
| 662.06 Vehicle Maintenance | 1,885.90 | 632.04 | 634.80 | 89.35 | 108.06 | 687.90 | 1,304.87 | 46.80 | 162.95 | 1,498.56 | 47.99 | 3,421.63 | 10,520.85 |
| 662.07 Vehicle Registration | | 450.20 | | | | 3,705.60 | | | | | | 0.00 | 4,155.80 |
| 662.08 Telemetry-Telephone | 735.00 | 735.00 | 735.00 | 770.00 | 875.00 | 875.00 | 875.00 | 980.00 | 980.00 | 980.00 | 980.00 | 1,880.00 | 11,400.00 |
| 662.09 Misc. Line Expense | | | | 160.42 | | | | | | | | 19.32 | 179.74 |
| Total 662 Trans. & Dist. Line Expense | \$ 8,058.45 | \$ 8,210.56 | \$ 8,733.84 | \$ 7,581.06 | \$ 9,926.99 | \$ 17,266.13 | \$ 15,255.83 | \$ 10,432.09 | \$ 9,471.05 | \$ 8,543.48 | \$ 4,837.90 | \$ 15,768.72 | \$ 124,086.10 |
| 665 Miscellaneous Expense | | | | | | | | | | 514.00 | 56.00 | | 570.00 |
| 671 Maint. of Structures & Improvements | | | | | | | | | | 100.00 | | 22.40 | 122.40 |
| 673 Maint. of T&D Mains | 1,825.00 | 350.00 | | 1,250.00 | 982.59 | 608.45 | 204.75 | 1,267.60 | 799.01 | 7,792.00 | 4,619.08 | 3,695.80 | 23,394.28 |
| 675 Maint. of Services | 400.00 | | | | | | | 2,711.41 | | 111.00 | 3,643.75 | 2,595.52 | 9,461.68 |
| 676 Maint. of Meters | | | | | | | | | 325.00 | 310.50 | 82.00 | 45.00 | 762.50 |
| 678 Maint. of Misc. Equip. | | 400.00 | 6,000.00 | | | | | | 105.66 | | | 150.00 | 6,655.66 |
| Total 401.04 Trans/Distribution O&M | \$ 10,283.45 | \$ 8,960.56 | \$ 14,733.84 | \$ 8,831.06 | \$ 10,909.58 | \$ 17,874.58 | \$ 15,460.58 | \$ 14,411.10 | \$ 10,700.72 | \$ 17,370.98 | \$ 13,238.73 | \$ 22,277.44 | \$ 165,052.62 |
| 401.05 Customer Accounts Expenses | | | | | | | | | | | | | 0.00 |
| 902 Meter Reading Expense | 1,205.22 | 578.21 | 712.00 | 1,797.42 | 1,151.00 | 1,421.27 | 629.00 | 705.51 | 728.70 | 550.01 | 858.00 | 1,307.01 | 11,643.35 |
| 903 Records & Collections Expense | | | | | | | | | | | | | 0.00 |
| 903.01 Labor | 2,069.39 | 2,924.69 | 3,753.75 | 2,826.26 | 3,320.63 | | 611.25 | 3,022.51 | 2,407.50 | 2,162.50 | 2,888.00 | 2,170.00 | 28,156.48 |
| 903.02 Postage | 376.75 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 425.95 | 400.00 | 400.00 | 4,802.70 |
| 903.03 Supplies & Materials | | 26.50 | | | | | | | | 1,191.48 | | 0.00 | 1,217.98 |
| Total 903 Records & Collections Expense | \$ 2,446.14 | \$ 3,351.19 | \$ 4,153.75 | \$ 3,226.26 | \$ 3,720.63 | \$ 400.00 | \$ 1,011.25 | \$ 3,422.51 | \$ 2,807.50 | \$ 3,779.93 | \$ 3,288.00 | \$ 2,570.00 | \$ 34,177.16 |
| 904.01 Uncollectible Accounts | | | | | | | | | | | | 2,543.59 | 2,543.59 |
| 905.01 Misc. Customer Acct Expense | | | | | | | | 1,358.80 | | | | 193.26 | 1,552.06 |
| Total 401.05 Customer Accounts Expenses | \$ 3,651.36 | \$ 3,929.40 | \$ 4,865.75 | \$ 5,023.68 | \$ 4,871.63 | \$ 1,821.27 | \$ 1,640.25 | \$ 5,486.82 | \$ 3,536.20 | \$ 4,329.94 | \$ 4,146.00 | \$ 6,613.86 | \$ 49,916.16 |
| 401.07 Admin & General Expenses | | | | | | | | | | | | | 0.00 |
| 920 Admin & General Salaries | | | | | | | | | | 0.00 | | | 0.00 |
| 920.01 Field Staff Other | 9,499.75 | 10,472.00 | 12,450.75 | 11,243.00 | 11,342.25 | 15,246.38 | 13,423.75 | 13,665.75 | 13,811.25 | 13,229.38 | 14,189.38 | 15,612.00 | 154,185.64 |
| 920.01a Work Order Dist. | -8,868.32 | -5,247.50 | -5,587.23 | -9,322.00 | -8,203.50 | -9,117.00 | -8,845.56 | -8,599.00 | -10,208.22 | -10,773.25 | -6,220.46 | -4,608.02 | -95,600.06 |
| Total 920.01 Field Staff Other | \$ 631.43 | \$ 5,224.50 | \$ 6,863.52 | \$ 1,921.00 | \$ 3,138.75 | \$ 6,129.38 | \$ 4,578.19 | \$ 5,066.75 | \$ 3,603.03 | \$ 2,456.13 | \$ 7,968.92 | \$ 11,003.98 | \$ 58,585.58 |
| 920.02 Administration | 5,886.03 | 7,916.36 | 10,066.71 | 8,021.36 | 8,141.36 | 10,226.71 | 7,833.86 | 9,906.70 | 7,681.37 | 7,941.37 | 9,831.72 | 10,721.71 | 104,175.26 |
| 920.03 Officer | 4,418.88 | 5,891.84 | 7,364.80 | 5,891.84 | 5,891.84 | 7,364.80 | 5,891.84 | 7,364.80 | 5,891.84 | 5,891.84 | 7,364.80 | 7,864.80 | 77,093.92 |

Lakes Region Water Company, Inc.

Docket No. DW 20-187
Puc 1604.01(a)(1) c Requirement

Profit and Loss

January - December 2018

| | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | Jul 2018 | Aug 2018 | Sep 2018 | Oct 2018 | Nov 2018 | Dec 2018 | Total |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Total 920 Admin & General Salaries | \$ 10,936.34 | \$ 19,032.70 | \$ 24,295.03 | \$ 15,834.20 | \$ 17,171.95 | \$ 23,720.89 | \$ 18,303.89 | \$ 22,338.25 | \$ 17,176.24 | \$ 16,289.34 | \$ 25,165.44 | \$ 29,590.49 | \$ 239,854.76 |
| 923 Outside Services Employed | | | | | | | | | | | | | 0.00 |
| 923.01 Accounting | 405.01 | 940.00 | 4,846.63 | 33.75 | 5,890.00 | 336.75 | 385.00 | 270.00 | 590.63 | 690.06 | | 1,486.25 | 15,874.08 |
| 923.02 Computer Services | 884.50 | 884.50 | 904.21 | 904.21 | 904.21 | 904.21 | 1,414.21 | 994.21 | 1,221.71 | 476.65 | 739.80 | 739.80 | 10,972.22 |
| 923.03 Legal | 1,840.98 | 4,370.26 | 166.20 | 10,636.72 | 1,940.00 | 4,426.92 | 3,080.00 | 224.86 | 99.93 | 223.12 | 1,247.84 | 3,746.98 | 32,003.81 |
| Total 923 Outside Services Employed | \$ 3,130.49 | \$ 6,194.76 | \$ 5,917.04 | \$ 11,574.68 | \$ 8,734.21 | \$ 5,667.88 | \$ 4,879.21 | \$ 1,489.07 | \$ 1,912.27 | \$ 1,389.83 | \$ 1,987.64 | \$ 5,973.03 | \$ 58,850.11 |
| 924 Insurance Expense | | | | | | | | | | | | | 0.00 |
| 924.01 Property Insurance | 2,047.99 | 2,047.99 | 2,047.99 | 2,047.99 | 2,263.61 | 2,263.61 | 2,263.61 | 2,263.61 | 2,263.61 | 2,412.96 | 2,263.61 | 2,263.61 | 26,450.19 |
| 924.02 Workers Compensation | 567.42 | 567.42 | 567.42 | 567.42 | 400.58 | 400.58 | 400.58 | -82.42 | 400.58 | 400.58 | 400.58 | 400.58 | 4,991.32 |
| Total 924 Insurance Expense | \$ 2,615.41 | \$ 2,615.41 | \$ 2,615.41 | \$ 2,615.41 | \$ 2,664.19 | \$ 2,664.19 | \$ 2,664.19 | \$ 2,181.19 | \$ 2,664.19 | \$ 2,813.54 | \$ 2,664.19 | \$ 2,664.19 | \$ 31,441.51 |
| 926 Employee Pension & Benefits | 4,180.23 | 4,010.79 | 3,841.35 | 4,010.79 | 4,010.79 | 4,010.79 | 3,332.57 | 3,771.92 | 3,771.92 | 3,777.17 | 3,777.17 | 3,837.73 | 46,333.22 |
| 926.02 Pension | 729.18 | 686.36 | 846.30 | 709.27 | 730.66 | 822.34 | 684.26 | 765.33 | 691.29 | 681.65 | 778.80 | 636.52 | 8,761.96 |
| Total 926 Employee Pension & Benefits | \$ 4,909.41 | \$ 4,697.15 | \$ 4,687.65 | \$ 4,720.06 | \$ 4,741.45 | \$ 4,833.13 | \$ 4,016.83 | \$ 4,537.25 | \$ 4,463.21 | \$ 4,458.82 | \$ 4,555.97 | \$ 4,474.25 | \$ 55,095.18 |
| 928 Regulatory Commission Expense | 7,815.54 | 5,102.94 | 6,026.46 | 6,918.66 | 5,120.70 | 6,914.46 | 5,502.54 | 5,824.70 | 6,026.46 | 7,939.66 | 5,120.70 | 6,035.34 | 74,348.16 |
| 930 Miscellaneous General Expense | | | | | | | | | | | | | 0.00 |
| 930.01 Bank Service Charge | 126.00 | 75.00 | 86.32 | 126.00 | 102.00 | 105.00 | 102.00 | 90.00 | 75.00 | 80.70 | 81.70 | 75.40 | 1,125.12 |
| 930.02 Building Maintenance | 3,913.80 | 1,465.99 | 1,517.21 | 5,225.39 | 492.50 | 2,471.45 | 440.00 | 1,405.27 | 1,834.34 | 2,888.11 | 1,220.36 | 1,500.70 | 24,375.12 |
| 930.03 Dig Safe Notifications | 55.00 | | | 14.00 | | | 53.00 | | 61.00 | | | 175.00 | 358.00 |
| 930.04 Heat/Electric-Admin Building | 509.30 | 602.22 | 499.58 | 222.59 | 144.64 | | | | 175.32 | | | 368.07 | 2,521.72 |
| 930.05 Membership/Dues | 1,270.00 | | 212.00 | 110.00 | | | 970.00 | | | | 105.00 | 0.00 | 2,667.00 |
| 930.06 Operating Permits | 425.00 | 425.00 | 425.00 | 425.00 | 425.00 | 425.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 475.00 | 5,400.00 |
| 930.07 Training/Workshops | -91.00 | | 150.00 | 691.00 | 45.00 | 320.00 | | 1,074.00 | | 135.00 | 50.00 | 0.00 | 2,374.00 |
| 930.08 Shop Supplies/Small Tools | 1,545.03 | 1,716.01 | 133.90 | 431.69 | 848.52 | 1,383.96 | 372.65 | 112.43 | 1,176.42 | 682.10 | 1,367.04 | 1,101.48 | 10,871.23 |
| 930.09 Telephone | 506.68 | 506.68 | 508.68 | 546.14 | 682.90 | 736.26 | 611.06 | 611.75 | 451.36 | 771.78 | 453.67 | 605.36 | 6,992.32 |
| 930.10 Office/Other Expense | 1,454.14 | 1,503.74 | 1,883.95 | 1,548.87 | 848.18 | 2,835.24 | 322.73 | 820.27 | 369.14 | 1,213.02 | 1,440.14 | 1,263.78 | 15,503.20 |
| 930.11 Reimbursements | 19.99 | 123.91 | 115.55 | 127.33 | 37.45 | | | | 212.27 | 40.88 | 208.51 | 39.24 | 925.13 |
| 930.12 Other Computer Services | 316.65 | 256.66 | 256.66 | 256.66 | 256.66 | 256.66 | 663.84 | 274.90 | 126.49 | 219.15 | 274.90 | 274.90 | 3,434.13 |
| Total 930 Miscellaneous General Expense | \$ 10,050.59 | \$ 6,675.21 | \$ 5,788.85 | \$ 9,724.67 | \$ 3,882.85 | \$ 8,533.57 | \$ 4,010.28 | \$ 4,863.62 | \$ 4,956.34 | \$ 6,505.74 | \$ 5,676.32 | \$ 5,878.93 | \$ 76,546.97 |
| Total 401.07 Admin & General Expenses | \$ 39,457.78 | \$ 44,318.17 | \$ 49,330.44 | \$ 51,387.68 | \$ 42,315.35 | \$ 52,334.12 | \$ 39,376.94 | \$ 41,234.08 | \$ 37,198.71 | \$ 39,396.93 | \$ 45,170.26 | \$ 54,616.23 | \$ 536,136.69 |
| Total 401 Operating & Maintenance Expense | \$ 67,725.87 | \$ 75,872.21 | \$ 80,099.44 | \$ 76,285.14 | \$ 67,127.65 | \$ 82,132.23 | \$ 70,004.74 | \$ 75,362.50 | \$ 63,462.21 | \$ 72,940.96 | \$ 73,157.64 | \$ 92,628.99 | \$ 896,799.58 |
| 403 Depreciation Expense | 15,739.50 | 15,739.50 | | 15,739.50 | 15,739.50 | 15,739.50 | 15,739.50 | 15,739.50 | 15,739.50 | 15,739.50 | 15,739.50 | 70,396.37 | 227,791.37 |
| 405 Amortization of CIAC | -1,458.91 | -1,458.91 | -1,458.91 | -1,458.91 | -1,458.91 | -1,458.91 | -1,458.91 | -1,458.91 | -1,458.91 | -1,458.91 | -1,458.91 | -1,486.91 | -17,534.92 |
| 406 Amort. of Utility Plant Acq. | -538.34 | -538.34 | -538.34 | -538.34 | -538.34 | -538.34 | -538.34 | -538.34 | -538.34 | -538.34 | -538.34 | -1,293.34 | -7,215.08 |
| 408 Taxes Other Than Income | | | | | | | | | | | | | 0.00 |
| 408.11 Property Tax- Local | 3,318.17 | 3,318.16 | 3,318.16 | 3,461.83 | 3,461.83 | 3,461.83 | 3,461.83 | 3,461.83 | 3,461.85 | 4,424.67 | 4,424.67 | 4,424.67 | 43,999.50 |
| 408.12 Payroll Taxes | 2,526.67 | 2,351.62 | 2,710.98 | 2,137.78 | 2,101.74 | 2,342.42 | 1,982.70 | 2,453.12 | 2,156.64 | 2,106.01 | 2,454.27 | 2,179.22 | 27,503.17 |
| 408.12a PR Taxes (WO Dist.) | -88.20 | -106.44 | -432.92 | -191.69 | -372.18 | -13.12 | -219.68 | -366.73 | -617.45 | -632.57 | -224.36 | -277.23 | -3,542.57 |
| Total 408.12 Payroll Taxes | \$ 2,438.47 | \$ 2,245.18 | \$ 2,278.06 | \$ 1,946.09 | \$ 1,729.56 | \$ 2,329.30 | \$ 1,763.02 | \$ 2,086.39 | \$ 1,539.19 | \$ 1,473.44 | \$ 2,229.91 | \$ 1,901.99 | \$ 23,960.60 |
| 408.13 Utilities Tax- State | 7,149.06 | | 5,921.75 | | 5,086.94 | | | | | | | 7,242.10 | 25,399.85 |
| Total 408 Taxes Other Than Income | \$ 12,905.70 | \$ 5,563.34 | \$ 11,517.97 | \$ 5,407.92 | \$ 10,278.33 | \$ 5,791.13 | \$ 5,224.85 | \$ 5,548.22 | \$ 5,001.04 | \$ 5,898.11 | \$ 6,654.58 | \$ 13,568.76 | \$ 93,359.95 |
| 409-411 Income Taxes | | | | | | | | | | | | | 0.00 |
| 409.10 Federal Income Taxes | | | | | | | | | | | | 21,296.00 | 21,296.00 |

