

Hampstead Area Water Company
Computation of Revenue Deficiency
For the Test Year Ended December 31, 2011

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$4,625,212	\$5,008,787
Rate of Return (Schedule 4)	<u>5.44%</u>	<u>4.97%</u>
Operating Income Required	\$251,493	\$248,751
Net Operating Income (Schedule 1)	<u>254,794</u>	<u>248,751</u>
Operating Income Deficiency	(\$3,301)	\$0
Tax Effect	<u>0</u>	<u>0</u>
Revenue Deficiency	<u>(\$3,301)</u>	<u>\$0</u>

Statement of Income

Line No.	Account Title (Number) (a)	Actual 2011 Year End Balance (b)	Proforma Adjustments (c)	Proforma 2011 Year End Balance (d)	Actual 2010 Year End Balance (e)	Actual 2009 Year End Balance (f)
UTILITY OPERATING INCOME						
1	Operating Revenues(400)	\$ 1,561,311	\$59,021	\$ 1,620,332	\$ 1,661,728	\$ 1,327,921
2	Operating Expenses:					
3	Operating and Maintenance Expense (401)	863,144	50,492	913,636	917,115	845,169
4	Depreciation Expense (403)	419,029	16,932	435,961	385,341	359,624
5	Amortization of Contribution in Aid of Construction (405)	(182,723)	(\$330)	(183,053)	(186,415)	(179,196)
6	Amortization of Utility Plant Acquisition Adjustment (406)					
7	Amortization Expense-Other (407)	9,827	(\$2,030)	7,797	20,450	3,812
8	Taxes Other Than Income (408.1-408.13)	188,691		188,691	172,678	140,642
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	8,549		8,549	6,662	5,530
10	Total Operating Expenses	\$ 1,306,517	\$ 65,064	\$ 1,371,581	\$ 1,315,831	\$ 1,175,581
11	Net Operating Income (Loss)	254,794	(6,043)	248,751	345,897	152,340
12	Income From Utility Plant Leased to Others (413)					
13	Gains(Losses) From Disposition of Utility Property (414)					
14	Net Water Utility Operating Income	\$ 254,794	\$ (6,043)	\$ 248,751	\$ 345,897	\$ 152,340
OTHER INCOME AND DEDUCTIONS						
15	Revenues From Merchandising, Jobbing and Contract Work (415)					
16	Costs and Expenses of Merchandising, Jobbing and Contract Work (416)					
17	Equity in Earnings of Subsidiary Companies (418)					
18	Interest and Dividend Income (419)			-		
19	Allow. for funds Used During Construction (420)					
20	Nonutility Income (421)					
21	Gains (Losses) Form Disposition Nonutility Property (422)					
22	Miscellaneous Nonutility Expenses (426)	-				
23	Total Other Income and Deductions	\$ -		\$ -	\$ -	\$ -
TAXES APPLICABLE TO OTHER INCOME						
24	Taxes Other Than Income (408.2)					
25	Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)					
26	Total Taxes Applicable To Other Income					
INTEREST EXPENSE						
27	Interest Expense (427)	224,786		224,786	174,021	151,204
28	Amortization of Debt Discount & Expense (428)	3,099		3,099	3,099	1,549
29	Amortization of Premium on Debt (429)					
30	Total Interest Expense	\$ 227,885		\$ 227,885	\$ 177,120	\$ 152,753
31	Income Before Extraordinary Items	26,909	(6,043)	20,866	168,777	(413)
EXTRAORDINARY ITEMS						
32	Extraordinary Income (433)					
33	Extraordinary Deductions (434)					
34	Income Taxes, Extraordinary Items (409.3)					
35	Net Extraordinary Items					
NET INCOME (LOSS)		\$ 26,909	\$ (6,043)	\$ 20,866	\$ 168,777	\$ (413)

Hampstead Area Water Company
Statement of Income - Proforma Adjustments

Schedule 1A

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Operating Revenues

1	2011 Test Year Proforma Rate Case Recovery Fees	\$0
	2011 Test Year Actual Rate Case Recovery Fees	<u>508</u>
	Proforma Adjustment	<u>(\$508)</u>
	To adjust test year revenues for rate case recovery fees	
2	2011 Test Year Proforma Revenue - Fairfield customers	\$7,186
	2011 Test Year Actual Revenue - Fairfield customers	<u>0</u>
	Proforma Adjustment	<u>\$7,186</u>
	To adjust test year revenues for anticipated revenue based on system average (15 x \$479.09)	
3	2011 Test Year Proforma	\$1,613,654
	2011 Test Year Actual Operating Revenues	<u>1,561,311</u>
	Proforma Adjustment	<u>\$52,343</u>
	To adjust test year revenues for the additional revenue needed in order for the Company to earn its rate of return and to recover its expenses.	
	Total Proforma Adjustment to Operating Revenues	<u>\$59,021</u>

Operating and Maintenance Expenses

	<u>Power Purchaced for Pumping</u>	
4	2011 Test Year Proforma	\$169,273
	2011 Test Year Actual	<u>159,273</u>
	Proforma Adjustment	<u>\$10,000</u>
	To adjust test year power purchased for pumping due to new water systems	
	<u>Pumping Labor and Expenses</u>	
5	2011 Test Year Proforma	\$21,512
	2011 Test Year Actual	<u>20,512</u>
	Proforma Adjustment	<u>\$1,000</u>
	To adjust test year pumping labor and expenses due to new water systems	
	<u>Maintenance of Pumping Equipment</u>	
6	2011 Test Year Proforma	\$16,159
	2011 Test Year Actual	<u>14,159</u>
	Proforma Adjustment	<u>\$2,000</u>
	To adjust test year maintenance on pumping equipment to new water systems	
	<u>Chemicals</u>	
7	2011 Test Year Proforma	\$10,193
	2011 Test Year Actual	<u>9,193</u>
	Proforma Adjustment	<u>\$1,000</u>
	To adjust test year chemical expenses due to new water systems	

	<u>Treatment Operation Labor and Expenses</u>	
8	2011 Test Year Proforma	\$80,123
	2011 Test Year Actual	<u>77,123</u>
	Proforma Adjustment	<u>\$3,000</u>
	To adjust test year treatment operation labor and expenses due to new water systems	
	<u>Meter Expenses</u>	
9	2011 Test Year Proforma	\$28,198
	2011 Test Year Actual	<u>25,198</u>
	Proforma Adjustment	<u>\$3,000</u>
	To adjust test year meter expenses due to DES leak detection requirement	
	<u>Maintenance of T & D Mains</u>	
10	2011 Test Year Proforma	\$22,967
	2011 Test Year Actual	<u>12,967</u>
	Proforma Adjustment	<u>\$10,000</u>
	To adjust test year maintenance of T & D mains due to DES leak detection requirement	
	<u>Maintenance of Services</u>	
11	2011 Test Year Proforma	\$19,102
	2011 Test Year Actual	<u>11,602</u>
	Proforma Adjustment	<u>\$7,500</u>
	To adjust test year maintenance of services due to DES leak detection requirements	
	<u>Maintenance of Meters</u>	
12	2011 Test Year Proforma	\$4,955
	2011 Test Year Actual	<u>2,955</u>
	Proforma Adjustment	<u>\$2,000</u>
	To adjust test year maintenance of meters due to DES leak detection requirement	
	<u>Outside Services - Engineering</u>	
13	2011 Test Year Proforma	\$74,612
	2011 Test Year Actual	<u>64,612</u>
	Proforma Adjustment	<u>\$10,000</u>
	To adjust test year outside services - engineering due to additional services as a result of DES requirements and new systems	
	<u>Regulatory Commission Expense</u>	
14	2011 Test Year Proforma	\$4,663
	2011 Test Year Actual	<u>5,171</u>
	Proforma Adjustment	<u>(\$508)</u>
	To adjust test year expenses for expense related to the recovery of rate case expenditures	
	<u>Outside Services - Audit Expenses</u>	
15	2011 Test Year Proforma	\$1,000
	2011 Test Year Actual	<u>0</u>
	Proforma Adjustment	<u>\$1,000</u>
	To adjust test year expenses for costs associated with 2012 PUC audit of test year expenses and other rate case related transactions (\$3,000 / 3 years)	

Miscellaneous Expenses

16	2011 Test Year Proforma	\$241
	2011 Test Year Actual	<u>(259)</u>
	Proforma Adjustment	<u>\$500</u>
	To adjust test year expenses for the restoration of annual miscellaneous expenses	
	Total Proforma Adjustments to Operating and Maintenance Expenses	<u>\$50,492</u>

Depreciation Expenses

17	2011 Test Year Proforma	\$435,961
	2011 Test Year Actual	<u>419,029</u>
	Proforma Adjustment	<u>\$16,932</u>
	To adjust test year expenses for the additional half year depreciation on the 2011 addition to plant	

Amortization of CIAC

18	2011 Test Year Proforma	(\$183,053)
	2011 Test Year Actual	<u>(182,723)</u>
	Proforma Adjustment	<u>(\$330)</u>
	To adjust test year expenses for the additional half year amortization on the 2011 CIAC	

Amortization Expense

19	2011 Test Year Proforma	\$2,202
	2011 Test Year Actual	<u>9,827</u>
	Proforma Adjustment	<u>(\$7,625)</u>
	To adjust test year expenses for elimination of the amortization expense on the 2008 Ice Storm	
20	2011 Test Year Proforma	\$5,595
	2011 Test Year Actual	<u>0</u>
	Proforma Adjustment	<u>\$5,595</u>
	To adjust test year expenses for amortization of 2011 water system evaluation (\$16,786 / 3 years)	

Total Proforma Adjustments to Amortization Expenses **(\$2,030)**

Total Proforma Adjustment to Operating Expenses **\$65,064**

Balance Sheet - Assets and Other Debits

Line No.	Account Title (Number) (a)	Actual 2011 Year End Balance (b)	Actual 2010 Year End Balance (c)	Actual 2009 Year End Balance (d)
UTILITY PLANT				
1	Utility Plant (101-106)	\$ 13,517,250	\$ 12,926,406	\$ 12,674,268
2	Less: Accumulated Depr. and Amort. (108-110)	\$ 3,892,154	\$ 3,508,268	3,149,891
3	Net Plant	\$ 9,625,096	\$ 9,418,138	\$ 9,524,377
4	Utility Plant Acquisition Adj. (Net) (114-115)			
5	Total Net Utility Plant	\$ 9,625,096	\$ 9,418,138	\$ 9,524,377
OTHER PROPERTY AND INVESTMENTS				
6	Nonutility Property (121)			
7	Less: Accumulated Depr. and Amort. (122)			
8	Net Nonutility Property			
9	Investment in Associated Companies (123)			
11	Utility Investments (124)			
12	Other Investments			
13	Special Funds(126-128)			
14	Total Other Property & Investments	\$ -	\$ -	\$ -
CURRENT AND ACCRUED ASSETS				
16	Cash (131)	124,053	204,641	29,584
17	Special Deposits (132)			
18	Other Special Deposits (133)			
19	Working Funds (134)			
20	Temporary Cash Investments (135)			
21	Accounts and Notes Receivable-Net (141-144)	386,931	403,985	435,845
22	Accounts Receivable from Assoc. Co. (145)			
23	Notes Receivable from Assoc. Co. (146)			
24	Materials and Supplies (151-153)			
25	Stores Expense (161)			
26	Prepayments-Other (162)	15,881	11,440	15,102
27	Prepaid Taxes (163)	41,718	32,621	26,056
28	Interest and Dividends Receivable (171)			
29	Rents Receivable (172)			
30	Accrued Utility Revenues (173)	103,408	101,805	107,704
31	Misc. Current and Accrued Assets (174)			
32	Total Current and Accrued Assets	\$ 671,991	\$ 754,492	\$ 614,291
DEFERRED DEBITS				
32	Unamortized Debt Discount & Expense (181)	89,120	78,826	70,834
33	Extraordinary Property Losses (182)			
34	Prelim. Survey & Investigation Charges (183)			
35	Clearing Accounts (184)			
36	Temporary Facilities (185)			
37	Miscellaneous Deferred Debits (186)	50,596	45,710	127,412
38	Research & Development Expenditures (187)			
39	Accumulated Deferred Income Taxes (190)	21,055	22,348	23,641
40	Total Deferred Debits	\$ 160,771	\$ 146,884	\$ 221,887
TOTAL ASSETS AND OTHER DEBITS				
		\$ 10,457,858	\$ 10,319,514	\$ 10,360,555