Lakes Region Water Company, Inc.

Profit and Loss

January - December 2018

Docket No. DW 20-187
Puc 1604.01(a)(1) c Requirement

| | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | Jul 2018 | Aug 2018 | Sep 2018 | Oct 2018 | Nov 2018 | Dec 2018 | Total |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|------------------------|
| 409.11 State Business Tax | | | | | | | | | | | | 2,850.00 | 2,850.00 |
| 410.10 Def. Federal Income Tax | | | | | | | | | | | | 125,000.00 | 125,000.00 |
| Total 409-411 Income Taxes | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 149,146.00 | \$ 149,146.00 |
| Total Expenses | \$ 94,373.82 | \$ 95,177.80 | \$ 89,620.16 | \$ 95,435.31 | \$ 91,148.23 | \$ 101,665.61 | \$ 88,971.84 | \$ 94,652.97 | \$ 82,205.50 | \$ 92,581.32 | \$ 93,554.47 | \$ 322,959.87 | \$ 1,342,346.90 |
| Net Operating Income | \$ 22,739.95 | -\$ 305.46 | \$ 27,072.88 | \$ 19,930.55 | \$ 8,155.29 | \$ 23,364.84 | \$ 34,333.96 | \$ 9,946.29 | \$ 59,939.20 | \$ 31,386.67 | \$ 7,655.49 | \$ 15,581.10 | \$ 259,800.76 |
| Other Income | | | | | | | | | | | | | |
| 415 Revenues from Contract Work | 850.00 | 1,200.00 | 1,050.00 | 2,425.00 | 1,050.00 | 1,150.00 | 1,500.00 | 1,850.00 | 950.00 | 950.00 | 1,200.00 | 950.00 | 15,125.00 |
| 419 Interest and Dividend Income | | | 8,759.69 | | | | | | 1,444.11 | | | 0.00 | 10,203.80 |
| Total Other Income | \$ 850.00 | \$ 1,200.00 | \$ 9,809.69 | \$ 2,425.00 | \$ 1,050.00 | \$ 1,150.00 | \$ 1,500.00 | \$ 1,850.00 | \$ 2,394.11 | \$ 950.00 | \$ 1,200.00 | \$ 950.00 | \$ 25,328.80 |
| Other Expenses | | | | | | | | | | | | | |
| 426 Misc. Nonutility Expense | | | | | | | | | | | | | 0.00 |
| 426.01 Amort-Capital Stock Expense | 153.42 | 153.42 | 153.42 | 153.42 | 153.42 | 153.42 | 153.42 | 153.42 | 153.42 | 153.42 | 153.42 | 153.42 | 1,841.04 |
| 426.02 Donations | | 135.00 | | 500.00 | | | | | 135.00 | | | 0.00 | 770.00 |
| Total 426 Misc. Nonutility Expense | \$ 153.42 | \$ 288.42 | \$ 153.42 | \$ 653.42 | \$ 153.42 | \$ 153.42 | \$ 153.42 | \$ 153.42 | \$ 288.42 | \$ 153.42 | \$ 153.42 | \$ 153.42 | \$ 2,611.04 |
| 427-428 Interest Expenses | | | | | | | | | | | | | 0.00 |
| 427 Interest Expense | 3,845.93 | 8,227.12 | 5,585.54 | 4,896.71 | 4,186.20 | 4,012.93 | 4,301.60 | 4,309.63 | 7,077.63 | 4,214.45 | 4,045.39 | 5,123.13 | 59,826.26 |
| 428 Amort. Of Debt Expense | 115.14 | 115.14 | 115.14 | 115.14 | 115.14 | 115.14 | 115.14 | 115.14 | 115.14 | 115.14 | 115.14 | 115.14 | 1,381.68 |
| Total 427-428 Interest Expenses | \$ 3,961.07 | \$ 8,342.26 | \$ 5,700.68 | \$ 5,011.85 | \$ 4,301.34 | \$ 4,128.07 | \$ 4,416.74 | \$ 4,424.77 | \$ 7,192.77 | \$ 4,329.59 | \$ 4,160.53 | \$ 5,238.27 | \$ 61,207.94 |
| Total Other Expenses | \$ 4,114.49 | \$ 8,630.68 | \$ 5,854.10 | \$ 5,665.27 | \$ 4,454.76 | \$ 4,281.49 | \$ 4,570.16 | \$ 4,578.19 | \$ 7,481.19 | \$ 4,483.01 | \$ 4,313.95 | \$ 5,391.69 | \$ 63,818.98 |
| Net Other Income | -\$ 3,264.49 | -\$ 7,430.68 | \$ 3,955.59 | -\$ 3,240.27 | -\$ 3,404.76 | -\$ 3,131.49 | -\$ 3,070.16 | -\$ 2,728.19 | -\$ 5,087.08 | -\$ 3,533.01 | -\$ 3,113.95 | -\$ 4,441.69 | -\$ 38,490.18 |
| Net Income | \$ 19,475.46 | -\$ 7,736.14 | \$ 31,028.47 | \$ 16,690.28 | \$ 4,750.53 | \$ 20,233.35 | \$ 31,263.80 | \$ 7,218.10 | \$ 54,852.12 | \$ 27,853.66 | \$ 4,541.54 | \$ 11,139.41 | \$ 221,310.58 |

TAB 2

PUC 1604.01(a)(2)

Annual Report to Stockholders

LAKES REGION WATER COMPANY, INC.

**FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018
AND
INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

*Leone,
McDonnell
& Roberts*
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

LAKES REGION WATER COMPANY, INC.

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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To the Board of Directors
Lakes Region Water Company, Inc.
Moultonboro, New Hampshire

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

We have reviewed the accompanying financial statements of Lakes Region Water Company, Inc. (a corporation), which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of income and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our reviews of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

*Leone McDonnell & Roberts,
Professional Association*

June 15, 2020
Wolfeboro, New Hampshire

LAKES REGION WATER COMPANY, INC.

**BALANCE SHEETS
DECEMBER 31, 2019 AND 2018**

ASSETS

| | <u>2019</u> | <u>2018</u> |
|--|----------------------------|----------------------------|
| PROPERTY, PLANT AND EQUIPMENT | | |
| Cost | \$ 6,816,706 | \$ 6,612,606 |
| Less: acquisition adjustment | <u>(276,689)</u> | <u>(276,596)</u> |
| Net cost | 6,540,017 | 6,336,010 |
| Less: accumulated depreciation and amortization | <u>(2,152,270)</u> | <u>(2,060,072)</u> |
| Accumulated amortization of acquisition adjustment | <u>204,365</u> | <u>197,054</u> |
| Total property, plant and equipment | <u>4,592,112</u> | <u>4,472,992</u> |
| CURRENT ASSETS | | |
| Cash | 64,247 | 89,862 |
| Accounts receivable | 195,795 | 193,455 |
| Inventory | 24,752 | 18,041 |
| Prepaid state taxes | - | 23,492 |
| Deferred expenses | <u>34,683</u> | <u>49,038</u> |
| Total current assets | <u>319,477</u> | <u>373,888</u> |
| OTHER ASSETS | | |
| Miscellaneous deferred costs | 175,132 | 164,415 |
| Other investments | <u>11,313</u> | <u>8,250</u> |
| Total other assets | <u>186,445</u> | <u>172,665</u> |
| TOTAL ASSETS | <u>\$ 5,098,034</u> | <u>\$ 5,019,545</u> |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|--|----------------------------|----------------------------|
| STOCKHOLDERS' EQUITY | | |
| Common stock, no par value, 20 shares authorized, issued and outstanding | \$ 10,000 | \$ 10,000 |
| Additional paid in capital | 1,423,322 | 1,426,322 |
| Capital stock expense | 4 | 4 |
| Retained earnings | <u>1,537,894</u> | <u>1,347,844</u> |
| Total stockholders' equity | <u>2,971,220</u> | <u>2,784,170</u> |
| LONG TERM DEBT, LESS CURRENT PORTION | <u>796,340</u> | <u>859,238</u> |
| CURRENT LIABILITIES | | |
| Current portion of long term debt | 95,413 | 118,538 |
| Line of credit | - | 50,000 |
| Accounts payable | 61,669 | 100,788 |
| Accrued taxes | 25,811 | - |
| Accrued expenses | 6,643 | 7,437 |
| Other notes payable | <u>2,756</u> | <u>12,125</u> |
| Total current liabilities | <u>192,292</u> | <u>288,888</u> |
| DEFERRED TAXES | <u>578,931</u> | <u>510,463</u> |
| CONTRIBUTION IN AID OF CONSTRUCTION | | |
| Gross received (net of premature retirements) | 899,678 | 899,678 |
| Less: accumulated amortization | <u>(340,427)</u> | <u>(322,892)</u> |
| Total contribution in aid of construction | <u>559,251</u> | <u>576,786</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u>\$ 5,098,034</u> | <u>\$ 5,019,545</u> |

See Independent Accountants' Review Report
and
Notes to Financial Statements

LAKES REGION WATER COMPANY, INC.

**STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| OPERATING REVENUES | \$ 1,590,402 | \$ 1,574,566 |
| OPERATING EXPENSES: | | |
| Production | 125,463 | 122,562 |
| Treatment | 44,867 | 23,132 |
| Transmission and distribution | 223,185 | 165,053 |
| Customers' billing and collection | 62,383 | 49,916 |
| General and administrative | 515,881 | 536,138 |
| Depreciation and amortization | 176,116 | 203,041 |
| Taxes - other than income | 99,522 | 93,360 |
| Provision (benefit) for taxes | <u>74,247</u> | <u>144,907</u> |
| Total operating expenses | <u>1,321,664</u> | <u>1,338,109</u> |
| NET WATER UTILITY OPERATING INCOME | 268,738 | 236,457 |
| NON OPERATING INCOME, NET | 7,086 | 7,593 |
| INTEREST EXPENSE | <u>(55,774)</u> | <u>(61,208)</u> |
| NET INCOME | 220,050 | 182,842 |
| RETAINED EARNINGS, BEGINNING OF YEAR, AS PREVIOUSLY STATED | 1,347,844 | 1,336,997 |
| PRIOR PERIOD ADJUSTMENT | <u>-</u> | <u>(141,995)</u> |
| RETAINED EARNINGS, BEGINNING OF YEAR, AS RESTATED | 1,347,844 | 1,195,002 |
| DIVIDENDS PAID | <u>(30,000)</u> | <u>(30,000)</u> |
| RETAINED EARNINGS, END OF YEAR | <u>\$ 1,537,894</u> | <u>\$ 1,347,844</u> |

See Independent Accountants' Review Report
and
Notes to Financial Statements

LAKES REGION WATER COMPANY, INC.

**STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| | <u>2019</u> | <u>2018</u> |
|---|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 220,050 | \$ 221,310 |
| Adjustments to reconcile net income to net cash from operating activities | | |
| Depreciation | 200,869 | 227,791 |
| Amortization of acquisition adjustment | (7,218) | (7,215) |
| Amortization of contribution in aid of construction | (17,535) | (17,535) |
| Amortization of debt financing costs | 1,938 | 1,382 |
| (Increase) decrease in assets: | | |
| Accounts receivable | (2,340) | (9,515) |
| Inventory | (6,711) | (2,781) |
| Prepaid state taxes | 23,492 | (23,492) |
| Deferred expenses | 14,355 | 3,947 |
| Miscellaneous deferred costs | (10,717) | 21,516 |
| Increase (decrease) in liabilities | | |
| Accounts payable | (39,119) | (25,828) |
| Accrued taxes | 25,811 | - |
| Accrued expenses | (794) | 6,053 |
| Other notes payable | (9,369) | 12,125 |
| Deferred income taxes | 30,000 | 125,000 |
| | <u>422,712</u> | <u>532,758</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| | <u>422,712</u> | <u>532,758</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of plant and equipment | (237,833) | (391,020) |
| Increase in other investments | (3,063) | (2,190) |
| | <u>(240,896)</u> | <u>(393,210)</u> |
| NET CASH USED IN INVESTING ACTIVITIES | | |
| | <u>(240,896)</u> | <u>(393,210)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net borrowings (repayments) under line of credit | (50,000) | 40,000 |
| Principal payments on debt | (118,254) | (179,760) |
| Deferred financing costs | (6,177) | - |
| Capital stock financing costs | - | 1,841 |
| Additional paid in capital | (3,000) | - |
| Dividends paid | (30,000) | (30,000) |
| | <u>(207,431)</u> | <u>(167,919)</u> |
| NET CASH USED IN FINANCING ACTIVITIES | | |
| | <u>(207,431)</u> | <u>(167,919)</u> |
| NET DECREASE IN CASH | (25,615) | (28,371) |
| CASH, BEGINNING OF YEAR | <u>89,862</u> | <u>118,233</u> |
| CASH, END OF YEAR | <u>\$ 64,247</u> | <u>\$ 89,862</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash paid during the year for interest | <u>\$ 53,836</u> | <u>\$ 59,826</u> |
| NONCASH FINANCING AND INVESTING ACTIVITIES | | |
| Purchase of plant and equipment | \$ 274,302 | \$ 475,806 |
| Amount financed | <u>(36,469)</u> | <u>(84,786)</u> |
| | <u>\$ 237,833</u> | <u>\$ 391,020</u> |
| Cash paid for plant and equipment | <u>\$ 237,833</u> | <u>\$ 391,020</u> |

See Independent Accountants' Review Report
and
Notes to Financial Statements

LAKES REGION WATER COMPANY, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Lakes Region Water Company, Inc. (the Company) is a closely held corporation that operates 19 franchised water systems in central New Hampshire.

On August 16, 2019 DW 19-135 the Company petitioned for approval of long term debt in the amount of \$633,000 to be financed by CoBank, for the following projects: Reimbursement of expenses for the Dockham Shores pumps station completed in December 2018, building a new pump station at the Wildwood system, and upgrading water mains at the Paradise Shores system. The docket is still pending approval from NHPUC at this time.

On October 15, 2019 DW 19-177, the Company filed a petition to request a change in rates for its Dockham Shores customers to seek recovery of the new pump station completed in December of 2018.

On March 26, 2020 DW 18-056 Order #26,340 directed the Company to record an annual and cumulative regulatory tax savings deferred liability in the amount of \$42,707. The deferred liability shall be recorded as of January 1, 2018 until the effective date of the Company's next approved permanent base rate adjustment. The Company also recorded an excess deferred income tax regulatory liability reserve in the amount of \$141,995. The annual credits will be resolved in the next general rate proceedings. Its final order was for the Company to file a rate case no later than December 31, 2020 using 2019 test year.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and accounting methods approved by the New Hampshire Public Utilities Commission.

Regulation

The Company is subject to regulation by the New Hampshire Public Utilities Commission (NHPUC) with respect to rates charged for service, accounting methods, and other matters pertaining to regulated operations.

Trade Accounts Receivable

The Company provides short term credit to its customers. The Company performs ongoing credit evaluations of its customers and maintains allowances for potential credit losses when applicable. The Company follows the policy of charging interest on past due accounts. As discussed in Note 4, the Company's trade accounts receivable serve as collateral for certain borrowings.

Investments

The Company's investments are presented in the financial statements in the aggregate at fair value. At December 31, 2019 and 2018, the Company's investments consisted of securities of a national cooperative bank received through patronage dividends and aggregated \$11,313 and \$8,250, respectively.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost. Material assets purchased with a useful life in excess of one year are generally capitalized. The Company follows the policy of charging to operating expenses annual amounts of depreciation, which allocate the cost of property, plant and equipment over their estimated useful lives. The Company employs the straight-line method for determining the annual charge for depreciation using lives prescribed by the NHPUC. Normal maintenance and repair costs are charged to expenses as incurred while replacements and betterments are capitalized. Per NHPUC requirement, the cost of property retired, including cost of removal and salvage, is charged to accumulated depreciation.

Debt Issuance Costs

The Company has adopted the provisions of the FASB Accounting Standards Update (ASU) No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. The ASU is limited to simplifying the presentation of debt issuance costs, and the recognition and measurement guidance for debt issuance costs is not affected by the ASU.

As a result of the adoption, at December 31, 2019 and 2018 the Company classified \$23,788 and \$19,550 of debt issuance costs in the accompanying balance as a reduction of long-term debt, as required by the ASU. Amortization expense associated with the debt issuance costs amounted to \$1,938 and \$1,382, for the years ended December 31, 2019 and 2018, respectively.

Revenue Recognition

Revenue is earned for 7 of its 19 water systems on a fixed quarterly charge, and on a metered plus fixed quarterly charge for the remaining 12 water systems. All rates are approved by the New Hampshire Public Utilities Commission. The Company also has a special contract with a property owners' association, which is billed quarterly.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contribution in Aid of Construction

The amounts paid by the customers and developers toward the cost of property, plant and equipment used in the Company's operations, net of accumulated amortization, are recorded as contributions in aid of construction in the financial statements. Amortization is provided over the same life as the related asset is depreciated in accordance with the regulatory requirements of the NHPUC.

As of December 31, 2019 and 2018 the components of contributions in aid of construction are as follows:

| | <u>2019</u> | <u>2018</u> |
|--------------------------------------|-------------------|-------------------|
| Contribution in aid of construction: | | |
| Service assets | \$ 899,678 | \$ 899,678 |
| Accumulated amortization | <u>(340,427)</u> | <u>(322,892)</u> |
| | <u>\$ 559,251</u> | <u>\$ 576,786</u> |

Advertising

The Company expenses advertising costs as they are incurred.

3. PROPERTY, PLANT AND EQUIPMENT

The following is a summary of the property, plant and equipment costs and the associated depreciable lives as of December 31, 2019 and 2018:

| | <u>Years</u> | <u>2019</u> | <u>2018</u> |
|--------------------------------------|--------------|---------------------|---------------------|
| Organizational costs | - | \$ 24,064 | \$ 24,064 |
| Franchise | - | 3,630 | 3,630 |
| Land and rights of way | - | 443,253 | 443,251 |
| Structures and improvements | 40 - 50 | 1,021,699 | 1,004,945 |
| Wells | 30 | 722,204 | 722,207 |
| Pumping, treatment & power equipment | 10 | 441,521 | 440,165 |
| Miscellaneous plant equipment | 5 - 10 | 173,618 | 169,020 |
| Tanks | 45 | 513,971 | 513,973 |
| Transmission and distribution mains | 50 | 2,093,840 | 2,093,840 |
| Services | 40 | 307,269 | 307,270 |
| Meters | 20 | 256,567 | 266,459 |
| Hydrants | 50 | 12,065 | 12,065 |
| Office, shop and lab equipment | 10 - 22 | 117,180 | 112,066 |
| Transportation equipment | 5 | 399,662 | 369,288 |
| Communication and computer equip | 10 | 65,884 | 68,445 |
| Construction in process | - | 220,279 | 62,011 |
| Intangible (asset adjustment) | - | <u>(276,689)</u> | <u>(276,689)</u> |
| Total | | <u>\$ 6,540,017</u> | <u>\$ 6,336,010</u> |

4. LINE OF CREDIT

The Company maintains a revolving line of credit agreement with CoBank. The line of credit agreement provides for maximum borrowing of \$50,000 with variable interest and is collateralized by all business assets. As of December 31, 2019 and 2018 interest was stated at 3.70% and 4.51%, respectively. At December 31, 2019 there was no balance outstanding under the line of credit agreement. At December 31, 2018 there was \$50,000 outstanding under the line of credit agreement.