Balance Sheet - Equity Capital and Liabilities

Line No.	Account Title (Number) (a)	Actual 2011 Year End Balance (b)	Actual 2010 Year End Balance (c)	Actual 2009 Year End Balance (d)
EQUITY CAPITAL				
1	Common Stock Issued (201)	\$ 16,767	\$ 16,767	\$ 16,767
2	Preferred Stock Issued (204)			
3	Capital Stock Subscribed (202,205)			
4	Stock Liability for Conversion (203, 206)			
5	Premium on Capital Stock (207)			
6	Installments Received On Capital Stock (208)			
7	Other Paid-In Capital (209,211)	2,104,354	2,104,354	2,104,354
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	(1,232,715)	(1,259,624)	(1,428,401)
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 888,406	\$ 861,497	\$ 692,720
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	4,838,650	4,539,302	4,646,181
17	Total Long-Term Debt	\$ 4,838,650	\$ 4,539,302	\$ 4,646,181
CURRENT AND ACCRUED LIABILITIES				
18	Accounts Payable (231)	34,793	32,233	18,131
19	Notes Payable (232)			
20	Accounts Payable to Associated Co. (233)	39,212	80,109	14,961
21	Notes Payable to Associated Co. (234)			
22	Customer Deposits (235)	1,580		
23	Accrued Taxes (236)	4,063	185	
24	Accrued Interest (237)			
25	Accrued Dividends (238)			
26	Matured Long-Term Debt (239)			
27	Matured Interest (240)			
28	Misc. Current and Accrued Liabilities (241)	22,000	22,569	21,159
29	Total Current and Accrued Liabilities	\$ 101,648	\$ 135,096	\$ 54,251
DEFERRED CREDITS				
30	Unamortized Premium on Debt (251)			
31	Advances for Construction (252)			
32	Other Deferred Credits (253)			
33	Accumulated Deferred Investment Tax Credits (255)			
34	Accumulated Deferred Income Taxes:			
35	Accelerated Amortization (281)			
36	Liberalized Depreciation (282)	8,522	4,315	1,684
37	Other (283)			
38	Total Deferred Credits	\$ 8,522	\$ 4,315	\$ 1,684
OPERATING RESERVES				
39	Property Insurance Reserve (261)			
40	Injuries and Damages Reserve (262)			
41	Pensions and Benefits Reserves (263)	551		
42	Miscellaneous Operating Reserves (265)			
43	Total Operating Reserves	\$ 551	\$ -	\$ -
CONTRIBUTIONS IN AID OF CONSTRUCTION				
44	Contributions In Aid of Construction (271)	6,981,120	6,966,458	6,969,799
45	Accumulated Amortization of C.I.A.C. (272)	2,361,039	2,187,154	2,004,080
46	Total Net C.I.A.C.	\$ 4,620,081	\$ 4,779,304	\$ 4,965,719
46	TOTAL EQUITY CAPITAL AND LIABILITIES	\$ 10,457,858	\$ 10,319,514	\$ 10,360,555

Rate Base Adjustments

Plant in Service		
21	12/31/11 Plant in Service	\$13,345,420
	12/31/11 5 Quarter Average Plant in Service	<u>12,851,665</u>
	12/31/11 Plant in Service Proforma Adjustment	<u>\$493,755</u>
Accumulated Depreciation		
22	12/31/11 Accumulated Depreciation	(\$3,892,154)
	12/31/11 5 Quarter Average Accumulated Depreciation	<u>(3,693,818)</u>
	12/31/11 Accumulated Depreciation Proforma Adjustment	<u>(\$198,336)</u>
23	12/31/11 Accumulated Depreciation w/add'l half year depr	(\$3,909,086)
	12/31/11 Accumulated Depreciation	<u>(3,892,154)</u>
	12/31/11 Accumulated Depreciation Proforma Adjustment	<u>(\$16,932)</u>
	12/31/11 Total Accumulated Depreciation	<u>(\$215,268)</u>
Material & Supplies		
24	12/31/11 Material & Supplies*	\$0
	12/31/11 5 Quarter Average Material & Supplies	<u>23,455</u>
	12/31/11 Material & Supplies Proforma Adjustments	<u>\$23,455</u>
	* At 12/31/11 the Company's material & supplies balance is reflected in its CWIP balance.	
Contribution in Aid of Construction ("CIAC")		
25	12/31/11 CIAC	(\$6,981,120)
	12/31/11 5 Quarter Average CIAC	<u>(6,971,090)</u>
	12/31/11 CIAC Proforma Adjustment	<u>(\$10,030)</u>
Accumulated Amortization of CIAC		
26	12/31/11 Accumulated Amortization CIAC	\$2,361,039
	12/31/11 5 Quarter Average A/A of CIAC	<u>2,275,931</u>
	12/31/11 A/A of CIAC Proforma Adjustment	<u>\$85,108</u>
27	12/31/11 Accumulated Amortization w/add'l half year depr	\$2,361,369
	12/31/11 Accumulated Amortization CIAC	<u>2,361,039</u>
	12/31/11 Accumulated Amortization Proforma Adjustment	<u>\$330</u>
	12/31/11 Total Accumulated Amortization of CIAC	<u>\$85,438</u>

Hampstead Area Water Company

Schedule 3B

Working Capital

	2011 Proforma <u>Amount</u>	2011 Actual <u>Amount</u>	2010 Actual <u>Amount</u>	2009 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$913,636	\$863,144	\$917,115	\$845,169
Cash Working Capital Factor (45/365)	<u>0.1233</u>	<u>0.1233</u>	<u>0.1233</u>	<u>0.1233</u>
Working Capital	<u>\$112,651</u>	<u>\$106,426</u>	<u>\$113,080</u>	<u>\$104,209</u>

Hampstead Area Water Company

Schedule 3C

Material & Supplies

Line No.	Account Title (a)	December 2010 Balance (b)	March 2011 Balance (c)	June 2011 Balance (d)	September 2011 Balance (e)	December 2011 Balance (f)	Actual 5 Qtr. Avg Bal (g)
1	Material & Supplies*	\$16,273	\$19,347	\$36,061	\$23,156	\$22,436	\$23,455

* At 12/31/11 the Company's material & supplies balance is reflected in its CWIP balance.

Rate of Return Information

Overall Rate of Return	Actual			Proforma		
	Component Ratio	Component Cost Rate	Wght Avg Cost Rate	Component Ratio	Component Cost Rate	Wght Avg Cost Rate
Equity Capital	15.51%	9.75%	1.51%	15.51%	10.75%	1.67%
Long Term Debt	84.49%	4.65%	3.92%	84.49%	3.90%	3.30%
Total Capital	100.00%		5.44%	100.00%		4.97%

Capital Structure	2011 Actual Amounts	2011 Actual Ratios	2011 Proforma Amounts	2011 Proforma Ratios
Common Stock	\$ 16,767	0.29%	\$ 16,767	0.29%
Other Paid in Capital	2,104,354	36.74%	2,104,354	36.74%
Retained Earnings	(1,232,715)	-21.52%	(1,232,715)	-21.52%
Total Equity	\$ 888,406	15.51%	\$ 888,406	15.51%
Long Term Debt	\$4,838,650	84.49%	\$4,838,650	84.49%
Total Capital	\$ 5,727,056	100.00%	\$ 5,727,056	100.00%

Capital Structure for 2011 - 2009	2011 Amounts	2010 Amounts	2009 Amounts
Common Stock	\$ 16,767	\$ 16,767	\$ 16,767
Other Paid in Capital	2,104,354	2,104,354	2,104,354
Retained Earnings	(1,232,715)	(1,259,624)	(1,428,401)
Total Equity	\$ 888,406	\$ 861,497	\$ 692,720
Long Term Debt	\$4,838,650	\$4,539,302	\$ 4,646,181
Total Capital	\$ 5,727,056	\$5,400,799	\$ 5,338,901

Capital Structure Ratios for 2007 - 2005		2011 Ratios		2010 Ratios		2009 Ratios
Common Stock		0.29%		0.31%		0.31%
Other Paid in Capital		36.74%		38.96%		39.42%
Retained Earnings		-21.52%		-23.32%		-26.75%
Total Equity		15.51%		15.95%		12.97%
Long Term Debt		84.49%		84.05%		87.03%
Total Capital		100.00%		100.00%		100.00%

Cost of Common Equity Capital

The Company is utilizing the Commission determined cost of common equity of 9.75% plus 1.00%.

**HAMPSTEAD AREA WATER COMPANY
ACTUAL LONG-TERM DEBT
12/31/2011**

Schedule 5A

<u>Date of Note</u>	<u>Borrower</u>	<u>GL Acct. #</u>	<u>Lender</u>	<u>Original Note Amount</u>	<u>Note Term</u>	<u>Interest Rate</u>	<u>Current Interest Rate</u>	<u>Outstanding Balance 12/31/11</u>	<u>Outstanding Balance 12/31/10</u>	<u>Interest Expense 2011</u>	<u>Total Cost Rate</u>
11/16/04	HAWC	232.04	Lewis Builders Development Inc	40,000	10	yrs P+2.25%	5.50%	0	25,800	1,093	0.00%
10/1/04	HAWC	232.07	Lewis Builders Development Inc	27,000	10	yrs P+2.25%	5.50%	0	24,300	891	0.00%
12/5/07	HAWC	232.12	Lewis Builders Development Inc	23,000	20	yrs P+2.25%	5.50%	0	22,350	913	0.00%
11/1/10	HAWC	234.18	Lewis Builders Development Inc	303,311	15	yrs P+2.25%	5.50%	0	302,223	12,284	0.00%
10/1/09	HAWC	234.20	Lewis Builders Development Inc	94,232	20	yrs P+2.25%	5.50%	0	90,881	3,710	0.00%
7/1/10	HAWC	234.21	Lewis Builders Development Inc	114,065	20	yrs P+2.25%	5.50%	0	112,744	4,606	0.00%
7/1/10	HAWC	234.22	Lewis Builders Development Inc	337,400	20	yrs P+2.25%	5.50%	0	177,935	7,270	0.00%
Total Associated Companies				<u>939,008</u>				<u>0</u>	<u>756,233</u>	<u>30,767</u>	<u>0.00%</u>
Amortize financing costs - associated companies										<u>1,453</u>	<u>0.00%</u>
Total Associated Companies										<u>32,221</u>	<u>0.00%</u>
7/20/92	HAWC	232.01	Ruma Inc	73,679	26	yrs 9.50%	9.50%	35,985	39,691	3,315	9.21%
10/25/04	HAWC	232.02	Picadilly Development	23,000	10	yrs P+2.25%	5.50%	6,900	9,200	506	7.33%
10/25/04	HAWC	232.03	Edgeworth Development	22,000	10	yrs P+2.25%	5.50%	6,600	8,800	484	7.33%
10/25/04	HAWC	232.05	Skipper Land Development	38,000	10	yrs P+2.25%	5.50%	11,050	14,850	817	7.39%
9/6/05	HAWC	232.06	NH DES	1,315,291	20	yrs 3.352%	3.352%	1,130,231	1,182,402	38,837	3.44%
3/31/06	HAWC	232.08	Aquarius Properties LLC	24,000	20	yrs P+2.25%	5.50%	20,902	21,704	1,076	5.15%
2/9/07	HAWC	232.09	Ford Motor Credit	50,401	4	yrs 0% & 1.9%	0% & 1.9%	0	3,195	0	0.00%
9/12/11	HAWC	232.10	TD Bank	1,369,153	5	yrs 4.14%	4.14%	1,354,685	1,397,381	77,761	5.74%
6/24/09	HAWC	232.11	NH DES	1,058,347	20	yrs 2.864%	2.864%	1,042,877	1,058,347	38,043	3.65%
	HAWC	232.13	Shribco Realty Two, LLC	18,000	20	yrs P+2.25%	5.50%	18,000	18,000	1	0.00%
11/16/10	HAWC	232.14	GMAC	29,808	5	yrs 5.99%	5.99%	24,101	29,499	1,532	6.36%
9/12/11	HAWC	232.15	TD Bank	1,200,000	5	yrs 4.14%	4.14%	1,187,320	0	23,687	2.00%
Total Non-related				<u>5,221,679</u>				<u>4,838,649</u>	<u>3,783,069</u>	<u>186,059</u>	<u>3.85%</u>
Amortize financing costs - 3rd parties										<u>6,506</u>	
Total 3rd Parties										<u>192,565</u>	<u>3.98%</u>
Company Totals				<u>6,160,687</u>				<u>4,838,649</u>	<u>4,539,302</u>	<u>224,786</u>	<u>4.65%</u>

HAMPSTEAD AREA WATER COMPANY
PROFORMA LONG-TERM DEBT
12/31/2011

Date of Note	Borrower	GL Acct. #	Lender	Original Note Amount	Note Term	Interest Rate	Current Interest Rate	Outstanding Balance 12/31/11	Additional Long Term Debt	Adjusted Outstanding Balance 12/31/11	Interest Expense 2011	Additional Interest Expense	Adjusted Interest Expense 2011	Total Cost Rate
11/16/04	HAWC	232.04	Lewis Builders Development Inc	40,000	10 yrs	P+2.25%	5.50%	0	0	0	1,093	(1,093)	0	0.00%
10/1/04	HAWC	232.07	Lewis Builders Development Inc	27,000	10 yrs	P+2.25%	5.50%	0	0	0	891	(891)	0	0.00%
12/5/07	HAWC	232.12	Lewis Builders Development Inc	23,000	20 yrs	P+2.25%	5.50%	0	0	0	913	(913)	0	0.00%
11/1/10	HAWC	234.18	Lewis Builders Development Inc	303,311	15 yrs	P+2.25%	5.50%	0	0	0	12,284	(12,284)	0	0.00%
10/1/09	HAWC	234.20	Lewis Builders Development Inc	94,232	20 yrs	P+2.25%	5.50%	0	0	0	3,710	(3,710)	0	0.00%
7/1/10	HAWC	234.21	Lewis Builders Development Inc	114,065	20 yrs	P+2.25%	5.50%	0	0	0	4,606	(4,606)	0	0.00%
7/1/10	HAWC	234.22	Lewis Builders Development Inc	337,400	20 yrs	P+2.25%	5.50%	0	0	0	7,270	(7,270)	0	0.00%
Total Associated Companies				939,008				0	0	0	30,767	(30,767)	0	0.00%
Amortize financing costs - associated companies											1,453	(1,453)	0	0.00%
Total Associated Companies											32,221	(32,221)	0	0.00%
7/20/92	HAWC	232.01	Ruma Inc	73,679	26 yrs	9.50%	9.50%	35,985	0	35,985	3,315		3,315	9.21%
10/25/04	HAWC	232.02	Picadilly Development	23,000	10 yrs	P+2.25%	5.50%	6,900	0	6,900	506		506	7.33%
10/25/04	HAWC	232.03	Edgeworth Development	22,000	10 yrs	P+2.25%	5.50%	6,600	0	6,600	484		484	7.33%
10/25/04	HAWC	232.05	Skipper Land Development	38,000	10 yrs	P+2.25%	5.50%	11,050	0	11,050	817		817	7.39%
9/6/05	HAWC	232.06	NH DES	1,315,291	20 yrs	3.352%	3.352%	1,130,231	0	1,130,231	38,837		38,837	3.44%
3/31/06	HAWC	232.08	Aquarius Properties LLC	24,000	20 yrs	P+2.25%	5.50%	20,902	0	20,902	1,076		1,076	5.15%
2/9/07	HAWC	232.09	Ford Motor Credit	50,401	4 yrs	0% & 1.9%	0% & 1.9%	0	0	0	0		0	0.00%
9/12/11	HAWC	232.10	TD Bank	1,369,153	5 yrs	4.14%	4.14%	1,354,685	0	1,354,685	77,761	(21,887)	55,874	4.12%
6/24/09	HAWC	232.11	NH DES	1,058,347	20 yrs	2.864%	2.864%	1,042,877	0	1,042,877	38,043	(8,032)	30,011	2.88%
11/16/10	HAWC	232.13	Shribco Realty Two, LLC	18,000	20 yrs	P+2.25%	5.50%	18,000	0	18,000	1	989	990	5.50%
9/12/11	HAWC	232.14	GMAC	29,808	5 yrs	5.99%	5.99%	24,101	0	24,101	1,532		1,532	6.36%
9/12/11	HAWC	232.15	TD Bank	1,200,000	5 yrs	4.14%	4.14%	1,187,320	0	1,187,320	23,687	25,284	48,971	4.12%
Total Non-related				5,221,679				4,838,649	0	4,838,649	186,059	(3,646)	182,413	3.77%
Amortize financing costs - 3rd parties											6,506		6,506	
Total 3rd Parties											192,565	(3,646)	188,919	3.90%
Company Totals				6,160,687				4,838,649	0	4,838,649	224,786	(3,646)	188,919	3.90%

Hampstead Area Water Company**Schedule 6****Step Adjustment****Revenue Requirement**

2012 Additions	\$428,500
Accum Depr on 2012 Additions	(11,945)
2012 Retirements	(103,121)
Accum Depr on 2012 Retirements	103,121
2012 CIAC	(30,428)
Accum Amort on 2012 CIAC	<u>442</u>
Total Additions to Rate Base	<u>\$386,569</u>
Rate of Return	4.55%
Additional Operating Income Requirement	\$17,606
Annual Depreciation on 2012 additional	23,890
Annual Depreciation on 2012 retirements	(3,952)
Annual Amortization on 2012 CIAC	(884)
Property Tax Expense	5,916
Business Enterprise Expense	<u>146</u>
Step Adjustment in Revenue	<u>\$42,723</u>

Step Adjustment

2012 Additions / Retirements / CIAC and related Depreciation and Amortization

2012 Additions / Depreciation / Accum Depr

<u>Account</u>	<u>Description</u>	<u>Depreciation Rate</u>	<u>Costs</u>	<u>Depreciation Expense</u>	<u>Accum Depr.</u>
307	Wells				
	2 replacement wells (West Side Dr. & E.P.)	3.30%	\$40,000	\$1,320	\$660
311	Pumping Equipment				
	Replace misc pumps and equipment	10.00%	20,000	2,000	1,000
	Test / Replace 7 well meters	10.00%	4,000	400	200
320	Water Treatment Equipment				
	Bryant Woods - Filters	3.60%	60,000	2,160	1,080
331	T&D Mains				
	Replace Mains	2.20%	30,000	660	330
333	Services				
	SRF - Service Line Replacements	2.50%	180,000	4,500	2,250
334	Meters				
	220 replacements	10.00%	60,500	6,050	3,025
341	Transportation Equipment				
	Replace pickup truck	20.00%	<u>34,000</u>	<u>6,800</u>	<u>3,400</u>
	Total		<u>\$428,500</u>	<u>\$23,890</u>	<u>\$11,945</u>

2012 Retirements / Depreciation / Accum Depr

307	Wells				
	1 replacement well - Eastwood Place	3.30%	\$14,786	\$244	\$3,423
	1 replacement well - West Side Dr.	3.30%	2,921	48	1,831
311	Pumping Equipment				
	Replace misc pumps and equipment	10.00%	5,000	0	5,000
	Test / Replace 7 well meters	10.00%	1,000	0	1,000
320	Water Treatment Equipment				
	Bryant Woods - Filters	3.60%	13,253	239	8,581
331	T&D Mains				
	Replace Mains	2.20%	5,000	55	2,556
333	Services				
	SRF - Service Line Replacements	2.50%	20,000	250	10,250
334	Meters				
	220 replacements	5.00%	10,000	0	10,000
341	Transportation Equipment				
	Replace pickup truck	20.00%	<u>31,161</u>	<u>3,116</u>	<u>31,161</u>
	Total		<u>\$103,121</u>	<u>\$3,952</u>	<u>\$73,802</u>

2012 CIAC / Amortization / Accum Amort of CIAC

307	Wells				
	1 replacement well - Eastwood Place	3.30%	\$12,507	\$413	\$206
	1 replacement well - West Side Dr.	3.30%	2,921	96	48
311	Pumping Equipment				
	Replace misc pumps and equipment	10.00%		0	0

	Test / Replace 7 well meters	10.00%		0	0
320	Water Treatment Equipment				
	Bryant Woods - Filters	3.60%		0	0
331	T&D Mains				
	Replace Mains	2.20%		0	0
333	Services				
	SRF - Service Line Replacements	2.50%	15,000	375	188
334	Meters				
	220 replacements	5.00%		0	0
341	Transportation Equipment				
	Replace pickup truck	20.00%		<u>0</u>	<u>0</u>
	Total		<u>\$30,428</u>	<u>\$884</u>	<u>\$442</u>

Hampstead Area Water Company

Schedule 6b

Step Adjustment

Rate of Return

	<u>Amount</u>	<u>Cost Rate</u>	<u>Annual Interest</u>	<u>Annual Debt Costs</u>	<u>Total Annual Costs</u>	<u>Total Cost Rate</u>	<u>Weighted Average</u>	<u>Wieghted Average Costs</u>
State Revolving Fund	\$180,000	3.104%	\$5,587	\$261	\$5,848	3.249%	42.01%	1.36%
Lewis Builders Development	<u>248,500</u>	5.500%	<u>13,668</u>		<u>13,668</u>	5.500%	<u>57.99%</u>	<u>3.19%</u>
Total Financing	<u>\$428,500</u>		<u>\$19,255</u>	<u>\$261</u>	<u>\$19,516</u>		<u>100.00%</u>	<u>4.55%</u>

Hampstead Area Water Company**Schedule 6c****Step Adjustment****Taxes**

Total Additions to Plant		<u>\$428,500</u>
Per Thousand		\$429
2011 Assessed Valuation	\$6,695,024	
12/31/2010 Plant in Service	<u>12,587,647</u>	
Percentage		<u>53.19%</u>
Per Thousand subject to State Utility Property Taxes		\$228
State Utility Property Tax Rate		<u>6.60</u>
State Utility Property Taxes		<u>\$1,504</u>
Total Additions to Plant		\$428,500
Per thousand		\$429
2011 Assessed Valuation	\$6,695,024	
12/31/2010 Plant in Service	<u>12,587,647</u>	
Percentage		<u>53.19%</u>
Per Thousand subject to State Utility Property Taxes		\$228
Atkinson & Hampstead Average Property Tax Rate $(\$18.80 + \$19.92) / 2$		<u>\$19.36</u>
Average Municipal Property Taxes		<u>\$4,412</u>
Total Property Taxes		<u>\$5,916</u>
Interest Expense on SRF / Lewis loans		\$19,516
NHBPT and / or NHBET		<u>0.75%</u>
NHBET		<u>\$146</u>

Hampstead Area Water Company

Schedule 7

Combined Revenue

Test Year Revenues	\$1,561,311
Permanent Rate Increase in Revenues	59,021
Step Rate Increase in Revenues	<u>42,723</u>
Total Combined Revenue Requirement	<u>\$1,663,055</u>

Hampstead Area Water Company
Report of Proposed Rate Changes

Utility Hampstead Area Water Co.

Date Filed: 6/30/2012

Tariff No.:

Effective Date 7/1/2012

<u>Rate of Class of Service</u>	<u>Effect of Change</u>	<u>Number of Customers</u>	<u>Authorized Present Revenue</u>	<u>Proposed Revenue</u>	<u>Proposed Change Amount</u>	<u>Proposed Change Percentage</u>
Gen'l Cust.	\$101,744	3,039	\$1,455,951	\$1,557,695	\$101,744	6.99%
Fire Protect	0		36,223	36,223	0	0.00%
Other Water			<u>69,137</u>	<u>69,137</u>		
Total Water	<u>\$101,744</u>	<u>3,039</u>	<u>\$1,561,311</u>	<u>\$1,663,055</u>	<u>\$101,744</u>	<u>6.52%</u>
Avg.Gen'l.Cust.	<u>\$33.48</u>		<u>\$479.09</u>	<u>\$512.57</u>	<u>\$33.48</u>	<u>6.99%</u>

Hampstead Area Water Company

Calculation of Rates

Total Revenue Requirement	\$1,663,055.00
Less: Fire Protection Revenue	-\$36,223.00
Less: Other Water Revenues	<u>-\$69,137.00</u>
Total Revenue Requirement for General Customers	\$1,557,695.00

Revenue Requirement from Base Rate:

	# of <u>meters</u>	Existing Annual <u>Amount</u>	Proposed Percent <u>Increase</u>	Proposed Annual <u>Amount</u>	<u>Total</u>	
5/8	3,030	\$120.00	6.99%	\$128.40	\$389,052.00	
3/4	0	\$240.00	6.99%	\$256.56	\$0.00	
1	58	\$360.00	6.99%	\$385.20	\$22,341.60	
1 1/2	2	\$720.00	6.99%	\$770.28	\$1,540.56	
2	2	\$1,200.00	6.99%	\$1,283.88	\$2,567.76	
Revenue Requirement from Base Rate					<u>\$415,501.92</u>	26.67%
Revenue Requirement from Consumption					\$1,142,193	73.33%
2011 Consumption per 100 cubic feet					225,352	
Consumption rate per 100 cubic feet					\$5.07	

Hampstead Area Water Company
New Hampshire Public Utilities Commission

DW 12-170

Proposed Statement to Customer

Date

Name

Address

Dear Customer,

On July 25, 2012, Hampstead Area Water Co., Inc. (HAWC) filed with the NH Public Utilities Commission (NH PUC) a proposed increase for water rates. The proposed increase is designed to provide additional revenues in support of HAWC's infrastructure investments and operations. The projected increase for customers is 6.99% of the total current bill. This filing will be subject to comprehensive review by the NH PUC in a proceeding that may last up to a year.

We appreciate the opportunity to serve you. If you have any questions pertaining to this matter please feel free to contact our office at 603-362-4299, www.hampsteadwater.com, or customerservice@hampsteadwater.com or you may contact the NH PUC directly at 800-852-3793.

Sincerely,

Christine Lewis Morse,
Vice President

HAMPSTEAD AREA WATER COMPANY, INC.

1604.01 (a) (1a, b, c)

BALANCE SHEET

January 31, 2011

ASSETS

	<u>1/31/11</u>	<u>1/31/10</u>
Current Assets:		
Cash	146,419	33,191
Accounts Receivable	50,450	96,427
Accrued Metered Revenue	105,840	107,903
Other Accounts Receivable	339,091	347,282
Prepayments	29,000	26,400
Misc Current & Accrued Assets	0	0
Deferred Expenses	123,223	192,664
Deferred Income Taxes	22,240	23,533
Total Current Assets	<u>816,263</u>	<u>827,400</u>
Fixed Assets:		
Construction Work in Progress	346,283	570,678
Franchises	21,299	20,142
Land & Land Rights	76,185	76,185
Structures & Improvements	800,902	803,075
Wells & Springs	572,519	556,848
Supply Mains	18,724	18,724
Pumping Equipment	1,074,644	1,070,194
Water Treatment Equipment	431,138	427,608
Distribution Reserves & Standpipes	1,473,531	1,473,531
Transmission & Distribution Mains	4,843,108	4,823,732
Services	1,803,384	1,770,365
Meters & Meter Installation	864,309	800,998
Hydrants	110,056	110,056
Other Plant (Hydrology Study)	303,311	0
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	115,119	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	78,836	72,611
Less: Accumulated Depreciation	(3,541,268)	(3,179,891)
Total Fixed Assets	<u>9,395,426</u>	<u>9,500,152</u>
Total Assets	<u><u>10,211,689</u></u>	<u><u>10,327,551</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

January 31, 2011

LIABILITIES

	<u>1/31/11</u>	<u>1/31/10</u>
Current Liabilities:		
Accounts Payable	14,802	2,389
Accounts Payable to Associated Companies	23,579	14,499
Customer Deposits	0	0
Accrued Taxes	500	408
Accrued Expenses	21,189	19,762
Total Current Liabilities	<u>60,070</u>	<u>37,057</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,394,066	1,434,352
Notes Payable - State of NH (DWSRF)	2,236,468	2,287,062
Notes Payable - Outside Parties	193,445	196,779
Notes Payables - Lewis Builders	704,067	712,858
Accum. Deferred Inc Tax	4,315	1,684
Total Long-Term Liabilities	<u>4,532,361</u>	<u>4,632,735</u>
Contributions in Aid of Construction:		
CIAC	6,966,458	6,969,799
Accumulated Amortization of CIAC	(2,202,154)	(2,019,080)
Total CIAC	<u>4,764,304</u>	<u>4,950,720</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,259,624)	(1,428,401)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	(6,543)	14,320
Stockholders' Equity	<u>854,954</u>	<u>707,040</u>
Total Liabilities and Stockholders' Equity	<u><u>10,211,689</u></u>	<u><u>10,327,551</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