5. LONG TERM DEBT

The long term debt of the Company as of December 31, 2019 and 2018 consisted of the following:

| | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------|
| \$318,810 note payable to CoBank dated June 24, 2014. The term of the note was for 60 months with a maturity date of June 20, 2019. Interest was fixed at a rate of 3.45%. Monthly payments for principal and interest were \$5,621. The note was collateralized by various parcels of real estate of the Company. | \$ - | \$ 27,923 |
| \$474,567 note payable to CoBank dated June 24, 2014. The term of the note is for 180 months with a maturity date of June 2029. Interest is fixed at a rate of 5.25%. Monthly payments for principal and interest are \$3,099. The note is collateralized by various parcels of real estate of the Company. | 315,853 | 345,734 |
| \$130,000 note payable to CoBank dated July 20, 2015. The term of the note is for 180 months with a maturity date of June 2030. Interest is fixed at a rate of 5.50%. Monthly payments for principal and interest are \$925. The note is collateralized by real estate of the Company. | 96,249 | 104,016 |
| \$135,000 note payable to CoBank dated December 18, 2017. The term of the note is for 240 months with a maturity date of September 2037. Interest is fixed at a rate of 5.45%. Monthly payments for principal and interest are approximately \$985. The note is collateralized by real estate of the Company. | 124,254 | 128,986 |
| \$265,000 note payable to CoBank dated December 18, 2017. The term of the note is for 240 months with a maturity date of November 2037. Interest is fixed at a rate of 5.45%. Monthly payments for principal and interest are approximately \$1,935. The note is collateralized by real estate of the Company. | 245,496 | 254,712 |
| Note payable to Ford Motor Credit, matured August 2019, interest was stated at 6.24% with monthly principal and interest payments of \$618. The note was collateralized by a Company vehicle. | - | 4,835 |

| | | |
|--|-------------------|-------------------|
| Note payable to Ford Motor Credit, maturing June 2021, interest stated at 0% with monthly principal payments of \$694. The note is collateralized by a Company vehicle. | 11,796 | 20,123 |
| Note payable to Ford Motor Credit, maturing October 2022, interest stated at 4.34% with monthly principal payments of \$963. The note is collateralized by a Company vehicle. | 30,765 | 40,756 |
| Note payable to Ford Motor Credit, maturing February 2023, interest stated at 4.84% with monthly principal payments of \$854. The note is collateralized by a Company vehicle. | 29,301 | 37,434 |
| Note payable to Ford Motor Credit, maturing February 2023, interest stated at 4.84% with monthly principal payments of \$739. The note is collateralized by a Company vehicle. | 25,358 | 32,807 |
| Note payable to Ford Motor Credit, maturing November 2024, interest stated at 1.90% with monthly principal payments of \$639. The note is collateralized by a Company vehicle. | 36,469 | - |
| Unamortized debt financing costs | <u>(23,788)</u> | <u>(19,550)</u> |
| | 891,753 | 977,776 |
| Less: current portion due within one year | <u>(95,413)</u> | <u>(118,538)</u> |
| Total Long Term Debt | <u>\$ 796,340</u> | <u>\$ 859,238</u> |

The future annual maturities of long term debt are as follows:

| <u>Year Ending December 31,</u> | <u>Amount</u> |
|--|----------------------|
| 2020 | \$ 95,413 |
| 2021 | 93,573 |
| 2022 | 91,221 |
| 2023 | 66,830 |
| 2024 | 66,803 |
| Thereafter | <u>477,913</u> |
| Total | <u>\$ 891,753</u> |

6. **INCOME TAXES**

The Company evaluates all significant tax positions as required by generally accepted accounting principles in the United States. As of December 31, 2019, the Company does not believe that it has taken any tax positions that would require the recording of any additional tax liability, nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months.

Deferred income taxes are accounted for under the asset and liability method in accordance with FASB ASC 740, *Accounting for Income Taxes*. Deferred tax assets primarily arise from Federal or state net operating loss (NOL) carryforwards as well as New Hampshire business enterprise tax credits. The Company had no NOL or BET carryforwards at December 31, 2019 or 2018. Deferred tax liabilities primarily arise from depreciation expense which has been recognized in earlier periods for tax purposes. Deferred taxes are classified as current or noncurrent depending on the classification of the assets and liabilities to which they relate.

The Company's income tax returns are subject to examination by the appropriate taxing jurisdictions. As of December 31, 2019, the Company's federal and state tax returns generally remain open for the last three years.

As of December 31, 2019 and 2018 the components of deferred taxes were as follows:

| | <u>2019</u> | <u>2018</u> |
|------------------------------------|--------------------------|--------------------------|
| Deferred taxes: | | |
| Deferred income taxes | \$ 360,000 | \$ 330,000 |
| Excess deferred income tax reserve | 133,517 | 137,756 |
| Accumulated amortization | <u>85,414</u> | <u>42,707</u> |
| | <u>\$ 578,931</u> | <u>\$ 510,463</u> |

7. **FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, short term receivables, payables, prepaid expenses and accrued expenses. The carrying value for all such instruments, considering the terms, approximates fair value at December 31, 2019 and 2018.

8. **CONCENTRATION OF CREDIT RISK**

The Company maintains its cash accounts with multiple financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. There were no deposits in excess of the insured limits at December 31, 2019 or 2018.

9. RELATED PARTY TRANSACTIONS

The President of the Company is the sole shareholder of LRW Water Services, Inc. During the years ended December 31, 2019 and 2018 the Company purchased goods and services from LRW Water Services, Inc. totaling \$97,893 and \$144,631, respectively. As of December 31, 2019 and 2018 the Company owed LRW Water Services, Inc. approximately \$12,603 and \$34,118, respectively.

During the year ended December 31, 2019 and 2018 the Company provided goods and services to LRW Water Services, Inc. totaling \$31,851 and \$15,204, respectively. As of December 31, 2019 and 2018 LRW Water Services, Inc. owed the Company approximately \$31,851 and \$20,579, respectively.

10. PRIOR PERIOD ADJUSTMENT

As discussed in Note 1, pursuant to DW 18-056 Order #26,340 the Company record an annual and cumulative regulatory tax savings deferred liability in the amount of \$42,707. The Company also recorded an excess deferred income tax regulatory liability reserve in the amount of \$141,995 and amortization of excess deferred income tax in the amount of \$4,239.

This adjustment resulted in the following changes to the December 31, 2018 financial statements:

| <u>Balance Sheet</u> | <u>Balance as Previously Reported</u> | <u>Increase (Decrease)</u> | <u>Balances Restated</u> |
|---|--|---------------------------------------|-------------------------------------|
| Deferred income taxes, net | \$ 330,000 | \$ 180,463 | \$ 510,463 |
| Total liabilities | <u>2,054,912</u> | <u>180,463</u> | <u>2,235,375</u> |
| Retained earnings | <u>1,528,307</u> | <u>(180,463)</u> | <u>1,347,844</u> |
| Total stockholders' equity | <u>2,964,633</u> | <u>(180,463)</u> | <u>2,784,170</u> |
| Total net assets and liabilities | <u>\$ 5,019,545</u> | <u>\$ -</u> | <u>\$ 5,019,545</u> |
| | | | |
| <u>Statement of Income and Retained Earnings</u> | <u>Balance as Previously Reported</u> | <u>Increase (Decrease)</u> | <u>Balances Restated</u> |
| Other revenue – tax savings refund | \$ - | \$ (42,707) | \$ (42,707) |
| Total operating revenues | <u>\$ 1,617,273</u> | <u>\$ (42,707)</u> | <u>\$ 1,574,566</u> |
| Provision for taxes - amortization of EDIT | - | (4,239) | (4,239) |
| Total expense | <u>1,342,348</u> | <u>(4,239)</u> | <u>1,338,109</u> |
| Net income | <u>\$ 221,310</u> | <u>\$ (38,468)</u> | <u>\$ 182,842</u> |

11. OTHER EVENTS

The impact of the novel coronavirus (“COVID-19”) and measures to prevent its spread are affecting the Company’s operations. The significance of the impact of these disruptions, including the extent of their impact on the Company’s financial and operational results, will be dictated by the length of time that such disruptions continue and, in turn, will depend on the duration of the COVID-19 pandemic. The Company’s operations could also be impacted should the disruptions from COVID-19 lead to changes in consumer behavior.

There are certain limitations on the Company’s ability to mitigate the adverse financial impact of these items. COVID-19 also makes it more challenging for management to estimate future performance of the businesses, particularly over the near to medium term.

12. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 15, 2020, which is the date that the financial statements were available to be issued.

During April 2020, the Company applied for and was awarded a Paycheck Protection Program loan administered by the Small Business Administration. The amount of the loan was \$82,300. Under the terms of the loan agreement, provided the funds are used to cover certain eligible costs for a twenty-four week period, all or some of the loan may be forgiven. As of the date of these financial statements, the amount, if any, of loan forgiveness is not available.

Supplementary Information

LAKES REGION WATER COMPANY, INC.

**SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| OPERATING REVENUES | | |
| General sales: | | |
| Unmetered sales | \$ 464,450 | \$ 445,393 |
| Metered sales | 1,085,433 | 1,052,950 |
| Finance charges / forfeited discounts | 6,365 | 6,698 |
| Disconnect/reconnect - income | 9,920 | 9,925 |
| House transfer | 4,608 | 4,267 |
| Miscellaneous customer fees | 2,497 | 3,243 |
| Customer bad check charges | 144 | 123 |
| Sales outside contractors | 26,712 | 15,125 |
| Rate case surcharge | 32,980 | 79,549 |
| Tax savings refund | <u>(42,707)</u> | <u>(42,707)</u> |
| Total operating revenues | <u>\$ 1,590,402</u> | <u>\$ 1,574,566</u> |
| OPERATING EXPENSES | | |
| Production: | | |
| Labor | \$ 12,672 | \$ 11,657 |
| Materials | 1,500 | 2,874 |
| Contracted services | 1,065 | 745 |
| Purchased power | 98,201 | 95,107 |
| Maintenance | 11,025 | 11,179 |
| Rents | <u>1,000</u> | <u>1,000</u> |
| Total production | <u>\$ 125,463</u> | <u>\$ 122,562</u> |
| Treatment: | | |
| Labor | \$ 7,473 | \$ 5,950 |
| Water tests | 27,402 | 11,435 |
| Materials | 6,697 | 5,747 |
| Maintenance | <u>3,295</u> | <u>-</u> |
| Total treatment | <u>\$ 44,867</u> | <u>\$ 23,132</u> |
| Transmission and Distribution: | | |
| Labor | \$ 43,949 | \$ 39,384 |
| Contracted services | - | 634 |
| Materials | 42,702 | 16,379 |
| Equipment lease | 9,491 | 15,995 |
| Transportation expenses | 49,633 | 40,114 |
| Maintenance | 61,670 | 40,397 |
| Telemetry | 12,090 | 11,400 |
| Miscellaneous | <u>3,650</u> | <u>750</u> |
| Total transmission and distribution | <u>\$ 223,185</u> | <u>\$ 165,053</u> |
| Customers' billing and collection | | |
| Meter reading expense | \$ 10,966 | \$ 11,643 |
| Labor | 24,603 | 28,156 |
| Postage | 4,800 | 4,803 |
| Bad debt (recovery) | 20,854 | 2,544 |
| Miscellaneous | <u>1,160</u> | <u>2,770</u> |
| Total customers' billing and collection | <u>\$ 62,383</u> | <u>\$ 49,916</u> |

See Independent Accountants' Review Report

LAKES REGION WATER COMPANY, INC.

**SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| | <u>2019</u> | <u>2018</u> |
|---|--------------------|--------------------|
| General and administrative | | |
| General office salaries and wages | \$ 253,841 | \$ 239,855 |
| Employees' benefits, net | 58,990 | 55,095 |
| Insurance | 39,519 | 31,442 |
| General expenses: | | |
| Heat and electric office | 1,861 | 2,522 |
| Building maintenance and contracted services | 21,942 | 24,375 |
| Materials | 18,695 | 10,871 |
| Memberships | 2,140 | 2,667 |
| Telephone | 7,562 | 6,992 |
| Operating permits | 5,700 | 5,400 |
| Office supplies and miscellaneous | 29,661 | 23,721 |
| Outside services | 33,782 | 58,850 |
| Regulatory commission expense | 42,188 | 74,348 |
| | <u>\$ 515,881</u> | <u>\$ 536,138</u> |
| Total general and administrative | | |
| | <u>\$ 515,881</u> | <u>\$ 536,138</u> |
| Depreciation and amortization: | | |
| Depreciation and amortization | \$ 200,869 | \$ 227,791 |
| Amortization of acquisition adjustments | (7,218) | (7,215) |
| Amortization of contribution in aid of construction | (17,535) | (17,535) |
| | <u>\$ 176,116</u> | <u>\$ 203,041</u> |
| Total depreciation and amortization | | |
| | <u>\$ 176,116</u> | <u>\$ 203,041</u> |
| Taxes - other than income: | | |
| Payroll | \$ 23,209 | \$ 23,961 |
| Property | 76,313 | 69,399 |
| | <u>\$ 99,522</u> | <u>\$ 93,360</u> |
| Total taxes - other than income | | |
| | <u>\$ 99,522</u> | <u>\$ 93,360</u> |
| NON-OPERATING INCOME, NET | | |
| Interest and dividend income | \$ 7,656 | \$ 10,204 |
| Amortization of equity financing expense | - | (1,841) |
| Other | (570) | (770) |
| | <u>\$ 7,086</u> | <u>\$ 7,593</u> |
| Total non-operating income, net | | |
| | <u>\$ 7,086</u> | <u>\$ 7,593</u> |
| INTEREST EXPENSE | | |
| Interest on long term debt | \$ 53,836 | \$ 59,826 |
| Amortization of deferred debt financing expense | 1,938 | 1,382 |
| | <u>\$ 55,774</u> | <u>\$ 61,208</u> |
| Total interest expense | | |
| | <u>\$ 55,774</u> | <u>\$ 61,208</u> |

See Independent Accountants' Review Report

Financial Statements

LAKES REGION WATER COMPANY, INC.

**FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017
AND
INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

*Leone,
McDonnell
& Roberts*
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

TABLE

LAKES REGION WATER COMPANY, INC.

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

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To the Board of Directors
Lakes Region Water Company, Inc.
Moultonboro, New Hampshire

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

We have reviewed the accompanying financial statements of Lakes Region Water Company, Inc. (a corporation), which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of income and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our reviews of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the information and, accordingly, do not express an opinion on such information.

*Leane McDonnell & Roberts
Professional Association*

April 30, 2019
Wolfeboro, New Hampshire

LAKES REGION WATER COMPANY, INC.

**BALANCE SHEETS
DECEMBER 31, 2018 AND 2017**

| | <u>2018</u> | <u>2017</u> |
|---|----------------------------|----------------------------|
| ASSETS | | |
| PROPERTY, PLANT AND EQUIPMENT | | |
| Cost | \$ 6,612,606 | \$ 6,267,121 |
| Less: acquisition adjustment | <u>(276,596)</u> | <u>(276,596)</u> |
| Net cost | 6,336,010 | 5,990,525 |
| Less: accumulated depreciation and amortization | (2,060,072) | (1,964,053) |
| Accumulated amortization of acquisition adjustment | <u>197,054</u> | <u>189,932</u> |
| Total property, plant and equipment | <u>4,472,992</u> | <u>4,216,404</u> |
| CURRENT ASSETS | | |
| Cash | 89,862 | 118,233 |
| Accounts receivables | 193,455 | 183,940 |
| Inventory | 18,041 | 15,260 |
| Prepaid state taxes | 23,492 | - |
| Deferred expenses | <u>49,038</u> | <u>52,985</u> |
| Total current assets | <u>373,888</u> | <u>370,418</u> |
| OTHER ASSETS | | |
| Miscellaneous deferred costs | 164,415 | 185,931 |
| Other investments | <u>8,250</u> | <u>6,060</u> |
| Total other assets | <u>172,665</u> | <u>191,991</u> |
| TOTAL ASSETS | <u>\$ 5,019,545</u> | <u>\$ 4,778,813</u> |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u> | | |
| STOCKHOLDERS' EQUITY | | |
| Common stock, no par value, 20 shares authorized, issued and outstanding | \$ 10,000 | \$ 10,000 |
| Additional paid in capital | 1,426,322 | 1,426,322 |
| Capital stock expense | 4 | (1,837) |
| Retained earnings | <u>1,528,307</u> | <u>1,336,997</u> |
| Total stockholders' equity | <u>2,964,633</u> | <u>2,771,482</u> |
| LONG TERM DEBT, LESS CURRENT PORTION | <u>859,238</u> | <u>921,318</u> |
| CURRENT LIABILITIES | | |
| Current portion of long term debt | 118,538 | 150,051 |
| Line of credit | 50,000 | 10,000 |
| Accounts payable | 100,788 | 126,616 |
| Accrued expenses | 7,437 | 1,384 |
| Other notes payable | <u>12,125</u> | <u>-</u> |
| Total current liabilities | <u>288,888</u> | <u>288,051</u> |
| DEFERRED INCOME TAXES | <u>330,000</u> | <u>205,000</u> |
| CONTRIBUTION IN AID OF CONSTRUCTION | | |
| Gross received (net of premature retirements) | 899,678 | 896,878 |
| Less: accumulated amortization | <u>(322,892)</u> | <u>(303,916)</u> |
| Total contribution in aid of construction | <u>576,786</u> | <u>592,962</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u>\$ 5,019,545</u> | <u>\$ 4,778,813</u> |

See Independent Accountants' Review Report
and
Notes to Financial Statements

LAKES REGION WATER COMPANY, INC.

**STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

| | <u>2018</u> | <u>2017</u> |
|---|---------------------|---------------------|
| OPERATING REVENUES | \$ 1,617,273 | \$ 1,498,520 |
| OPERATING EXPENSES: | | |
| Production | 122,562 | 122,281 |
| Treatment | 23,132 | 18,003 |
| Transmission and distribution | 165,053 | 132,520 |
| Customers' billing and collection | 49,916 | 75,437 |
| General and administrative | 536,138 | 512,938 |
| Depreciation and amortization | 203,041 | 161,898 |
| Taxes - other than income | 93,360 | 81,605 |
| Provision (benefit) for taxes | <u>149,146</u> | <u>119,107</u> |
| Total operating expenses | <u>1,342,348</u> | <u>1,223,789</u> |
| NET WATER UTILITY OPERATING INCOME | 274,925 | 274,731 |
| NON OPERATING INCOME, NET | 7,593 | 5,836 |
| INTEREST EXPENSE | <u>(61,208)</u> | <u>(43,582)</u> |
| NET INCOME | 221,310 | 236,985 |
| RETAINED EARNINGS, BEGINNING OF YEAR | 1,336,997 | 1,130,012 |
| DIVIDENDS PAID | <u>(30,000)</u> | <u>(30,000)</u> |
| RETAINED EARNINGS, END OF YEAR | <u>\$ 1,528,307</u> | <u>\$ 1,336,997</u> |

See Independent Accountants' Review Report
and
Notes to Financial Statements

LAKES REGION WATER COMPANY, INC.

**STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

| | <u>2018</u> | <u>2017</u> |
|---|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 221,310 | \$ 236,985 |
| Adjustments to reconcile net income to net cash from operating activities | | |
| Depreciation | 227,791 | 188,875 |
| Amortization of acquisition adjustment | (7,215) | (6,460) |
| Amortization of contribution in aid of construction | (17,535) | (20,517) |
| Amortization of debt financing costs | 1,382 | 1,382 |
| (Increase) decrease in assets: | | |
| Accounts receivable | (9,515) | 7,401 |
| Inventory | (2,781) | (5,455) |
| Prepaid state taxes | (23,492) | - |
| Deferred expenses | 3,947 | (11,467) |
| Miscellaneous deferred costs | 21,516 | 20,310 |
| Increase (decrease) in liabilities | | |
| Accounts payable | (25,828) | (46,965) |
| Accrued expenses | 6,053 | (9,884) |
| Other notes payable | 12,125 | - |
| Deferred income taxes | <u>125,000</u> | <u>77,000</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>532,758</u> | <u>431,205</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of plant and equipment | (391,020) | (129,644) |
| Increase in other investments | <u>(2,190)</u> | <u>(1,953)</u> |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(393,210)</u> | <u>(131,597)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net borrowings (repayments) under line of credit | 40,000 | (20,000) |
| Principal payments on debt | (179,760) | (143,726) |
| Capital stock financing costs | 1,841 | 1,841 |
| Dividends paid | <u>(30,000)</u> | <u>(30,000)</u> |
| NET CASH USED IN FINANCING ACTIVITIES | <u>(167,919)</u> | <u>(191,885)</u> |
| NET (DECREASE) INCREASE IN CASH | (28,371) | 107,723 |
| CASH, BEGINNING OF YEAR | <u>118,233</u> | <u>10,510</u> |
| CASH, END OF YEAR | <u>\$ 89,862</u> | <u>\$ 118,233</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash paid during the year for interest | <u>\$ 59,826</u> | <u>\$ 42,200</u> |
| NONCASH FINANCING AND INVESTING ACTIVITIES | | |
| Purchase of plant and equipment | \$ 475,806 | \$ 581,526 |
| Amount financed | <u>(84,786)</u> | <u>(451,882)</u> |
| Cash paid for plant and equipment | <u>\$ 391,020</u> | <u>\$ 129,644</u> |

See Independent Accountants' Review Report
and
Notes to Financial Statements

LAKES REGION WATER COMPANY, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Lakes Region Water Company, Inc. (the Company) is a closely held corporation that operates 19 franchised water systems in central New Hampshire.

On November 30, 2016, the Commission approved a settlement agreement DW 15-209 Order #25,969 on the permanent rate which represents an increase of \$161,502, or 15.48% above the 2014 test year. A review of the Rate Case filing of Order #25,969 is available on the Company's website.

On July 21, 2017 DW15-209 Order #26,028 authorized recovery of rate case expenses in the amount of \$158,575 to be collected from 1690 rate payers over eight billing quarters.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and accounting methods approved by the New Hampshire Public Utilities Commission.

Regulation

The Company is subject to regulation by the New Hampshire Public Utilities Commission (NHPUC) with respect to rates charged for service, accounting methods, and other matters pertaining to regulated operations.

Trade Accounts Receivable

The Company provides short term credit to its customers. The Company performs ongoing credit evaluations of its customers and maintains allowances for potential credit losses when applicable. The Company follows the policy of charging interest on past due accounts. As discussed in Note 4, the Company's trade accounts receivable serve as collateral for certain borrowings.

Investments

The Company's investments are presented in the financial statements in the aggregate at fair value. At December 31, 2018 and 2017, the Company's investments consisted of securities of a national cooperative bank received through patronage dividends and aggregated \$8,250 and \$6,060, respectively.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost. Material assets purchased with a useful life in excess of one year are generally capitalized. The Company follows the policy of charging to operating expenses annual amounts of depreciation, which allocate the cost of property, plant and equipment over their estimated useful lives. The Company employs the straight-line method for determining the annual charge for depreciation using lives prescribed by the NHPUC. Normal maintenance and repair costs are charged to expenses as incurred while replacements and betterments are capitalized. Per NHPUC requirement, the cost of property retired, including cost of removal and salvage, is charged to accumulated depreciation.

Debt Issuance Costs

The Company has adopted the provisions of the FASB Accounting Standards Update (ASU) No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. The ASU is limited to simplifying the presentation of debt issuance costs, and the recognition and measurement guidance for debt issuance costs is not affected by the ASU.

As a result of the adoption, at December 31, 2018 and 2017 the Company classified \$19,550 and \$20,931 of debt issuance costs in the accompanying balance as a reduction of long-term debt, as required by the ASU. Amortization expense associated with the debt issuance costs amounted to \$1,382 during each of the years ended December 31, 2018 and 2017.

Revenue Recognition

Revenue is earned for 7 of its 19 water systems on a fixed quarterly charge, and on a metered plus fixed quarterly charge for the remaining 12 water systems. All rates are approved by the New Hampshire Public Utilities Commission. The Company also has a special contract with a property owners' association, which is billed quarterly.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contribution in Aid of Construction

The amounts paid by the customers and developers toward the cost of property, plant and equipment used in the Company's operations, net of accumulated amortization, are recorded as contributions in aid of construction in the financial statements. Amortization is provided over the same life as the related asset is depreciated in accordance with the regulatory requirements of the NHPUC.

As of December 31, 2018 and 2017 the components of contributions in aid of construction are as follows:

| | <u>2018</u> | <u>2017</u> |
|--------------------------------------|--------------------------|--------------------------|
| Contribution in aid of construction: | | |
| Service assets | \$ 899,678 | \$ 896,878 |
| Accumulated amortization | <u>(322,892)</u> | <u>(303,916)</u> |
| | <u>\$ 576,786</u> | <u>\$ 592,962</u> |

Advertising

The Company expenses advertising costs as they are incurred.