INCOME STATEMENT

FOR THE MONTH ENDING JANUARY 31, 2011 and 2010

	<u>Month of Jan-11</u>		<u>Month of Jan-10</u>		<u>Increase (Decrease)</u>
Total Revenue	111,909	100%	107,912	100%	3,997
Net Depreciation & CIAC	18,819		15,762		3,057
Property Taxes	14,947		11,815		3,132
Other Taxes	108		108		0
Labor on Outside Jobs	888		1,419		(531)
Well Expenses	68		99		(31)
Power Purchased for Pumping	13,096		15,479		(2,383)
Pumping Expenses	6,403		5,982		421
Chemicals	424		656		(231)
Treatment Expense (Filters)	6,968		6,437		531
Transm & Distribution Exp (Mains)	1,749		522		1,226
Meter Expenses & Customer Installations	357		811		(455)
Maintenance of Storage Tanks	28		0		28
Maintenance of Services	400		409		(9)
Maintenance of Hydrants	0		0		0
Meter Reading Expenses	425		320		105
Customer Records & Collections	4,182		4,259		(76)
Uncollectable Accounts	0		0		0
Administrative & General Salaries	1,076		1,275		(199)
Office Supplies & Other Expenses	3,049		965		2,084
Outside Services - Engineering	3,287		1,035		2,252
Outside Services - Management Fees	9,167		9,167		0
Outside Services - Accounting	3,067		2,133		934
Outside Services - Legal	899		491		407
Injuries & Damages (Insurance Expense)	1,455		2,229		(774)
Employee Pensions & Benefits	6,026		4,654		1,372
Franchise Requirements	0		0		0
Misc General Expenses	(58)		0		(58)
Misc Expenses - Vehicle Expenses	1,202		1,240		(37)
General Rents	1,408		1,408		0
Total Expenses	99,439	89%	88,674	82%	10,765
Net Operating Income	12,470	11%	19,237	18%	(6,768)
Rate Case Recovery Fees	49		13,435		(13,386)
Regulatory Commission Expenses	(1,390)		(5,275)		(3,885)
Interest Expense	(17,672)		(13,078)		4,594
Misc Nonutility Expenses	0		0		0
Net Income (Loss)	(6,543)	-6%	14,320	13%	(20,863)
Gallons Sold	12,539,374		12,521,971		17,403
Average Gallons Sold Per Day	388,067		387,080		987

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

February 28, 2011

ASSETS

	<u>2/28/11</u>	<u>2/28/10</u>
Current Assets:		
Cash	135,755	62,414
Accounts Receivable	76,282	95,636
Accrued Metered Revenue	93,207	90,641
Other Accounts Receivable	334,996	347,282
Prepayments	13,078	13,146
Misc Current & Accrued Assets	0	0
Deferred Expenses	122,093	187,080
Deferred Income Taxes	22,133	23,426
Total Current Assets	<u>797,544</u>	<u>819,624</u>
Fixed Assets:		
Construction Work in Progress	360,605	602,220
Franchises	21,299	20,142
Land & Land Rights	76,185	76,185
Structures & Improvements	800,902	803,075
Wells & Springs	572,519	554,695
Supply Mains	18,724	18,724
Pumping Equipment	1,074,644	1,070,194
Water Treatment Equipment	431,138	427,608
Distribution Reserves & Standpipes	1,473,531	1,473,531
Transmission & Distribution Mains	4,843,108	4,823,732
Services	1,803,384	1,770,365
Meters & Meter Installation	865,426	802,113
Hydrants	110,056	110,056
Other Plant (Hydrology Study)	303,311	0
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	115,119	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	78,836	72,611
Less: Accumulated Depreciation	<u>(3,574,268)</u>	<u>(3,209,891)</u>
Total Fixed Assets	<u>9,377,865</u>	<u>9,500,655</u>
Total Assets	<u><u>10,175,409</u></u>	<u><u>10,320,279</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

February 28, 2011

LIABILITIES

	<u>2/28/11</u>	<u>2/28/10</u>
Current Liabilities:		
Accounts Payable	8,805	5,121
Accounts Payable to Associated Companies	21,989	33,510
Customer Deposits	0	0
Accrued Taxes	795	759
Accrued Expenses	19,374	17,822
Total Current Liabilities	<u>50,962</u>	<u>57,212</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,390,740	1,431,240
Notes Payable - State of NH (DWSRF)	2,232,175	2,282,910
Notes Payable - Outside Parties	191,981	195,355
Notes Payables - Lewis Builders	701,992	712,585
Accum. Deferred Inc Tax	4,315	1,684
Total Long-Term Liabilities	<u>4,521,203</u>	<u>4,623,774</u>
Contributions in Aid of Construction:		
CIAC	6,966,458	6,969,799
Accumulated Amortization of CIAC	(2,217,154)	(2,034,080)
Total CIAC	<u>4,749,304</u>	<u>4,935,720</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,259,624)	(1,428,401)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	(7,558)	10,854
Stockholders' Equity	<u>853,939</u>	<u>703,574</u>
Total Liabilities and Stockholders' Equity	<u><u>10,175,409</u></u>	<u><u>10,320,279</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

INCOME STATEMENT

FOR THE TWO MONTHS ENDING FEBRUARY 28, 2011 and 2010

	Month of Feb-11	Year-To-Date 2/28/11		Month of Feb-10	Year-To-Date 2/28/10		Increase (Decrease)
Total Revenue	117,317	229,226	100%	94,720	202,632	100%	26,594
Net Depreciation & CIAC	18,819	37,638		15,762	31,525		6,113
Property Taxes	14,947	29,894		11,815	23,630		6,264
Other Taxes	108	216		108	216		0
Labor on Outside Jobs	239	1,127		897	2,316		(1,189)
Well Expenses	142	209		206	305		(96)
Power Purchased for Pumping	12,003	25,099		13,906	29,385		(4,285)
Pumping Expenses	8,558	14,961		3,528	9,510		5,451
Chemicals	424	849		801	1,457		(608)
Treatment Expense (Filters)	4,723	11,690		3,993	10,430		1,261
Transm & Distribution Exp (Mains)	395	2,144		742	1,264		880
Meter Expenses & Customer Installations	51	408		2,572	3,384		(2,976)
Maintenance of Storage Tanks	0	28		92	92		(64)
Maintenance of Services	823	1,223		290	699		524
Maintenance of Hydrants	0	0		0	0		0
Meter Reading Expenses	259	684		213	533		151
Customer Records & Collections	4,793	8,975		4,613	8,872		104
Uncollectable Accounts	0	0		0	0		0
Administrative & General Salaries	1,413	2,488		2,455	3,729		(1,241)
Office Supplies & Other Expenses	7,623	10,672		4,616	5,581		5,091
Outside Services - Engineering	2,421	5,708		4,250	5,285		423
Outside Services - Management Fees	9,167	18,333		9,167	18,333		0
Outside Services - Accounting	3,913	6,980		6,245	8,378		(1,398)
Outside Services - Legal	1,133	2,032		0	491		1,541
Injuries & Damages (Insurance Expense)	1,455	2,910		2,160	4,389		(1,480)
Employee Pensions & Benefits	4,201	10,227		3,049	7,703		2,524
Franchise Requirements	0	0		0	0		0
Misc General Expenses	(94)	(152)		223	223		(375)
Misc Expenses - Vehicle Expenses	1,494	2,696		1,169	2,408		288
General Rents	1,408	2,817		1,408	2,817		0
Total Expenses	100,417	199,856	87%	94,279	182,953	90%	16,903
Net Operating Income	16,901	29,370	13%	442	19,679	10%	9,692
Rate Case Recovery Fees	83	132		13,405	26,840		(26,708)
Regulatory Commission Expenses	0	(1,390)		(4,267)	(9,541)		(8,151)
Interest Expense	(17,999)	(35,670)		(13,046)	(26,124)		9,546
Misc Nonutility Expenses	(0)	(0)		0	0		0
Net Income (Loss)	(1,015)	(7,558)	-3%	(3,466)	10,854	5%	(18,412)
Gallons Sold	11,324,437	23,863,811		10,414,321	22,936,292		927,519
Average Gallons Sold Per Day	392,706			360,446			32,260

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

March 31, 2011

ASSETS

	<u>3/31/11</u>	<u>3/31/10</u>
Current Assets:		
Cash	124,449	78,644
Accounts Receivable	60,170	66,957
Accrued Metered Revenue	98,271	112,333
Other Accounts Receivable	334,996	347,282
Prepayments	13,183	10,010
Misc Current & Accrued Assets	0	0
Deferred Expenses	121,575	170,752
Deferred Income Taxes	22,025	23,318
Total Current Assets	<u>774,670</u>	<u>809,296</u>
Fixed Assets:		
Construction Work in Progress	398,650	608,790
Franchises	21,299	20,142
Land & Land Rights	76,185	76,185
Structures & Improvements	800,902	803,075
Wells & Springs	572,519	554,695
Supply Mains	18,724	18,724
Pumping Equipment	1,074,644	1,072,101
Water Treatment Equipment	431,138	427,608
Distribution Reserves & Standpipes	1,473,531	1,473,531
Transmission & Distribution Mains	4,843,108	4,823,732
Services	1,803,384	1,772,226
Meters & Meter Installation	867,226	804,754
Hydrants	110,056	110,056
Other Plant (Hydrology Study)	303,311	0
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	103,444	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	78,836	72,611
Less: Accumulated Depreciation	<u>(3,595,593)</u>	<u>(3,241,891)</u>
Total Fixed Assets	<u>9,384,710</u>	<u>9,481,635</u>
Total Assets	<u><u>10,159,379</u></u>	<u><u>10,290,931</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

March 31, 2011

LIABILITIES

	<u>3/31/11</u>	<u>3/31/10</u>
Current Liabilities:		
Accounts Payable	4,495	5,715
Accounts Payable to Associated Companies	14,073	19,784
Customer Deposits	0	0
Accrued Taxes	13,233	10,596
Accrued Expenses	17,994	16,426
Total Current Liabilities	<u>49,795</u>	<u>52,520</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,386,667	1,427,364
Notes Payable - State of NH (DWSRF)	2,227,869	2,278,747
Notes Payable - Outside Parties	190,165	193,929
Notes Payables - Lewis Builders	699,908	712,310
Accum. Deferred Inc Tax	4,315	1,684
Total Long-Term Liabilities	<u>4,508,924</u>	<u>4,614,034</u>
Contributions in Aid of Construction:		
CIAC	6,966,458	6,969,799
Accumulated Amortization of CIAC	(2,232,154)	(2,049,080)
Total CIAC	<u>4,734,304</u>	<u>4,920,720</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,259,624)	(1,428,401)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	4,859	10,938
Stockholders' Equity	<u>866,356</u>	<u>703,657</u>
Total Liabilities and Stockholders' Equity	<u><u>10,159,379</u></u>	<u><u>10,290,931</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

SUMMARY INCOME STATEMENT

FOR THE THREE MONTHS ENDING MARCH 31, 2011 AND 2010

	Month of March-11	Year-To-Date 3/31/11		Month of March-10	Year-To-Date 3/31/10		Increase (Decrease)
Total Revenue	122,709	351,935	100%	110,179	312,812	100%	39,124
Net Depreciation & CIAC	18,819	56,457		17,762	49,287		7,170
Property Taxes	14,947	44,840		11,815	35,445		9,395
Other Taxes	108	323		108	323		0
Labor on Outside Jobs	1,052	2,179		283	2,599		(420)
Well Expenses	0	209		(78)	227		(18)
Power Purchased for Pumping	14,338	39,437		20,824	50,208		(10,771)
Pumping Expenses	2,658	17,619		4,734	14,244		3,375
Chemicals	424	1,273		695	2,152		(879)
Treatment Expense (Filters)	4,483	16,173		4,717	15,147		1,027
Transm & Distribution Exp (Mains)	671	2,815		1,486	2,750		65
Meter Expenses & Customer Installations	278	685		(1,640)	1,743		(1,058)
Maintenance of Storage Tanks	175	203		60	152		51
Maintenance of Services	1,251	2,474		2,035	2,733		(259)
Maintenance of Hydrants	0	0		0	0		0
Meter Reading Expenses	202	886		366	899		(13)
Customer Records & Collections	4,539	13,514		4,791	13,662		(149)
Uncollectable Accounts	0	0		0	0		0
Administrative & General Salaries	1,409	3,897		1,844	5,574		(1,676)
Office Supplies & Other Expenses	1,518	12,190		9,375	14,955		(2,766)
Outside Services - Engineering	1,859	7,567		3,980	9,265		(1,698)
Outside Services - Management Fees	9,167	27,500		9,167	27,500		0
Outside Services - Accounting	4,550	11,530		2,122	10,500		1,030
Outside Services - Legal	1,843	3,875		770	1,262		2,613
Injuries & Damages (Insurance Expense)	1,452	4,362		2,166	6,555		(2,194)
Employee Pensions & Benefits	4,353	14,580		4,147	11,850		2,730
Franchise Requirements	0	0		0	0		0
Misc General Expenses	(10)	(162)		0	223		(385)
Misc Expenses - Vehicle Expenses	1,369	4,065		1,537	3,945		120
General Rents	1,408	4,225		1,408	4,225		0
Total Expenses	92,863	292,719	83%	104,474	287,427	92%	5,291
Net Operating Income	29,846	59,217	17%	5,705	25,384	8%	33,832
Rate Case Recovery Fees	63	195		21,656	48,496		(48,301)
Regulatory Commission Expenses	0	(1,390)		(15,011)	(24,552)		(23,162)
Interest Expense	(17,492)	(53,163)		(12,266)	(38,390)		14,772
Misc Nonutility Expenses	0	(0)		0	0		0
Net Income (Loss)	12,417	4,859	1%	84	10,938	3%	(6,079)
Gallons Sold	10,860,563	34,724,374		11,149,994	34,086,286		638,088
Average Gallons Sold Per Day	367,600			366,905			695

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

April 30, 2011

ASSETS

	<u>4/30/11</u>	<u>4/30/10</u>
Current Assets:		
Cash	80,914	64,940
Accounts Receivable	78,180	69,106
Accrued Metered Revenue	99,833	117,690
Other Accounts Receivable	334,996	347,282
Prepayments	13,948	12,496
Misc Current & Accrued Assets	0	0
Deferred Expenses	120,183	159,466
Deferred Income Taxes	21,917	23,210
Total Current Assets	<u>749,972</u>	<u>794,190</u>
Fixed Assets:		
Construction Work in Progress	418,576	610,660
Franchises	21,299	20,142
Land & Land Rights	76,185	76,185
Structures & Improvements	800,902	803,075
Wells & Springs	572,519	554,695
Supply Mains	18,724	18,724
Pumping Equipment	1,079,697	1,072,101
Water Treatment Equipment	431,138	427,608
Distribution Reserves & Standpipes	1,473,531	1,473,531
Transmission & Distribution Mains	4,843,108	4,825,501
Services	1,803,384	1,773,796
Meters & Meter Installation	872,526	805,515
Hydrants	110,056	110,056
Other Plant (Hydrology Study)	303,311	0
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	103,444	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	78,153	72,611
Less: Accumulated Depreciation	<u>(3,621,038)</u>	<u>(3,273,891)</u>
Total Fixed Assets	<u>9,388,860</u>	<u>9,455,604</u>
Total Assets	<u><u>10,138,831</u></u>	<u><u>10,249,793</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

April 30, 2011

LIABILITIES

	<u>4/30/11</u>	<u>4/30/10</u>
Current Liabilities:		
Accounts Payable	25,535	10,682
Accounts Payable to Associated Companies	13,244	(3,484)
Customer Deposits	0	0
Accrued Taxes	15,909	12,688
Accrued Expenses	16,847	15,266
Total Current Liabilities	<u>71,534</u>	<u>35,153</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,383,300	1,424,211
Notes Payable - State of NH (DWSRF)	2,223,552	2,274,572
Notes Payable - Outside Parties	189,236	192,499
Notes Payables - Associated Companies	697,814	712,034
Accum Deferred Inc Tax - Liberalized Dep'n	4,315	1,684
Total Long-Term Liabilities	<u>4,498,217</u>	<u>4,605,000</u>
Contributions in Aid of Construction:		
CIAC	6,966,458	6,969,799
Accumulated Amortization of CIAC	<u>(2,247,154)</u>	<u>(2,064,080)</u>
Total CIAC	<u>4,719,304</u>	<u>4,905,720</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,259,624)	(1,428,401)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	<u>(11,721)</u>	<u>11,201</u>
Stockholders' Equity	<u>849,776</u>	<u>703,921</u>
Total Liabilities and Stockholders' Equity	<u><u>10,138,831</u></u>	<u><u>10,249,793</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

SUMMARY INCOME STATEMENT

FOR THE FOUR MONTHS ENDING APRIL 30, 2011 and 2010

	Month of April-11	Year-To-Date 4/30/11		Month of April-10	Year-To-Date 4/30/10		Increase (Decrease)
Total Revenue	113,120	465,055	100%	110,172	422,984	100%	42,072
Net Depreciation & CIAC	18,819	75,276		17,762	67,049		8,226
Property Taxes	14,947	59,787		11,815	47,260		12,527
Other Taxes	712	1,035		1,084	1,408		(373)
Labor on Outside Jobs	2,365	4,544		664	3,263		1,281
Well Expenses	280	489		888	1,115		(626)
Power Purchased for Pumping	11,563	51,000		13,379	63,587		(12,586)
Pumping Expenses	4,857	22,476		4,432	18,676		3,800
Chemicals	439	1,712		404	2,556		(844)
Treatment Expense (Filters)	7,571	23,745		8,621	23,767		(23)
Transm & Distribution Exp (Mains)	1,772	4,587		1,259	4,009		578
Meter Expenses & Customer Installations	4,375	5,060		2,866	4,609		451
Maintenance of Storage Tanks	38	241		0	152		89
Maintenance of Services	281	2,755		2,487	5,220		(2,465)
Maintenance of Hydrants	50	50		0	0		50
Meter Reading Expenses	480	1,366		509	1,408		(42)
Customer Records & Collections	5,844	19,358		6,255	19,917		(559)
Uncollectable Accounts	0	0		0	0		0
Administrative & General Salaries	2,197	6,094		2,582	8,155		(2,061)
Office Supplies & Other Expenses	1,867	14,057		1,028	15,983		(1,926)
Outside Services - Engineering	6,596	14,164		3,800	13,065		1,099
Outside Services - Management Fees	9,167	36,667		9,167	36,667		0
Outside Services - Accounting	4,816	16,346		5,704	16,204		142
Outside Services - Legal	2,560	6,435		2,096	3,358		3,077
Injuries & Damages (Insurance Expense)	1,564	5,926		1,891	8,446		(2,520)
Employee Pensions & Benefits	4,570	19,150		3,306	15,156		3,994
Franchise Requirements	0	0		0	0		0
Misc General Expenses	(71)	(234)		(5)	218		(451)
Misc Expenses - Vehicle Expenses	1,396	5,462		1,936	5,881		(420)
General Rents	1,408	5,633		1,408	5,633		0
Total Expenses	110,464	403,183	87%	105,337	392,764	93%	10,419
Net Operating Income	2,656	61,872	13%	4,835	30,220	7%	31,653
Rate Case Recovery Fees	63	258		24,421	72,917		(72,659)
Regulatory Commission Expenses	(1,390)	(2,780)		(16,019)	(40,572)		(37,792)
Interest Expense	(17,909)	(71,071)		(12,974)	(51,364)		19,707
Misc Nonutility Expenses	0	(0)		0	0		0
Net Income (Loss)	(16,580)	(11,721)	-3%	263	11,201	3%	(22,922)
Gallons Sold	11,164,999	45,889,373		11,099,908	45,186,194		703,179
Average Gallons Sold Per Day	379,280			387,764			(8,484)

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

May 31, 2011

ASSETS

	<u>5/31/11</u>	<u>5/31/10</u>
Current Assets:		
Cash	92,200	70,470
Accounts Receivable	69,173	78,547
Accrued Metered Revenue	116,728	139,031
Other Accounts Receivable	334,996	347,282
Prepayments	13,622	13,518
Misc Current & Accrued Assets	0	0
Deferred Expenses	118,843	154,844
Deferred Income Taxes	21,809	23,102
Total Current Assets	<u>767,372</u>	<u>826,793</u>
Fixed Assets:		
Construction Work in Progress	459,041	632,817
Franchises	21,299	20,142
Land & Land Rights	76,185	76,185
Structures & Improvements	800,902	803,075
Wells & Springs	572,519	554,709
Supply Mains	18,724	18,724
Pumping Equipment	1,079,697	1,076,429
Water Treatment Equipment	431,196	427,715
Distribution Reserves & Standpipes	1,473,531	1,473,531
Transmission & Distribution Mains	4,843,108	4,825,501
Services	1,806,321	1,773,796
Meters & Meter Installation	881,551	806,325
Hydrants	110,056	110,056
Other Plant (Hydrology Study)	303,311	0
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	103,444	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	78,153	72,611
Less: Accumulated Depreciation	<u>(3,654,038)</u>	<u>(3,305,891)</u>
Total Fixed Assets	<u>9,408,345</u>	<u>9,451,021</u>
Total Assets	<u><u>10,175,717</u></u>	<u><u>10,277,814</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

May 31, 2011

LIABILITIES

	<u>5/31/11</u>	<u>5/31/10</u>
Current Liabilities:		
Accounts Payable	29,332	11,918
Accounts Payable to Associated Companies	52,628	(404)
Customer Deposits	0	0
Accrued Taxes	30,895	24,550
Accrued Expenses	15,440	14,317
Total Current Liabilities	<u>128,295</u>	<u>50,382</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,379,671	1,420,794
Notes Payable - State of NH (DWSRF)	2,219,223	2,270,385
Notes Payable - Outside Parties	188,448	191,066
Notes Payables - Lewis Builders	695,710	711,757
Accum Deferred Inc Tax - Liberalized Dep'n	4,315	1,684
Total Long-Term Liabilities	<u>4,487,367</u>	<u>4,595,687</u>
Contributions in Aid of Construction:		
CIAC	6,966,458	6,969,799
Accumulated Amortization of CIAC	(2,262,154)	(2,079,080)
Total CIAC	<u>4,704,304</u>	<u>4,890,720</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,259,624)	(1,428,401)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	(5,747)	48,307
Stockholders' Equity	<u>855,750</u>	<u>741,026</u>
Total Liabilities and Stockholders' Equity	<u><u>10,175,717</u></u>	<u><u>10,277,814</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

SUMMARY INCOME STATEMENT FOR THE FIVE MONTHS ENDING MAY 31, 2011

	Month of May-11	Year-To-Date 5/31/11		Month of May-10	Year-To-Date 5/31/10		Increase (Decrease)
Total Revenue	128,705	593,760	100%	135,402	558,385	100%	35,375
Net Depreciation & CIAC	18,819	94,095		17,762	84,812		9,283
Property Taxes	14,947	74,734		11,815	59,075		15,659
Other Taxes	108	1,143		108	1,515		(373)
Labor on Outside Jobs	3,064	7,608		2,819	6,082		1,526
Well Expenses	6,129	6,619		51	1,166		5,452
Power Purchased for Pumping	12,618	63,619		13,534	77,120		(13,502)
Pumping Expenses	4,417	26,893		1,805	20,482		6,412
Chemicals	496	2,208		883	3,439		(1,231)
Treatment Expense (Filters)	4,321	28,065		4,444	28,212		(146)
Transm & Distribution Exp (Mains)	548	5,136		1,166	5,175		(40)
Meter Expenses & Customer Installations	2,428	7,489		1,007	5,616		1,873
Maintenance of Storage Tanks	30	271		0	152		119
Maintenance of Services	2,376	5,131		528	5,748		(617)
Maintenance of Hydrants	0	50		0	0		50
Meter Reading Expenses	472	1,838		421	1,829		9
Customer Records & Collections	4,477	23,835		4,902	24,819		(984)
Uncollectable Accounts	0	0		0	0		0
Administrative & General Salaries	1,386	7,480		1,376	9,532		(2,052)
Office Supplies & Other Expenses	1,506	15,564		8,127	24,111		(8,547)
Outside Services - Engineering	4,834	18,998		3,813	16,878		2,120
Outside Services - Management Fees	9,167	45,833		9,167	45,833		0
Outside Services - Accounting	1,912	18,258		1,826	18,030		228
Outside Services - Legal	879	7,314		2,091	5,450		1,864
Injuries & Damages (Insurance Expense)	1,504	7,430		1,446	9,892		(2,462)
Employee Pensions & Benefits	3,746	22,896		3,626	18,782		4,114
Franchise Requirements	0	0		0	0		0
Misc General Expenses	(75)	(308)		(31)	186		(494)
Misc Expenses - Vehicle Expenses	3,437	8,899		3,246	9,127		(229)
General Rents	1,408	7,042		1,408	7,042		0
Total Expenses	104,955	508,137	86%	97,342	490,106	88%	18,032
Net Operating Income	23,750	85,623	14%	38,060	68,279	12%	17,344
Rate Case Recovery Fees	40	298		16,006	88,923		(88,625)
Regulatory Commission Expenses	0	(2,780)		(4,267)	(44,838)		(42,058)
Interest Expense	(17,816)	(88,887)		(12,693)	(64,057)		24,830
Misc Nonutility Expenses	0	(0)		0	0		0
Net Income (Loss)	5,974	(5,747)	-1%	37,106	48,307	9%	(54,054)
Gallons Sold	15,022,520	60,911,893		17,105,046	62,291,240		(1,379,347)
Average Gallons Sold Per Day	460,907			529,908			(69,001)

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

June 30, 2011

ASSETS

	<u>6/30/11</u>	<u>6/30/10</u>
Current Assets:		
Cash	14,653	84,328
Accounts Receivable	97,051	97,849
Accrued Metered Revenue	136,178	141,297
Other Accounts Receivable	334,996	339,091
Prepayments	46,288	40,442
Misc Current & Accrued Assets	0	0
Deferred Expenses	118,883	151,606
Deferred Income Taxes	21,702	22,995
Total Current Assets	<u>769,751</u>	<u>877,607</u>
Fixed Assets:		
Construction Work in Progress	496,494	628,360
Franchises	21,299	20,142
Land & Land Rights	76,185	76,185
Structures & Improvements	800,902	803,075
Wells & Springs	572,519	554,709
Supply Mains	18,724	18,724
Pumping Equipment	1,079,697	1,083,261
Water Treatment Equipment	433,001	427,715
Distribution Reserves & Standpipes	1,473,531	1,473,531
Transmission & Distribution Mains	4,849,865	4,828,152
Services	1,806,321	1,779,388
Meters & Meter Installation	883,426	831,299
Hydrants	110,056	110,056
Other Plant (Hydrology Study)	303,311	0
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	103,444	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	78,153	72,611
Less: Accumulated Depreciation	<u>(3,687,038)</u>	<u>(3,337,891)</u>
Total Fixed Assets	<u>9,423,235</u>	<u>9,454,614</u>
Total Assets	<u><u>10,192,986</u></u>	<u><u>10,332,221</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