3. PROPERTY, PLANT AND EQUIPMENT

The following is a summary of the property, plant and equipment costs and the associated depreciable lives as of December 31, 2018 and 2017:

| | <u>Years</u> | <u>2018</u> | <u>2017</u> |
|--------------------------------------|---------------------|---------------------|---------------------|
| Organizational costs | - | \$ 24,064 | \$ 24,064 |
| Franchise | - | 3,630 | 3,630 |
| Land and rights of way | - | 443,251 | 443,251 |
| Structures and improvements | 40 - 50 | 1,004,945 | 796,914 |
| Wells | 30 | 722,207 | 716,552 |
| Pumping, treatment & power equipment | 10 | 440,165 | 401,318 |
| Miscellaneous plant equipment | 5-10 | 169,020 | 146,055 |
| Tanks | 45 | 513,973 | 514,254 |
| Transmission and distribution mains | 50 | 2,093,840 | 2,076,923 |
| Services | 40 | 307,270 | 301,720 |
| Meters | 20 | 266,459 | 260,041 |
| Hydrants | 50 | 12,065 | 12,065 |
| Office, shop and lab equipment | 10-22 | 112,066 | 107,366 |
| Transportation equipment | 5 | 369,288 | 341,484 |
| Communication and computer equip | 10 | 68,445 | 79,705 |
| Construction in process | - | 62,011 | 41,779 |
| Intangible (asset adjustment) | - | <u>(276,689)</u> | <u>(276,596)</u> |
| Total | | <u>\$ 6,336,010</u> | <u>\$ 5,990,525</u> |

4. LINE OF CREDIT

The Company maintains a revolving line of credit agreement with CoBank. The line of credit agreement provides for maximum borrowing of \$50,000 with variable interest and is collateralized by all business assets. As of December 31, 2018 the outstanding balance under the line of credit agreement was \$50,000 with interest stated at 4.51%. As of December 31, 2017 the outstanding balance under the line of credit agreement was \$10,000 with interest stated at 3.57%.

5. LONG TERM DEBT

The long term debt of the Company as of December 31, 2018 and 2017 consisted of the following:

| | <u>2018</u> | <u>2017</u> |
|--|--------------------|--------------------|
| \$318,810 note payable to CoBank dated June 24, 2014. The term of the note is for 60 months with a maturity date of June 20, 2019. Interest is fixed at a rate of 3.45%. Monthly payments for principal and interest are \$5,621. The note is collateralized by various parcels of real estate of the Company. | \$ 27,923 | \$ 99,338 |

| | | |
|--|---------|---------|
| \$474,567 note payable to CoBank dated June 24, 2014. The term of the note is for 180 months with a maturity date of June 2029. Interest is fixed at a rate of 5.25%. Monthly payments for principal and interest are \$3,099. The note is collateralized by various parcels of real estate of the Company. | 345,734 | 377,362 |
| \$130,000 note payable to CoBank dated July 20, 2015. The term of the note is for 180 months with a maturity date of June 2030. Interest is fixed at a rate of 5.50%. Monthly payments for principal and interest are \$925. The note is collateralized by real estate of the Company. | 104,016 | 112,167 |
| \$135,000 note payable to CoBank dated December 18, 2017. The term of the note is for 240 months with a maturity date of September 2037. Interest is fixed at a rate of 5.45%. Monthly payments for principal and interest are approximately \$985. The note is collateralized by real estate of the Company. | 128,986 | 133,892 |
| \$265,000 note payable to CoBank dated December 18, 2017. The term of the note is for 240 months with a maturity date of November 2037. Interest is fixed at a rate of 5.45%. Monthly payments for principal and interest are approximately \$1,935. The note is collateralized by real estate of the Company. | 254,712 | 264,269 |
| Note payable to Ford Motor Credit, maturing August 2018, interest was stated at 5.95% with monthly principal and interest payments of \$713. The note was collateralized by a Company vehicle. | - | 5,588 |
| Note payable to Ford Motor Credit, maturing August 2018, interest was stated at 5.95% with monthly principal and interest payments of \$512. The note was collateralized by a Company vehicle. | - | 4,009 |
| Note payable to Ford Motor Credit, maturing August 2019, interest stated at 6.24% with monthly principal and interest payments of \$618. The note is collateralized by a Company vehicle. | 4,835 | 11,712 |
| Note payable to Caterpillar Financial, maturing April 2019, interest stated at .71% with monthly principal and interest payments of \$2,766. The note was collateralized by Company equipment. | - | 5,191 |

| | | |
|--|-------------------|-------------------|
| Note payable to Ford Motor Credit, maturing June 2021, interest stated at 0% with monthly principal payments of \$694. The note is collateralized by a Company vehicle. | 20,123 | 28,449 |
| Note payable to Ford Motor Credit, maturing October 2022, interest stated at 4.34% with monthly principal payments of \$963. The note is collateralized by a Company vehicle. | 40,756 | 50,323 |
| Note payable to Ford Motor Credit, maturing February 2023, interest stated at 4.84% with monthly principal payments of \$854. The note is collateralized by a Company vehicle. | 37,434 | - |
| Note payable to Ford Motor Credit, maturing February 2023, interest stated at 4.84% with monthly principal payments of \$739. The note is collateralized by a Company vehicle. | 32,807 | - |
| Unamortized debt financing costs | <u>(19,550)</u> | <u>(20,931)</u> |
| | 977,776 | 1,071,369 |
| Less: current portion due within one year | <u>(118,538)</u> | <u>(150,051)</u> |
| Total Long Term Debt | <u>\$ 859,238</u> | <u>\$ 921,318</u> |

The future annual maturities of long term debt are as follows:

| <u>Year Ending December 31,</u> | <u>Amount</u> |
|-------------------------------------|-------------------|
| 2019 | \$ 118,538 |
| 2020 | 88,411 |
| 2021 | 86,423 |
| 2022 | 83,929 |
| 2023 | 58,983 |
| Thereafter | <u>541,492</u> |
| Total | <u>\$ 977,776</u> |

6. Income Taxes

The Company evaluates all significant tax positions as required by generally accepted accounting principles in the United States. As of December 31, 2018, the Company does not believe that it has taken any tax positions that would require the recording of any additional tax liability, nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months.

Deferred income taxes are accounted for under the asset and liability method in accordance with FASB ASC 740, *Accounting for Income Taxes*. Deferred tax assets primarily arise from Federal or state net operating loss (NOL) carryforwards as well as New Hampshire business enterprise tax credits. The Company had no NOL or BET carryforwards at December 31, 2018 or 2017. Deferred tax liabilities primarily arise from depreciation expense which has been recognized in earlier periods for tax purposes. Deferred taxes are classified as current or noncurrent depending on the classification of the assets and liabilities to which they relate.

The Company's income tax returns are subject to examination by the appropriate taxing jurisdictions. As of December 31, 2018, the Company's federal and state tax returns generally remain open for the last three years.

7. **Fair Value of Financial Instruments**

The Company's financial instruments consist of cash, short term receivables, payables, prepaid expenses and accrued expenses. The carrying value for all such instruments, considering the terms, approximates fair value at December 31, 2018 and 2017.

8. **Concentration of Credit Risk**

The Company maintains its cash accounts with multiple financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. There were no deposits in excess of the insured limits at December 31, 2018 or 2017.

9. **Related Party Transactions**

The President of the Company is the sole shareholder of LRW Water Services, Inc. During the years ended December 31, 2018 and 2017 the Company purchased goods and services from LRW Water Services, Inc. totaling \$144,631 and \$296,159, respectively. As of December 31, 2018 and 2017 the Company owed LRW Water Services, Inc. approximately \$34,118 and \$74,206, respectively.

During the year ended December 31, 2018 and 2017 the Company provided goods and services to LRW Water Services, Inc. totaling \$15,204 and \$21,820, respectively. As of December 31, 2018 and 2017 LRW Water Services, Inc. owed the Company approximately \$20,579 and \$5,375, respectively.

10. **Subsequent Events**

Subsequent events have been evaluated through April 30, 2019, which is the date that the financial statements were available to be issued.

Supplementary Information

LAKES REGION WATER COMPANY, INC.

**SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

| | <u>2018</u> | <u>2017</u> |
|---|-------------------------|-------------------------|
| OPERATING REVENUES | | |
| General sales: | | |
| Unmetered sales | \$ 445,393 | \$ 428,589 |
| Metered sales | 1,052,950 | 972,904 |
| Finance charges / forfeited discounts | 6,698 | 6,210 |
| Disconnect/reconnect - income | 9,925 | 12,500 |
| House transfer | 4,267 | 6,257 |
| Miscellaneous customer fees | 3,243 | 3,877 |
| Customer bad check charges | 123 | 240 |
| Sales outside contractors | 15,125 | 21,588 |
| Rate case surcharge | <u>79,549</u> | <u>46,355</u> |
| Total operating revenues | <u>\$ 1,617,273</u> | <u>\$ 1,498,520</u> |
| OPERATING EXPENSES | | |
| Production: | | |
| Labor | \$ 11,657 | \$ 14,166 |
| Materials | 2,874 | 18,651 |
| Contracted services | 745 | 8,146 |
| Purchased power | 95,107 | 79,546 |
| Maintenance | 11,179 | 772 |
| Rents | <u>1,000</u> | <u>1,000</u> |
| Total production | <u>\$ 122,562</u> | <u>\$ 122,281</u> |
| Treatment: | | |
| Labor | \$ 5,950 | \$ 5,051 |
| Water tests | 11,435 | 8,493 |
| Materials | <u>5,747</u> | <u>4,459</u> |
| Total treatment | <u>\$ 23,132</u> | <u>\$ 18,003</u> |
| Transmission and Distribution: | | |
| Labor | \$ 39,384 | \$ 27,591 |
| Contracted services | 634 | 8,516 |
| Materials | 16,379 | 33,343 |
| Equipment lease | 15,995 | 9,403 |
| Transportation expenses | 40,114 | 42,848 |
| Maintenance | 40,397 | 10,819 |
| Telemetry | 11,400 | - |
| Miscellaneous | <u>750</u> | <u>-</u> |
| Total transmission and distribution | <u>\$ 165,053</u> | <u>\$ 132,520</u> |
| Customers' billing and collection | | |
| Meter reading expense | \$ 11,643 | \$ 14,592 |
| Labor | 28,156 | 39,318 |
| Postage | 4,803 | 4,444 |
| Bad debt (recovery) | 2,544 | 15,097 |
| Materials | <u>2,770</u> | <u>1,986</u> |
| Total customers' billing and collection | <u>\$ 49,916</u> | <u>\$ 75,437</u> |

See Independent Accountants' Review Report

LAKES REGION WATER COMPANY, INC.

**SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

| | <u>2018</u> | <u>2017</u> |
|---|-------------------|-------------------|
| General and administrative | | |
| General office salaries and wages | \$ 239,855 | \$ 242,376 |
| Employees' benefits, net | 55,095 | 47,564 |
| Insurance | 31,442 | 29,701 |
| General expenses: | | |
| Heat and electric office | 2,522 | 3,102 |
| Building maintenance and contracted services | 24,375 | 10,955 |
| Materials | 10,871 | 17,244 |
| Memberships | 2,667 | 1,588 |
| Telephone | 6,992 | 6,655 |
| Operating permits | 5,400 | 5,100 |
| Office supplies and miscellaneous | 23,721 | 28,398 |
| Outside services | 58,850 | 53,282 |
| Regulatory commission expense | 74,348 | 66,973 |
| | <u>\$ 536,138</u> | <u>\$ 512,938</u> |
| | | |
| Depreciation and amortization: | | |
| Depreciation and amortization | \$ 227,791 | \$ 185,807 |
| Amortization of acquisition adjustments | (7,215) | (6,460) |
| Amortization of contribution in aid of construction | (17,535) | (17,449) |
| | <u>\$ 203,041</u> | <u>\$ 161,898</u> |
| | | |
| Taxes - other than income: | | |
| Payroll | \$ 23,961 | \$ 19,650 |
| Property | 69,399 | 61,955 |
| | <u>\$ 93,360</u> | <u>\$ 81,605</u> |
| | | |
| NON-OPERATING INCOME, NET | | |
| Interest and dividend income | \$ 10,204 | \$ 7,812 |
| Amortization of equity financing expense | (1,841) | (1,841) |
| Other | (770) | (135) |
| | <u>\$ 7,593</u> | <u>\$ 5,836</u> |
| | | |
| INTEREST EXPENSE | | |
| Interest on long term debt | \$ 59,826 | \$ 42,200 |
| Amortization of deferred debt financing expense | 1,382 | 1,382 |
| | <u>\$ 61,208</u> | <u>\$ 43,582</u> |

See Independent Accountants' Review Report

TAB 3

PUC 1604.01(a)(3)