June 30, 2011

LIABILITIES

	<u>6/30/11</u>	<u>6/30/10</u>
Current Liabilities:		
Accounts Payable	29,428	27,829
Accounts Payable to Associated Companies	49,414	32,857
Customer Deposits	347	0
Accrued Taxes	1,001	920
Accrued Expenses	14,086	12,926
Total Current Liabilities	<u>94,275</u>	<u>74,532</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,376,262	1,417,608
Notes Payable - State of NH (DWSRF)	2,219,353	2,266,187
Notes Payable - Outside Parties	187,591	189,629
Notes Payables - Lewis Builders	733,597	711,479
Accum Deferred Inc Tax - Liberalized Dep'n	4,315	1,684
Total Long-Term Liabilities	<u>4,521,119</u>	<u>4,586,586</u>
Contributions in Aid of Construction:		
CIAC	6,966,458	6,969,799
Accumulated Amortization of CIAC	<u>(2,277,154)</u>	<u>(2,094,080)</u>
Total CIAC	<u>4,689,304</u>	<u>4,875,720</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,259,624)	(1,428,401)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	26,792	102,664
Stockholders' Equity	<u>888,288</u>	<u>795,383</u>
Total Liabilities and Stockholders' Equity	<u><u>10,192,986</u></u>	<u><u>10,332,221</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

SUMMARY INCOME STATEMENT

FOR THE SIX MONTHS ENDING JUNE 30, 2011 AND 2010

	Month of June-11	Year-To-Date 6/30/11		Month of June-10	Year-To-Date 6/30/10		Increase (Decrease)
Total Revenue	164,467	758,227	100%	164,014	722,399	100%	35,828
Net Depreciation & CIAC	18,819	112,913		17,762	102,574		10,340
Property Taxes	14,615	89,349		11,815	70,890		18,458
Other Taxes	108	1,250		108	1,623		(373)
Labor on Outside Jobs	1,005	8,612		1,394	7,477		1,136
Well Expenses	230	6,849		797	1,964		4,885
Power Purchased for Pumping	14,633	78,252		16,209	93,329		(15,078)
Pumping Expenses	2,876	29,770		8,751	29,233		537
Chemicals	1,487	3,694		1,273	4,712		(1,018)
Treatment Expense (Filters)	5,539	33,604		7,654	35,865		(2,261)
Transm & Distribution Exp (Mains)	2,104	7,240		647	5,822		1,418
Meter Expenses & Customer Installations	1,907	9,396		2,111	7,726		1,670
Maintenance of Storage Tanks	0	271		0	152		119
Maintenance of Services	936	6,067		2,580	8,328		(2,261)
Maintenance of Hydrants	0	50		0	0		50
Meter Reading Expenses	1,048	2,886		477	2,306		580
Customer Records & Collections	3,767	27,602		4,935	29,754		(2,152)
Uncollectable Accounts	0	0		0	0		0
Administrative & General Salaries	1,146	8,626		676	10,208		(1,582)
Office Supplies & Other Expenses	5,602	21,165		873	24,984		(3,818)
Outside Services - Engineering	4,280	23,278		3,717	20,595		2,683
Outside Services - Management Fees	9,167	55,000		9,167	55,000		0
Outside Services - Accounting	2,399	20,657		773	18,803		1,854
Outside Services - Legal	2,495	9,809		1,709	7,159		2,651
Injuries & Damages (Insurance Expense)	1,503	8,933		1,606	11,498		(2,565)
Employee Pensions & Benefits	4,106	27,002		5,180	23,962		3,040
Franchise Requirements	3,270	3,270		3,170	3,170		100
Misc General Expenses	(434)	(742)		(50)	137		(879)
Misc Expenses - Vehicle Expenses	2,215	11,114		1,200	10,327		787
General Rents	1,408	8,450		1,408	8,450		0
Total Expenses	106,232	614,369	81%	105,942	596,048	83%	18,321
Net Operating Income	58,235	143,858	19%	58,072	126,351	17%	17,506
Rate Case Recovery Fees	35	333		13,458	102,381		(102,048)
Regulatory Commission Expenses	0	(2,780)		(4,267)	(49,105)		(46,325)
Interest Expense	(25,732)	(114,619)		(12,907)	(76,964)		37,655
Misc Nonutility Expenses	0	(0)		0	0		0
Net Income (Loss)	32,538	26,792	4%	54,357	102,664	14%	(75,872)
Gallons Sold	18,199,500	79,111,393		19,301,295	81,592,535		(2,481,142)
Average Gallons Sold Per Day	606,650			634,517			(27,867)

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

July 31, 2011

ASSETS

	<u>7/31/11</u>	<u>7/31/10</u>
Current Assets:		
Cash	41,409	107,395
Accounts Receivable	105,180	125,769
Accrued Metered Revenue	155,230	145,145
Other Accounts Receivable	334,996	339,091
Prepayments	31,043	26,711
Misc Current & Accrued Assets	0	0
Deferred Expenses	118,714	149,794
Deferred Income Taxes	21,594	22,887
Total Current Assets	<u>808,166</u>	<u>916,791</u>
Fixed Assets:		
Construction Work in Progress	802,905	630,507
Franchises	21,299	20,142
Land & Land Rights	76,185	76,185
Structures & Improvements	800,902	803,075
Wells & Springs	572,519	554,709
Supply Mains	18,724	18,724
Pumping Equipment	1,086,943	1,083,261
Water Treatment Equipment	433,001	427,715
Distribution Reserves & Standpipes	1,473,531	1,476,399
Transmission & Distribution Mains	4,851,590	4,828,152
Services	1,806,321	1,780,415
Meters & Meter Installation	884,876	838,263
Hydrants	110,056	110,056
Other Plant (Hydrology Study)	303,311	0
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	103,444	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	78,153	72,611
Less: Accumulated Depreciation	<u>(3,720,038)</u>	<u>(3,370,891)</u>
Total Fixed Assets	<u>9,707,068</u>	<u>9,434,619</u>
Total Assets	<u><u>10,515,234</u></u>	<u><u>10,351,410</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

July 31, 2011

LIABILITIES

	<u>7/31/11</u>	<u>7/31/10</u>
Current Liabilities:		
Accounts Payable	29,011	8,128
Accounts Payable to Associated Companies	40,635	19,689
Customer Deposits	417	0
Accrued Taxes	1,001	920
Accrued Expenses	34,473	32,660
Total Current Liabilities	<u>105,538</u>	<u>61,396</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,372,594	1,414,158
Notes Payable - State of NH (DWSRF)	2,211,696	2,261,977
Notes Payable - Outside Parties	186,729	188,188
Notes Payables - Lewis Builders	1,023,316	711,199
Accum Deferred Inc Tax - Liberalized Dep'n	4,315	1,684
Total Long-Term Liabilities	<u>4,798,650</u>	<u>4,577,206</u>
Contributions in Aid of Construction:		
CIAC	6,966,458	6,969,799
Accumulated Amortization of CIAC	<u>(2,292,154)</u>	<u>(2,109,080)</u>
Total CIAC	<u>4,674,304</u>	<u>4,860,720</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,259,624)	(1,428,401)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	75,245	159,369
Stockholders' Equity	<u>936,742</u>	<u>852,088</u>
Total Liabilities and Stockholders' Equity	<u><u>10,515,234</u></u>	<u><u>10,351,410</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

SUMMARY INCOME STATEMENT

FOR THE SEVEN MONTHS ENDING JULY 31, 2011 AND 2010

	Month of July-11	Year-To-Date 7/31/11		Month of July-10	Year-To-Date 7/31/10		Increase (Decrease)
Total Revenue	179,015	937,243	100%	165,452	887,851	100%	49,392
Net Depreciation & CIAC	18,819	131,732		18,762	121,336		10,396
Property Taxes	14,836	104,185		11,815	82,705		21,479
Other Taxes	320	1,570		211	1,834		(264)
Labor on Outside Jobs	608	9,220		1,021	8,497		723
Well Expenses	205	7,054		818	2,782		4,272
Power Purchased for Pumping	14,229	92,481		18,535	111,864		(19,383)
Pumping Expenses	4,894	34,664		7,129	36,362		(1,698)
Chemicals	991	4,685		849	5,560		(875)
Treatment Expense (Filters)	12,089	45,694		6,719	42,584		3,109
Transm & Distribution Exp (Mains)	1,870	9,110		666	6,488		2,622
Meter Expenses & Customer Installations	5,228	14,624		3,697	11,423		3,201
Maintenance of Storage Tanks	0	271		58	210		61
Maintenance of Services	331	6,398		851	9,179		(2,781)
Maintenance of Hydrants	0	50		0	0		50
Meter Reading Expenses	200	3,086		572	2,878		208
Customer Records & Collections	5,809	33,411		7,020	36,774		(3,363)
Uncollectable Accounts	0	0		0	0		0
Administrative & General Salaries	1,486	10,112		1,232	11,439		(1,327)
Office Supplies & Other Expenses	1,171	22,336		1,467	26,451		(4,114)
Outside Services - Engineering	5,761	29,040		2,119	22,714		6,325
Outside Services - Management Fees	9,167	64,167		9,167	64,167		0
Outside Services - Accounting	2,448	23,106		1,249	20,052		3,053
Outside Services - Legal	3,138	12,948		889	8,048		4,900
Injuries & Damages (Insurance Expense)	1,588	10,521		2,642	14,140		(3,620)
Employee Pensions & Benefits	4,751	31,753		5,369	29,331		2,422
Franchise Requirements	0	3,270		0	3,170		100
Misc General Expenses	19	(724)		(53)	84		(807)
Misc Expenses - Vehicle Expenses	1,565	12,679		1,142	11,469		1,210
General Rents	1,408	9,858		1,408	9,858		0
Total Expenses	112,933	727,302	78%	105,352	701,400	79%	25,902
Net Operating Income	66,083	209,940	22%	60,099	186,451	21%	23,490
Rate Case Recovery Fees	40	373		13,499	115,880		(115,507)
Regulatory Commission Expenses	0	(2,780)		(4,267)	(53,371)		(50,591)
Interest Expense	(17,669)	(132,288)		(12,627)	(89,591)		42,697
Misc Nonutility Expenses	0	(0)		0	0		0
Net Income (Loss)	48,453	75,245	8%	56,705	159,369	18%	(84,124)
Gallons Sold	21,429,417	100,540,810		20,193,307	101,785,842		(1,245,032)
Average Gallons Sold Per Day	695,491			641,973			53,518

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

August 31, 2011

ASSETS

	<u>8/31/11</u>	<u>8/31/10</u>
Current Assets:		
Cash	37,582	199,926
Accounts Receivable	107,991	104,886
Accrued Metered Revenue	132,755	127,387
Other Accounts Receivable	323,955	339,091
Prepayments	20,405	17,188
Misc Current & Accrued Assets	0	0
Deferred Expenses	120,024	147,514
Deferred Income Taxes	21,486	22,779
Total Current Assets	<u>764,197</u>	<u>958,771</u>
Fixed Assets:		
Construction Work in Progress	798,862	623,169
Franchises	21,299	20,142
Land & Land Rights	76,185	76,185
Structures & Improvements	800,902	803,075
Wells & Springs	572,519	554,709
Supply Mains	18,724	18,724
Pumping Equipment	1,086,943	1,083,261
Water Treatment Equipment	433,001	427,715
Distribution Reserves & Standpipes	1,473,531	1,476,399
Transmission & Distribution Mains	4,851,590	4,828,152
Services	1,806,321	1,780,415
Meters & Meter Installation	891,901	844,691
Hydrants	110,056	110,056
Other Plant (Hydrology Study)	303,311	0
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	103,444	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	78,153	72,611
Less: Accumulated Depreciation	<u>(3,753,038)</u>	<u>(3,403,891)</u>
Total Fixed Assets	<u>9,677,051</u>	<u>9,400,710</u>
Total Assets	<u><u>10,441,248</u></u>	<u><u>10,359,481</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

August 31, 2011

LIABILITIES

	<u>8/31/11</u>	<u>8/31/10</u>
Current Liabilities:		
Accounts Payable	(4,322)	3,854
Accounts Payable to Associated Companies	23,852	13,309
Customer Deposits	1,160	0
Accrued Taxes	1,001	920
Accrued Expenses	33,093	31,711
Total Current Liabilities	<u>54,785</u>	<u>49,794</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,369,153	1,410,936
Notes Payable - State of NH (DWSRF)	2,204,018	2,257,755
Notes Payable - Outside Parties	185,862	186,744
Notes Payables - Lewis Builders	1,021,184	710,657
Accum Deferred Inc Tax - Liberalized Dep'n	4,315	1,684
Total Long-Term Liabilities	<u>4,784,531</u>	<u>4,567,775</u>
Contributions in Aid of Construction:		
CIAC	6,966,458	6,969,799
Accumulated Amortization of CIAC	(2,307,154)	(2,124,080)
Total CIAC	<u>4,659,304</u>	<u>4,845,720</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,259,624)	(1,428,401)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	81,131	203,473
Stockholders' Equity	<u>942,628</u>	<u>896,193</u>
Total Liabilities and Stockholders' Equity	<u><u>10,441,248</u></u>	<u><u>10,359,481</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.
SUMMARY INCOME STATEMENT
FOR THE EIGHT MONTHS ENDING AUGUST 31, 2011 AND 2010