Federal Income Tax Reconciliation

| Schedule L | Balance Sheets per Books | Beginning of tax year | | End of tax year | |
|---|--|-----------------------|------------|-----------------|------------|
| | | (a) | (b) | (c) | (d) |
| Assets | | | | | |
| 1 | Cash | | 89,862. | | 64,247. |
| 2a | Trade notes and accounts receivable | 193,455. | | 195,795. | |
| | b Less allowance for bad debts | () | 193,455. | () | 195,795. |
| 3 | Inventories | | 18,041. | | 24,752. |
| 4 | U.S. government obligations | | | | |
| 5 | Tax-exempt securities | | | | |
| 6 | Other current assets (att. stmt.) STMT 6 | | 245,195. | | 221,128. |
| 7 | Loans to shareholders | | | | |
| 8 | Mortgage and real estate loans | | | | |
| 9 | Other investments (att. stmt.) | | | | |
| 10a | Buildings and other depreciable assets | 5,892,759. | | 6,096,766. | |
| | b Less accumulated depreciation | (1,863,018.) | 4,029,741. | (1,947,905.) | 4,148,861. |
| 11a | Depletable assets | | | | |
| | b Less accumulated depletion | () | | () | |
| 12 | Land (net of any amortization) | | 443,251. | | 443,251. |
| 13a | Intangible assets (amortizable only) | | | | |
| | b Less accumulated amortization | () | | () | |
| 14 | Other assets (att. stmt.) | | | | |
| 15 | Total assets | | 5,019,545. | | 5,098,034. |
| Liabilities and Shareholders' Equity | | | | | |
| 16 | Accounts payable | | 100,788. | | 61,669. |
| 17 | Mortgages, notes, bonds payable in less than 1 year | | | | |
| 18 | Other current liabilities (att. stmt.) STMT 7 | | 188,100. | | 130,623. |
| 19 | Loans from shareholders | | | | |
| 20 | Mortgages, notes, bonds payable in 1 year or more | | 859,238. | | 796,340. |
| 21 | Other liabilities (att. stmt.) STMT 8 | | 906,786. | | 1,138,182. |
| 22 | Capital stock: a Preferred stock | | | | |
| | b Common stock | 10,000. | 10,000. | 10,000. | 10,000. |
| 23 | Additional paid-in capital | | 1,426,322. | | 1,423,322. |
| 24 | Retained earnings - Appropriated (attach statement) | | | | |
| 25 | Retained earnings - Unappropriated | | 1,528,307. | | 1,537,894. |
| 26 | Adjustments to shareholders' equity (attach statement) STMT 9 | | 4. | | 4. |
| 27 | Less cost of treasury stock | | () | | () |
| 28 | Total liabilities and shareholders' equity | | 5,019,545. | | 5,098,034. |

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

| | | | | | |
|---|---|----------|----|--|----------|
| 1 | Net income (loss) per books | 220,050. | 7 | Income recorded on books this year not included on this return (itemize): | |
| 2 | Federal income tax per books | 39,715. | | Tax-exempt interest \$ _____ | |
| 3 | Excess of capital losses over capital gains | | | _____ | |
| 4 | Income subject to tax not recorded on books this year (itemize): _____ | | 8 | Deductions on this return not charged against book income this year (itemize): | |
| 5 | Expenses recorded on books this year not deducted on this return (itemize): | | | a Depreciation \$ <u>104,468.</u> | |
| | a Depreciation \$ _____ | | | b Charitable contributions \$ _____ | |
| | b Charitable contributions \$ _____ | | | _____ | 104,468. |
| | c Travel and entertainment ... \$ _____ | | 9 | Add lines 7 and 8 | 104,468. |
| | STMT 10 <u>25,761.</u> | 25,761. | 10 | Income (page 1, line 28) - line 6 less line 9 | 181,058. |
| 6 | Add lines 1 through 5 | 285,526. | | | |

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

| | | | | | |
|---|----------------------------------|------------|---|---|------------|
| 1 | Balance at beginning of year | 1,528,307. | 5 | Distributions: a Cash | 30,000. |
| 2 | Net income (loss) per books | 220,050. | | b Stock | |
| 3 | Other increases (itemize): _____ | | | c Property | |
| | _____ | | 6 | Other decreases (itemize): | |
| | _____ | | | SEE STATEMENT 11 | 180,463. |
| 4 | Add lines 1, 2, and 3 | 1,748,357. | 7 | Add lines 5 and 6 | 210,463. |
| | | | 8 | Balance at end of year (line 4 less line 7) | 1,537,894. |

TAB 4

PUC 1604.01(a)(4)

A detailed computation of New Hampshire and federal income tax factors on the increment of revenue needed to produce a given increment of net operating income.

Response:

Please refer to Stephen P. St. Cyr's Schedule 1e.

TAB 5

PUC 1604.01(a)(5)

Detailed Charitable Contribution

F-57 DONATIONS AND GIFTS

Report for each donation and gift given, the name of recipient, purpose of transaction, account number charged and amount.

| Line No. | Name of Recipient (a) | Purpose (b) | Account No. Charged (c) | Amount of Payment (d) |
|----------|------------------------------|-------------|-------------------------|-----------------------|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | N. H. Troopers Association | Donation | 426 | 270 |
| 5 | Mooltonboro Academy | Donation | 426 | 200 |
| 6 | Central Catholic High School | Donation | 426 | 100 |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | | | | |
| 21 | | | | |
| 22 | | | | |
| 23 | | | | |
| 24 | | | | |
| 25 | | | | |
| 26 | | | | |
| 27 | | | | |
| 28 | | | | |
| 29 | | | | |
| 30 | | | | |
| 31 | | | | |
| 32 | | | | |
| 33 | | | | |
| 34 | | | | |
| 35 | | | | |
| 36 | | | | |
| 37 | | Total | | \$ 570 |

TAB 6

PUC 1604.01(a)(6)

A list of advertising charged to the test year above the line showing expenditure by media, subject matter, and account charged according to the following guidelines;

- a. If the utility's annual gross revenues are less than \$100,000,000 or more, all contributions of \$50 and more shall be reported.

Response:

Responsive information does not exist.

TAB 7

PUC 1604.01(a)(7)

The utility's most recent cost of service study if not previously filed in an adjudicative proceeding.

Response:

This information does not exist. Lakes Region does not propose any changes to customer class allocations.

TAB 8

PUC 1604.01(a)(8)

Most Recent Construction Budget

TAB 9

PUC 1604.01(a)(9)

The utility's chart of accounts, if different from the uniform systems of accounts, established by the commission as part of PUC 300, PUC 400, PUC 500, PUC 600 and PUC 700.

Response:

This information does not exist. Lakes Region uses the chart of accounts established in the Commission's *Uniform System of Accounts* for water utilities.

TAB 10

PUC 1601.01(a)(10)

The utility's Securities and Exchange Commission 10K forms and 10Q forms or hyperlinks thereto, for the most recent 2 years:

Response:

This information does not exist

TAB 11

PUC 1604.01(a)(11)

Membership Fees, Dues and Lobbying Expenses

Lakes Region Water Company, Inc
Transaction Report
Account 930.05

| Date | Num | Name | Memo/Description | Account | Amount |
|--|------------|---|--|---|--------------------|
| 03/12/2019 | 7001623485 | American Water Works Association | NEWAA dues | 930.05 Operating & Maintenance Expense:Admin & General Expenses:Miscellaneous General Expense:Membership/Dues | 124.00 |
| 03/12/2019 | 7001623485 | American Water Works Association | AWWA- Utility 0-5K Cust svc Con 01-Feb-2019 to 31-Jan-2020 | 930.05 Operating & Maintenance Expense:Admin & General Expenses:Miscellaneous General Expense:Membership/Dues | 309.00 |
| Total AWWA | | | | | \$ 433.00 |
| 01/05/2019 | 20191204 | Balmoral Improv. Assoc. | 12041R- 072-093 Paradise Dr | 930.05 Operating & Maintenance Expense:Admin & General Expenses:Miscellaneous General Expense:Membership/Dues | 100.00 |
| 01/05/2019 | 20191204 | Balmoral Improv. Assoc. | 12040R- 072-092 Paradise Dr | 930.05 Operating & Maintenance Expense:Admin & General Expenses:Miscellaneous General Expense:Membership/Dues | 100.00 |
| 01/05/2019 | 20191204 | Balmoral Improv. Assoc. | 12042R- 072-094 Paradise Dr | 930.05 Operating & Maintenance Expense:Admin & General Expenses:Miscellaneous General Expense:Membership/Dues | 100.00 |
| 01/05/2019 | 20191204 | Balmoral Improv. Assoc. | 12044R- 093-030 Well Lot Fawn Lane | 930.05 Operating & Maintenance Expense:Admin & General Expenses:Miscellaneous General Expense:Membership/Dues | 100.00 |
| 01/05/2019 | 20191204 | Balmoral Improv. Assoc. | 12043R- 072-095 Paradise Dr | 930.05 Operating & Maintenance Expense:Admin & General Expenses:Miscellaneous General Expense:Membership/Dues | 100.00 |
| Total Balmoral Improv. Assoc. | | | | | \$ 500.00 |
| 07/22/2019 | | Granite State Rural Water Association | 2019/2020 | 930.05 Operating & Maintenance Expense:Admin & General Expenses:Miscellaneous General Expense:Membership/Dues | 245.00 |
| Total Granite Rural Water Association | | | | | \$ 245.00 |
| 07/04/2019 | 5452 | Hidden Valley Property Owners Association | Lot 70-02-38 Lot 70-02-48 | 930.05 Operating & Maintenance Expense:Admin & General Expenses:Miscellaneous General Expense:Membership/Dues | 750.00 |
| Total Hidden Valley Property Owners Association | | | | | \$ 750.00 |
| 11/25/2019 | 20202049 | NH Water Works Association | Nov 1 20019-Oct 31 2020 | 930.05 Operating & Maintenance Expense:Admin & General Expenses:Miscellaneous General Expense:Membership/Dues | 105.00 |
| NH Water Works Association | | | | | \$ 105.00 |
| 02/25/2019 | | State of New Hampshire | 2019 Annual Report | 930.05 Operating & Maintenance Expense:Admin & General Expenses:Miscellaneous General Expense:Membership/Dues | 107.00 |
| State of NH | | | | | \$ 107.00 |
| Total Membership/Dues | | | | | \$ 2,140.00 |

TAB 12

PUC 1604.01(a)(12)

The utility's most recent depreciation study if not previously filed in an adjudicative proceeding:

Response:

This information does not exist.

TAB 13

PUC 1604.01(a)(13)

The utility's most recent management and financial audits if not previously filed in an adjudicative proceeding.

Response:

The Company does not have a management or financial audit. However, an *Independent Accounts' Review Report* is provided in Tab 2 in response to PUC 1601.01(a)(2) covering the years ending 12/31/2018 and 12/31/2019.

TAB 14

PUC 1604.01(a)(14)

Officer and Director Compensation

A-4 LIST OF OFFICERS

| Line No. | Title of Officer | Name | Residence | Compensation* |
|----------|------------------|---------------------|--------------------|---------------|
| 1 | President | Thomas Albert Mason | Moultonboro, N. H. | \$ 77,094 |
| 2 | Treasurer | Barbara G. Mason | Moultonboro, N. H. | \$ - |
| 3 | Secretary | Amy Mason | Moultonboro, N. H. | \$ - |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |

LIST OF DIRECTORS

| Line No. | Name | Residence | Length of Term | Term Expires | No. of Meetings Attended | Annual Fees |
|----------|---------------------------------|--------------------|----------------|--------------|--------------------------|-------------|
| 11 | Thomas Albert Mason | Moultonboro, NH | Indefinite | Indefinite | 1 | \$ - |
| 12 | Barbara G. Mason | Moultonboro, NH | Indefinite | Indefinite | 1 | \$ - |
| 13 | Susan Mason | Dayton, Md. | Indefinite | Indefinite | 1 | \$ - |
| 14 | Amy Mason | Moultonboro, N. H. | Indefinite | Indefinite | 1 | \$ - |
| 15 | Fred Malatesta | Moultonboro, N. H. | Indefinite | Indefinite | 1 | \$ - |
| 16 | Gary Odoraro | Sterling, Ma | Indefinite | Indefinite | 1 | \$ - |
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | | | | | | |
| 24 | | | | | | |
| 25 | List Directors' Fee per meeting | | | | | |

* Includes compensation received from all sources except directors fees.

TAB 15

PUC 1604.01(a)(15)

Copies of all officer and executive incentive plans.

Response:

None. There are no officer or executive incentive plans.

TAB 16

PUC 1604.01(a)(16)

The amount of voting stock of the utility categorized as follows:

- a. Owned by an officer or director individually;
- b. Owned by the spouse or minor child of an officer or director;
- c. Control by the officer or director directly or indirectly

Response:

- a. None
- b. None
- c. 100% of voting stock is controlled by Treasurer Barbara G. Mason, in her capacity as Trustee of the Barbara G. Mason 1994 Revocable Trust and the Thomas A. Mason 1994 Revocable Trust.