	Month of Aug-11	Year-To-Date 8/31/11		Month of Aug-10	Year-To-Date 8/31/10		Increase (Decrease)
Total Revenue	143,051	1,080,293	100%	140,389	1,028,240	100%	52,053
Net Depreciation & CIAC	18,819	150,551		18,762	140,098		10,453
Property Taxes	14,836	119,021		11,815	94,520		24,500
Other Taxes	108	1,678		108	1,942		(264)
Labor on Outside Jobs	560	9,780		1,440	9,937		(157)
Well Expenses	152	7,206		0	2,782		4,424
Power Purchased for Pumping	17,105	109,587		16,189	128,053		(18,467)
Pumping Expenses	5,064	39,728		5,495	41,856		(2,128)
Chemicals	1,039	5,724		127	5,687		37
Treatment Expense (Filters)	5,631	51,324		4,367	46,952		4,373
Transm & Distribution Exp (Mains)	1,038	10,148		1,655	8,143		2,005
Meter Expenses & Customer Installations	5,881	20,505		1,045	12,468		8,037
Maintenance of Storage Tanks	0	271		15	225		46
Maintenance of Services	2,017	8,415		149	9,327		(913)
Maintenance of Hydrants	40	90		0	0		90
Meter Reading Expenses	496	3,582		643	3,521		62
Customer Records & Collections	5,236	38,648		5,775	42,549		(3,901)
Uncollectable Accounts	0	0		0	0		0
Administrative & General Salaries	2,350	12,462		1,003	12,442		20
Office Supplies & Other Expenses	5,844	28,181		1,105	27,555		625
Outside Services - Engineering	8,422	37,462		638	23,352		14,110
Outside Services - Management Fees	9,167	73,333		9,167	73,333		0
Outside Services - Accounting	1,952	25,057		1,455	21,507		3,550
Outside Services - Legal	1,799	14,747		963	9,011		5,736
Injuries & Damages (Insurance Expense)	3,865	14,386		1,425	15,565		(1,179)
Employee Pensions & Benefits	4,138	35,891		5,097	34,427		1,463
Franchise Requirements	0	3,270		0	3,170		100
Misc General Expenses	(3)	(727)		0	84		(810)
Misc Expenses - Vehicle Expenses	1,560	14,239		1,608	13,077		1,162
General Rents	1,408	11,267		1,408	11,267		0
Total Expenses	118,524	845,826	78%	91,450	792,851	77%	52,975
Net Operating Income	24,527	234,467	22%	48,939	235,390	23%	(922)
Rate Case Recovery Fees	64	437		13,465	129,345		(128,908)
Regulatory Commission Expenses	(843)	(3,623)		(4,939)	(58,310)		(54,687)
Interest Expense	(17,862)	(150,150)		(13,361)	(102,952)		47,198
Misc Nonutility Expenses	0	(0)		0	0		0
Net Income (Loss)	5,886	81,131	8%	44,104	203,473	20%	(122,342)
Gallons Sold	18,732,514	119,273,324		15,542,425	117,328,267		1,945,057
Average Gallons Sold Per Day	603,985			534,046			69,939

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET
September 30, 2011

ASSETS

	<u>9/30/11</u>	<u>9/30/10</u>
Current Assets:		
Cash	229,056	264,125
Accounts Receivable	117,159	75,852
Accrued Metered Revenue	110,842	128,828
Other Accounts Receivable	323,955	339,091
Prepayments	16,566	15,718
Misc Current & Accrued Assets	0	0
Deferred Expenses	126,261	143,861
Deferred Income Taxes	21,378	22,671
Total Current Assets	<u>945,217</u>	<u>990,147</u>
Fixed Assets:		
Construction Work in Progress	340,183	639,418
Franchises	21,299	20,142
Land & Land Rights	76,185	76,185
Structures & Improvements	944,344	803,075
Wells & Springs	696,995	554,709
Supply Mains	34,702	18,724
Pumping Equipment	1,150,361	1,083,261
Water Treatment Equipment	474,228	427,715
Distribution Reserves & Standpipes	1,539,303	1,476,399
Transmission & Distribution Mains	4,875,275	4,830,678
Services	1,812,974	1,786,919
Meters & Meter Installation	897,351	856,091
Hydrants	118,556	110,056
Other Plant (Hydrology Study)	303,311	0
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	103,444	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	78,153	72,611
Less: Accumulated Depreciation	<u>(3,786,038)</u>	<u>(3,436,891)</u>
Total Fixed Assets	<u>9,683,972</u>	<u>9,404,389</u>
Total Assets	<u><u>10,629,189</u></u>	<u><u>10,394,536</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET
September 30, 2011

LIABILITIES

	<u>9/30/11</u>	<u>9/30/10</u>
Current Liabilities:		
Accounts Payable	26,090	17,497
Accounts Payable to Associated Companies	31,510	13,699
Customer Deposits	1,288	0
Accrued Taxes	1,001	920
Accrued Expenses	29,432	30,319
Total Current Liabilities	<u>89,321</u>	<u>62,434</u>
Long-Term Liabilities:		
Note Payable - TD Bank	2,562,254	1,407,695
Notes Payable - State of NH (DWSRF)	2,196,320	2,253,521
Notes Payable - Outside Parties	134,475	182,596
Notes Payables - Lewis Builders	40,000	710,111
Accum Deferred Inc Tax - Liberalized Dep'n	4,315	1,684
Total Long-Term Liabilities	<u>4,937,364</u>	<u>4,555,608</u>
Contributions in Aid of Construction:		
CIAC	6,974,958	6,969,799
Accumulated Amortization of CIAC	(2,322,154)	(2,139,080)
Total CIAC	<u>4,652,804</u>	<u>4,830,720</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,259,624)	(1,428,401)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	88,203	253,055
Stockholders' Equity	<u>949,699</u>	<u>945,774</u>
Total Liabilities and Stockholders' Equity	<u><u>10,629,189</u></u>	<u><u>10,394,536</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.
SUMMARY INCOME STATEMENT
FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2011 AND 2010

	Month of Sep-11	Year-To-Date 9/30/11		Month of Sep-10	Year-To-Date 9/30/10		Increase (Decrease)
Total Revenue	140,709	1,221,002	100%	138,074	1,166,314	100%	54,689
Net Depreciation & CIAC	18,819	169,370		18,762	158,861		10,509
Property Taxes	14,836	133,857		11,815	106,335		27,522
Other Taxes	108	1,786		108	2,050		(264)
Labor on Outside Jobs	1,196	10,976		739	10,676		300
Well Expenses	475	7,681		0	2,782		4,899
Power Purchased for Pumping	13,787	123,373		15,028	143,082		(19,708)
Pumping Expenses	2,460	42,188		837	42,694		(506)
Chemicals	991	6,715		453	6,140		575
Treatment Expense (Filters)	6,311	57,635		5,866	52,817		4,818
Transm & Distribution Exp (Mains)	1,108	11,256		1,740	9,883		1,373
Meter Expenses & Customer Installations	2,078	22,584		(3,552)	8,916		13,668
Maintenance of Storage Tanks	0	271		0	225		46
Maintenance of Services	1,247	9,662		1,164	10,492		(830)
Maintenance of Hydrants	74	164		0	0		164
Meter Reading Expenses	447	4,029		471	3,992		37
Customer Records & Collections	6,028	44,676		5,138	47,687		(3,011)
Uncollectable Accounts	0	0		0	0		0
Administrative & General Salaries	1,819	14,281		1,323	13,765		516
Office Supplies & Other Expenses	1,186	29,367		1,359	28,915		452
Outside Services - Engineering	10,258	47,720		1,092	24,444		23,276
Outside Services - Management Fees	9,167	82,500		9,167	82,500		0
Outside Services - Accounting	1,837	26,895		1,129	22,636		4,258
Outside Services - Legal	1,979	16,726		1,219	10,230		6,496
Injuries & Damages (Insurance Expense)	3,107	17,492		1,428	16,993		499
Employee Pensions & Benefits	4,766	40,657		4,737	39,164		1,493
Franchise Requirements	0	3,270		0	3,170		100
Misc General Expenses	96	(631)		0	84		(714)
Misc Expenses - Vehicle Expenses	1,723	15,963		1,411	14,488		1,474
General Rents	1,408	12,675		1,408	12,675		0
Total Expenses	107,310	953,136	78%	82,842	875,693	75%	77,443
Net Operating Income	33,399	267,867	22%	55,231	290,621	25%	(22,754)
Rate Case Recovery Fees	12	449		13,426	142,771		(142,322)
Regulatory Commission Expenses	0	(3,623)		(4,267)	(62,576)		(58,953)
Interest Expense	(26,339)	(176,490)		(14,809)	(117,761)		58,729
Misc Nonutility Expenses	0	(0)		0	0		0
Net Income (Loss)	7,072	88,203	7%	49,582	253,055	22%	(164,852)
Gallons Sold	14,149,569	133,422,893		16,416,867	133,745,134		(322,241)
Average Gallons Sold Per Day	479,764			520,789			(41,025)

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

October 31, 2011

ASSETS

	<u>10/31/11</u>	<u>10/31/10</u>
Current Assets:		
Cash	249,305	252,346
Accounts Receivable	79,983	106,447
Accrued Metered Revenue	105,876	102,725
Other Accounts Receivable	323,955	339,091
Prepayments	17,381	17,007
Misc Current & Accrued Assets	(5)	0
Deferred Expenses	127,734	142,915
Deferred Income Taxes	21,271	22,564
Total Current Assets	<u>925,500</u>	<u>983,095</u>
Fixed Assets:		
Construction Work in Progress	348,302	645,801
Franchises	21,299	20,142
Land & Land Rights	76,185	76,185
Structures & Improvements	944,344	803,075
Wells & Springs	696,995	554,709
Supply Mains	34,702	18,724
Pumping Equipment	1,152,478	1,089,109
Water Treatment Equipment	483,508	427,715
Distribution Reserves & Standpipes	1,539,303	1,476,399
Transmission & Distribution Mains	4,875,275	4,830,678
Services	1,815,088	1,789,472
Meters & Meter Installation	904,451	865,991
Hydrants	118,556	110,056
Other Plant (Hydrology Study)	303,311	0
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	103,444	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	78,153	72,611
Less: Accumulated Depreciation	<u>(3,819,038)</u>	<u>(3,469,891)</u>
Total Fixed Assets	<u>9,679,702</u>	<u>9,396,073</u>
Total Assets	<u><u>10,605,201</u></u>	<u><u>10,379,168</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

October 31, 2011

LIABILITIES

	<u>10/31/11</u>	<u>10/31/10</u>
Current Liabilities:		
Accounts Payable	32,713	13,917
Accounts Payable to Associated Companies	37,346	18,792
Customer Deposits	1,445	0
Accrued Taxes	15,837	11,184
Accrued Expenses	27,801	28,828
Total Current Liabilities	<u>115,141</u>	<u>72,721</u>
Long-Term Liabilities:		
Note Payable - TD Bank	2,555,627	1,404,193
Notes Payable - State of NH (DWSRF)	2,188,602	2,249,276
Notes Payable - Outside Parties	134,076	181,145
Notes Payables - Lewis Builders	40,000	709,152
Accum Deferred Inc Tax - Liberalized Dep'n	4,315	1,684
Total Long-Term Liabilities	<u>4,922,621</u>	<u>4,545,449</u>
Contributions in Aid of Construction:		
CIAC	6,974,958	6,969,799
Accumulated Amortization of CIAC	(2,337,154)	(2,154,080)
Total CIAC	<u>4,637,804</u>	<u>4,815,720</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,259,624)	(1,428,401)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	68,138	252,559
Stockholders' Equity	<u>929,635</u>	<u>945,278</u>
Total Liabilities and Stockholders' Equity	<u><u>10,605,201</u></u>	<u><u>10,379,168</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.
SUMMARY INCOME STATEMENT
FOR THE TEN MONTHS ENDING OCTOBER 31, 2011 AND 2010