TAB 17

PUC 1604.01(a)(17)

Payments for Contractual Services in Excess of \$10,000.00

A-7 PAYMENTS TO INDIVIDUALS

List names of all individuals, partnerships, or corporations to whom payments totaling \$10,000 or more for services rendered were made or accrued during the year, and the amount paid or accrued to each. Where payments or accruals to the individual members of a partnership or firm together total \$10,000 or more, list each individual and the amount paid or due each.

| Line No. | Name | Address | Amount |
|----------|--------------------------------|--------------------|-------------------|
| 1 | AFCO | Pittsburgh, PA | \$ 20,994 |
| 2 | Anthem BCBS | Manchester, NH | 54,950 |
| 3 | Eastern Analytical Inc. | Concord, NH | 25,409 |
| 4 | E. J. Prescott | Boston, MA | 31,947 |
| 5 | Eversource | Dallas, TX | 47,202 |
| 6 | F.W. Webb Company | Bedford, MA | 24,710 |
| 7 | Generation Solutions | | 10,410 |
| 8 | George R. Roberts Co. | Alfred, ME | 26,690 |
| 9 | Irving Oil Marketing, Inc. | Des Moines, IA | 27,595 |
| 10 | Leone, McDonnel & Roberts | Wolfeboro, NH | 11,127 |
| 11 | LRW Water Services, Inc. | Moultonborough, NH | 97,893 |
| 12 | NHEC | Manchester, NH | 47,692 |
| 13 | Northern Woods Tree Service | Moultonborough, NH | 10,700 |
| 14 | Premier Pump & Supply, Inc. | Belmont, NH | 39,490 |
| 15 | RE Prescott Co. Inc. | Concord, NH | 43,630 |
| 16 | Sabourn Electric, Inc. | Woodstock, NH | 20,259 |
| 17 | Stephen P. St Cyr & Associates | Biddeford, NH | 19,954 |
| 18 | Upton & Hatfield, LLP | Portsmouth, NH | 24,550 |
| 19 | Water Industries | Alton, NH | 51,116 |
| 20 | | | |
| 21 | | | |
| 22 | | | |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | | | |
| 27 | | | |
| 28 | Total | | \$ 636,317 |

TAB 18

PUC 1604.01(a)(18)

For non-utility operations, the amount of assets and costs allocated thereto and justification for such allocation

Response:

This information does not exist

TAB 19

PUC 1604.01(a)(19)

Balance sheet and income statements for the previous 2 years if not previously filed with the commission

Response:

Please reference 2018 and 2019 Annual Reports F-1 and F-2 previously filled with the commission.

TAB 20

PUC 1604.01(a)(20)

Quarterly income statements for the previous 2 years if not previously filed with the commission.

Response:

Please reference 2018 and 2019 F1c Reports filed on a quarterly basis with the commission.

TAB 21

**PUC 1604.01(a)(21)
Quarterly Sales Volume**

**Lakes Region Water Company, Inc.
Quarterly Sales Volume**

Docket No. DW 20-187
Puc 1601.01(a)(21) Requirement

| | Jan - Mar, 2018 | Jan - Mar, 2017 (PY) | Apr - Jun, 2018 | Apr - Jun, 2017 (PY) | Jul - Sep, 2018 | Jul - Sep, 2017 (PY) | Oct - Dec, 2018 | Oct - Dec, 2017 (PY) | Total | |
|--|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|------------------------|------------------------|
| | | | | | | | | | Jan - Dec 2018 | Jan - Dec 2017 (PY) |
| Income | | | | | | | | | | |
| 400 Operating Revenue | | | | | | | | | 0.00 | 0.00 |
| 460 Unmetered Sales | 106,316.72 | 106,754.86 | 107,054.76 | 108,093.96 | 114,818.10 | 106,043.10 | 117,203.42 | 107,696.76 | 445,393.00 | 428,588.68 |
| 461 Metered Sales | | | | | | | | | 0.00 | 0.00 |
| 461.01 Base Charge | 159,276.15 | 153,447.16 | 160,047.47 | 155,670.77 | 163,055.07 | 158,264.01 | 126,529.75 | 157,580.00 | 608,908.44 | 624,961.94 |
| 461.02 Usage Charge | 37,612.48 | 33,216.56 | 45,675.00 | 35,336.63 | 67,295.03 | 65,426.07 | 45,989.18 | 48,135.44 | 196,571.69 | 182,114.70 |
| 461.03 POASI | | -15,767.04 | | | | | 247,469.24 | 181,594.64 | 247,469.24 | 165,827.60 |
| Total 461 Metered Sales | \$ 196,888.63 | \$ 170,896.68 | \$ 205,722.47 | \$ 191,007.40 | \$ 230,350.10 | \$ 223,690.08 | \$ 419,988.17 | \$ 387,310.08 | \$ 1,052,949.37 | \$ 972,904.24 |
| 471 Miscellaneous Service Revenue | | | | | | | | | 0.00 | 0.00 |
| 471.01 Disconnect/Reconnect | 1,222.50 | 2,327.50 | 3,815.00 | 3,245.00 | 1,257.50 | 2,035.00 | 3,630.00 | 4,892.50 | 9,925.00 | 12,500.00 |
| 471.02 House Transfers | 380.00 | 735.00 | 1,245.00 | 1,360.00 | 1,255.00 | 1,992.50 | 1,387.50 | 2,170.00 | 4,267.50 | 6,257.50 |
| 471.03 Misc. Customer Fees | 2,347.50 | 1,545.00 | 515.00 | 660.00 | 190.00 | 1,375.00 | 190.00 | 297.50 | 3,242.50 | 3,877.50 |
| 471.04 NSF Customer Charge | 60.00 | 25.00 | 51.00 | 50.00 | | 73.00 | 12.00 | 92.00 | 123.00 | 240.00 |
| 471.05 Customer Finance Charge | 1,631.27 | 1,376.45 | 1,391.21 | 1,994.47 | 2,311.66 | 1,394.46 | 1,363.87 | 1,444.18 | 6,698.01 | 6,209.56 |
| Total 471 Miscellaneous Service Revenue | \$ 5,641.27 | \$ 6,008.95 | \$ 7,017.21 | \$ 7,309.47 | \$ 5,014.16 | \$ 6,869.96 | \$ 6,583.37 | \$ 8,896.18 | \$ 24,256.01 | \$ 29,084.56 |
| Total Sales Volume | \$ 308,846.62 | \$ 283,660.49 | \$ 319,794.44 | \$ 306,410.83 | \$ 350,182.36 | \$ 336,603.14 | \$ 543,774.96 | \$ 503,903.02 | \$ 1,522,598.38 | \$ 1,430,577.48 |

TAB 22

PUC 1604.01(a)(22)

A description of the utility's projected need for external capital for the 2-year period immediately following the test year.

Response

Please reference Tab 8, in response to 1604.01(a)(8) *E-22 Report of Proposed Expenditures* and the Company's pending request for financing approval in Docket No. DW 19-135, previously filed with the Commission.

TAB 23

PUC 1604.01(a)(23)

The utility's capital budget with a statement of the source and uses of funds for the 2 years immediately following the test year.

Response:

Please reference responses to 1604.01(a)(8) E-22 Report of Proposed Expenditures and the Company's Financing Docket No. DW 19-135 already on file with the Commission. Please see also response to PUC 1604.01(a)(22), Tab 22 above.

The source of funds for capital improvements will come from CoBank ACB as proposed in the Company's pending request for financing approval in DW 19-135, already on file with the commission. The Company will also use internal cash as a source of capital.

TAB 24

PUC 1604.01(a)(24)

The amount of outstanding short term debt, on a monthly basis during the test year, for each short-term indebtedness.

Response:

The Company only had one short-term loan with Cat Financial for a hammer attachment for a mini-excavator. See Schedule of Short Term Notes Payable, below.

| | <u>Date</u> | <u>Memo/Description</u> | <u>Amount</u> | <u>Balance</u> |
|---|-------------|---------------------------------|--------------------|----------------|
| Short Term Notes Payable | | | | |
| Cat Financial-Mini Hammer | | | | |
| | 02/21/2019 | Mini Cat Exc. Hammer attachment | 10,500.00 | 10,500.00 |
| | 04/08/2019 | | -876.00 | 9,624.00 |
| | 04/12/2019 | | -438.00 | 9,186.00 |
| | 06/08/2019 | | -918.60 | 8,267.40 |
| | 07/08/2019 | | -918.60 | 7,348.80 |
| | 08/08/2019 | | -918.60 | 6,430.20 |
| | 09/08/2019 | | -918.60 | 5,511.60 |
| | 10/08/2019 | | -918.60 | 4,593.00 |
| | 11/08/2019 | | -918.60 | 3,674.40 |
| | 12/08/2019 | | -918.60 | 2,755.80 |
| Total for Short Term Notes Payable | | | \$ 2,755.80 | |

TAB 25

PUC 1601.01(a)(25)

If the utility is a subsidiary, a certificate of an appropriate official of the subsidiary detailing any expense of the parent company which was included in the subsidiary's cost of service; and

Response:

Lakes Region is not a subsidiary. Responsive information does not exist.

TAB 26

PUC 1601.01(a)(26)

Support for figures appearing on written testimony and in accompanying exhibits.

Response:

See Stephen P. St. Cyr's schedules provided with his testimony.

TAB 27

PUC 1905.01

(a) Consistent with the utility's duty to keep the commission informed pursuant to RSA 374:4, at the time a utility files the materials required for a full rate case pursuant to Puc 1604, and every 90 days thereafter during the pendency of the rate case, the utility shall also file with the commission items (1) through (3) below:

(1) A detailed description of rate case expenses actually incurred as of the date of the filing and projected total rate case expenses that include:

- a. The name of the service provider;
- b. The procurement process;
- c. The amount of the expense; and
- d. A description of the charge or service rendered;

(2) A list of all services to be rendered on behalf of the utility in the full rate case by any vendor; and

(3) The total estimated costs of each service.

LAKES REGION WATER COMPANY INC.

420 Governor Wentworth Highway, PO Box 389
Moultonborough, NH 03254
Telephone: 603-476-2348, Fax: 603-476-2721
Hours: Monday through Friday, 8:30am to 4:30pm

January 15, 2021

Debra A. Howland
Executive Director & Secretary
NH Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, N. H. 03301-2429

RE: DW 20-187- Estimate of Rate Case Expenses pursuant to PUC 1905.01(a)(1)(2)(3)

Dear Ms. Howland:

Please be advised that Stephen P. St. Cyr and Attorney Justin C. Richardson, Esq dba NH Water Law will be providing rate case consulting services for the Company in DW 20-187. These consultants were selected based on requests for proposals issued by the Company on October 27, 2020 for accounting and legal services to the following providers:

Accounting-

1. Stephen P. St. Cyr and Associates
2. Leone, McDonnell & Roberts
3. Gamwell, Caputo, Kelsch & Co., PLLC

Legal-

1. NH Water Law-Justin Richardson
2. NH Brown Law-Marcia A. Brown
3. Devine, Millimet & Branch-T. Quarles

The Company selected Stephen P. St. Cyr and Attorney Richardson to provide the necessary rate case services based on their familiarity with the Company, knowledge of the regulatory process and competitive hourly rates. These individuals were also the lowest cost responses to the Company's RFPs. Steve St. Cyr's rate is \$145/hour and estimates that his total costs will be around \$58,000.00/400 hours. NH Water Law-Attorney Richardson's rate is \$175/hour. The Company estimates total legal cost will be approximately \$70,000.00/400 hours. Giving an estimated total for Accounting and Legal consulting costs to be around \$128,000. These estimates are based on the results in the Company's most recent rate case and will be updated as the case proceeds as provided by the Puc 1900 Rules.

Their services will include preparation of the initial filing including rate case exhibits including the temporary, permanent and step schedules, preparation for and participation in prehearing conference and technical sessions, oversight and assistance in responding to Staff data requests, preparation for and participating in hearings and other rate case related matters. Both, Steve P. St. Cyr and Attorney Richardson have assisted the Company in prior cases before the NHPUC.

Miscellaneous services associated with the rate proceedings such as posting of notice, and court reporter fees for hearings are estimated to be \$2,000.00 and shall vary depending on the number notices and hearings. Other miscellaneous cost shall include the use of outside consultants by Staff in this proceeding and is unknown at this time.

As of December 31, 2020, the Company has incurred \$13,594.06 for Stephen P. St. Cyr's services. Attorney Richardson's services have not been billed.

If you have any question or comments, please let me know at (603)707-0644 or at leah@lakesregionwater.com.

Sincerely,

/s/ *Leah Valladares*

Leah Valladares
Utility Manager

CC: Service list (electronically)