	<u>Month of Oct-11</u>	<u>Year-To-Date 10/31/11</u>		<u>Month of Oct-10</u>	<u>Year-To-Date 10/31/10</u>		<u>Increase (Decrease)</u>
Total Revenue	104,473	1,325,475	100%	121,816	1,288,130	100%	37,345
Net Depreciation & CIAC	18,819	188,189		18,762	177,623		10,566
Property Taxes	14,836	148,693		10,895	117,231		31,463
Other Taxes	108	1,893		108	2,158		(264)
Labor on Outside Jobs	759	11,735		1,159	11,835		(100)
Well Expenses	785	8,465		300	3,081		5,384
Power Purchased for Pumping	13,230	136,603		13,905	156,987		(20,383)
Pumping Expenses	2,202	44,390		3,043	45,736		(1,347)
Chemicals	991	7,706		829	6,968		738
Treatment Expense (Filters)	11,911	69,547		12,430	65,248		4,299
Transm & Distribution Exp (Mains)	679	11,935		788	10,671		1,264
Meter Expenses & Customer Installations	1,105	23,689		861	9,777		13,911
Maintenance of Storage Tanks	0	271		0	225		46
Maintenance of Services	832	10,494		1,869	12,361		(1,867)
Maintenance of Hydrants	73	237		0	0		237
Meter Reading Expenses	154	4,183		564	4,556		(373)
Customer Records & Collections	5,020	49,696		6,322	54,008		(4,313)
Uncollectable Accounts	0	0		0	0		0
Administrative & General Salaries	1,435	15,716		2,285	16,050		(334)
Office Supplies & Other Expenses	5,302	34,669		11,435	40,349		(5,681)
Outside Services - Engineering	5,436	53,155		2,310	26,754		26,401
Outside Services - Management Fees	9,167	91,667		9,167	91,667		0
Outside Services - Accounting	3,108	30,003		2,601	25,237		4,766
Outside Services - Legal	1,227	17,953		572	10,802		7,151
Injuries & Damages (Insurance Expense)	3,393	20,885		1,527	18,520		2,365
Employee Pensions & Benefits	3,759	44,416		3,658	42,822		1,594
Franchise Requirements	0	3,270		0	3,170		100
Misc General Expenses	(16)	(647)		(72)	11		(658)
Misc Expenses - Vehicle Expenses	1,487	17,449		904	15,392		2,057
General Rents	1,408	14,083		1,408	14,083		0
Total Expenses	107,209	1,060,345	80%	107,630	983,323	76%	77,022
Net Operating Income	(2,736)	265,130	20%	14,186	304,807	24%	(39,677)
Rate Case Recovery Fees	3	452		335	143,106		(142,654)
Regulatory Commission Expenses	(1,548)	(5,171)		(1,040)	(63,616)		(58,445)
Interest Expense	(15,783)	(192,273)		(13,977)	(131,738)		60,535
Misc Nonutility Expenses	0	(0)		0	0		0
Net Income (Loss)	(20,065)	68,138	5%	(496)	252,559	20%	(184,420)
Gallons Sold	12,535,975	145,958,868		13,109,561	146,854,695		(895,827)
Average Gallons Sold Per Day	400,352			426,156			(25,804)

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET
November 30, 2011

ASSETS

	<u>11/30/11</u>	<u>11/30/10</u>
Current Assets:		
Cash	158,131	256,701
Accounts Receivable	77,932	66,795
Accrued Metered Revenue	97,556	102,217
Other Accounts Receivable	323,955	339,091
Prepayments	55,803	43,936
Misc Current & Accrued Assets	0	0
Deferred Expenses	131,445	129,548
Deferred Income Taxes	21,163	22,456
Total Current Assets	<u>865,984</u>	<u>960,744</u>
Fixed Assets:		
Construction Work in Progress	351,344	654,991
Franchises	21,299	20,142
Land & Land Rights	76,185	76,185
Structures & Improvements	939,122	803,075
Wells & Springs	696,995	554,709
Supply Mains	34,702	18,724
Pumping Equipment	1,152,478	1,090,534
Water Treatment Equipment	483,508	427,715
Distribution Reserves & Standpipes	1,539,303	1,476,399
Transmission & Distribution Mains	4,885,286	4,832,841
Services	1,815,088	1,789,472
Meters & Meter Installation	907,076	874,433
Hydrants	118,556	110,056
Other Plant (Hydrology Study)	303,311	0
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	103,444	113,826
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	78,153	72,611
Less: Accumulated Depreciation	<u>(3,852,038)</u>	<u>(3,502,891)</u>
Total Fixed Assets	<u>9,657,157</u>	<u>9,416,168</u>
Total Assets	<u><u>10,523,140</u></u>	<u><u>10,376,911</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET
November 30, 2011

LIABILITIES

	<u>11/30/11</u>	<u>11/30/10</u>
Current Liabilities:		
Accounts Payable	50,765	44,559
Accounts Payable to Associated Companies	34,858	21,639
Customer Deposits	1,480	0
Accrued Taxes	1,001	0
Accrued Expenses	26,172	27,548
Total Current Liabilities	<u>114,276</u>	<u>93,746</u>
Long-Term Liabilities:		
Note Payable - TD Bank	2,548,683	1,400,919
Notes Payable - State of NH (DWSRF)	2,180,865	2,245,018
Notes Payable - Outside Parties	133,194	209,498
Notes Payables - Lewis Builders	0	708,189
Accum Deferred Inc Tax - Liberalized Dep'n	4,315	1,684
Total Long-Term Liabilities	<u>4,867,057</u>	<u>4,565,308</u>
Contributions in Aid of Construction:		
CIAC	6,974,958	6,969,799
Accumulated Amortization of CIAC	(2,352,154)	(2,169,080)
Total CIAC	<u>4,622,804</u>	<u>4,800,720</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,259,624)	(1,428,401)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	57,506	224,418
Stockholders' Equity	<u>919,003</u>	<u>917,137</u>
Total Liabilities and Stockholders' Equity	<u><u>10,523,140</u></u>	<u><u>10,376,911</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.
SUMMARY INCOME STATEMENT
FOR THE ELEVEN MONTHS ENDING NOVEMBER 30, 2011 AND 2010

	Month of Nov-11	Year-To-Date 11/30/11		Month of Nov-10	Year-To-Date 11/30/10		Increase (Decrease)
Total Revenue	115,055	1,440,530	100%	101,876	1,390,006	100%	50,524
Net Depreciation & CIAC	18,819	207,008		18,762	196,385		10,623
Property Taxes	27,457	176,150		39,278	156,508		19,642
Other Taxes	108	2,001		108	2,265		(264)
Labor on Outside Jobs	1,899	13,634		1,008	12,843		791
Well Expenses	319	8,785		319	3,400		5,385
Power Purchased for Pumping	11,131	147,735		11,472	168,458		(20,724)
Pumping Expenses	3,436	47,826		(3,206)	42,530		5,296
Chemicals	991	8,697		434	7,403		1,295
Treatment Expense (Filters)	4,947	74,494		4,233	69,481		5,012
Transm & Distribution Exp (Mains)	1,913	13,848		2,089	12,760		1,088
Meter Expenses & Customer Installations	833	24,521		1,465	11,242		13,279
Maintenance of Storage Tanks	0	271		95	320		(50)
Maintenance of Services	121	10,615		1,825	14,186		(3,571)
Maintenance of Hydrants	183	420		198	198		222
Meter Reading Expenses	186	4,370		347	4,904		(534)
Customer Records & Collections	4,477	54,173		5,711	59,719		(5,547)
Uncollectable Accounts	0	0		0	0		0
Administrative & General Salaries	1,083	16,799		1,503	17,553		(753)
Office Supplies & Other Expenses	1,092	35,761		1,385	41,734		(5,974)
Outside Services - Engineering	6,736	59,892		3,014	29,767		30,124
Outside Services - Management Fees	9,167	100,833		9,167	100,833		0
Outside Services - Accounting	1,940	31,943		8,013	33,250		(1,307)
Outside Services - Legal	1,063	19,016		826	11,628		7,388
Injuries & Damages (Insurance Expense)	1,795	22,680		1,435	19,955		2,725
Employee Pensions & Benefits	4,603	49,019		3,513	46,335		2,684
Franchise Requirements	0	3,270		0	3,170		100
Misc General Expenses	360	(287)		483	494		(781)
Misc Expenses - Vehicle Expenses	3,877	21,326		1,305	16,698		4,629
General Rents	1,408	15,492		1,408	15,492		0
Total Expenses	109,945	1,170,291	81%	116,190	1,099,513	79%	70,777
Net Operating Income	5,109	270,240	19%	(14,315)	290,493	21%	(20,253)
Rate Case Recovery Fees	30	482		7,832	150,938		(150,456)
Regulatory Commission Expenses	0	(5,171)		(7,472)	(71,088)		(65,917)
Interest Expense	(15,771)	(208,044)		(4,187)	(145,925)		62,119
Misc Nonutility Expenses	0	(0)		0	0		0
Net Income (Loss)	(10,632)	57,506	4%	(18,141)	224,418	16%	(166,912)
Gallons Sold	11,634,512	157,593,380		11,672,430	158,527,125		(933,745)
Average Gallons Sold Per Day	381,745			386,200			(4,455)

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

December 31, 2011

ASSETS

	<u>12/31/11</u>	<u>12/31/10</u>
Current Assets:		
Cash	124,053	204,641
Accounts Receivable	62,976	64,894
Accrued Metered Revenue	103,408	101,805
Other Accounts Receivable	323,955	339,091
Prepayments	57,599	44,061
Misc Current & Accrued Assets	0	0
Deferred Expenses	139,716	124,536
Deferred Income Taxes	21,055	22,348
Total Current Assets	<u>832,762</u>	<u>901,376</u>
Fixed Assets:		
Construction Work in Progress	171,830	338,759
Franchises	21,299	21,299
Land & Land Rights	76,185	76,185
Structures & Improvements	964,915	800,902
Wells & Springs	739,699	572,519
Supply Mains	35,138	18,724
Pumping Equipment	1,168,133	1,074,644
Water Treatment Equipment	522,730	431,138
Distribution Reserves & Standpipes	1,539,303	1,473,531
Transmission & Distribution Mains	4,953,918	4,843,108
Services	1,817,517	1,800,753
Meters & Meter Installation	899,773	864,176
Hydrants	118,556	110,056
Other Plant (Hydrology Study)	303,311	303,311
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	103,444	115,119
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	78,153	78,836
Less: Accumulated Depreciation	<u>(3,892,154)</u>	<u>(3,508,268)</u>
Total Fixed Assets	<u>9,625,096</u>	<u>9,418,138</u>
Total Assets	<u><u>10,457,857</u></u>	<u><u>10,319,514</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

December 31, 2011

LIABILITIES

	<u>12/31/11</u>	<u>12/31/10</u>
Current Liabilities:		
Accounts Payable	34,793	32,233
Accounts Payable to Associated Companies	39,212	80,109
Customer Deposits	1,580	0
Accrued Taxes	4,063	185
Accrued Expenses	22,551	22,569
Total Current Liabilities	<u>102,199</u>	<u>135,096</u>
Long-Term Liabilities:		
Note Payable - TD Bank	2,542,004	1,397,381
Notes Payable - State of NH (DWSRF)	2,173,107	2,240,749
Notes Payable - Outside Parties	123,538	195,039
Notes Payables - Lewis Builders	0	706,133
Accum Deferred Inc Tax - Liberalized Dep'n	8,522	4,315
Total Long-Term Liabilities	<u>4,847,171</u>	<u>4,543,617</u>
Contributions in Aid of Construction:		
CIAC	6,981,120	6,966,458
Accumulated Amortization of CIAC	<u>(2,361,039)</u>	<u>(2,187,154)</u>
Total CIAC	<u>4,620,082</u>	<u>4,779,304</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,259,624)	(1,428,401)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	26,909	168,777
Stockholders' Equity	<u>888,405</u>	<u>861,497</u>
Total Liabilities and Stockholders' Equity	<u><u>10,457,857</u></u>	<u><u>10,319,514</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

SUMMARY INCOME STATEMENT

FOR THE YEARS ENDING DECEMBER 31, 2011 AND 2010

	Month of Dec-11	Year-To-Date 12/31/11	Month of Dec-10	Year-To-Date 12/31/10	Increase (Decrease)
Total Revenue	120,273	1,560,803	118,220	1,508,226	52,577
Net Depreciation & CIAC	39,125	246,133	22,990	219,376	26,757
Property Taxes	11,725	187,875	15,090	171,598	16,277
Other Taxes	7,364	9,365	5,477	7,742	1,623
Labor on Outside Jobs	1,534	15,168	350	13,193	1,975
Well Expenses	321	9,106	124	3,524	5,581
Power Purchased for Pumping	11,539	159,273	14,100	182,558	(23,284)
Pumping Expenses	3,473	51,300	10,482	53,012	(1,713)
Chemicals	496	9,193	849	8,251	942
Treatment Expense (Filters)	6,843	81,337	5,964	75,445	5,892
Transm & Distribution Exp (Mains)	3,791	17,639	2,493	15,253	2,386
Meter Expenses & Customer Installations	5,670	30,191	12,945	24,187	6,004
Maintenance of Storage Tanks	0	271	4,068	4,389	(4,118)
Maintenance of Services	987	11,602	2,412	16,598	(4,997)
Maintenance of Hydrants	0	420	0	198	222
Meter Reading Expenses	445	4,814	403	5,307	(492)
Customer Records & Collections	5,313	59,486	5,250	64,970	(5,484)
Uncollectable Accounts	2,110	2,110	9,541	9,541	(7,431)
Administrative & General Salaries	1,526	18,325	1,446	18,999	(674)
Office Supplies & Other Expenses	1,080	36,841	866	42,600	(5,759)
Outside Services - Engineering	4,720	64,612	4,023	33,791	30,821
Outside Services - Management Fees	9,167	110,000	10,575	111,408	(1,408)
Outside Services - Accounting	1,978	33,921	1,550	34,801	(879)
Outside Services - Legal	671	19,686	1,082	12,710	6,976
Injuries & Damages (Insurance Expense)	2,874	25,554	2,205	22,159	3,394
Employee Pensions & Benefits	5,431	54,450	5,555	51,890	2,561
Franchise Requirements	0	3,270	0	3,170	100
Misc General Expenses	28	(259)	(7)	487	(747)
Misc Expenses - Vehicle Expenses	1,439	22,765	2,681	19,378	3,387
General Rents	1,408	16,900	0	15,492	1,408
Total Expenses	131,057	1,301,347	142,513	1,242,026	59,321
Net Operating Income	(10,784)	259,456	(24,293)	266,199	(6,743)
Rate Case Recovery Fees	26	508	2,564	153,502	(152,994)
Regulatory Commission Expenses	(0)	(5,171)	(2,717)	(73,805)	(68,634)
Interest Expense	(19,840)	(227,884)	(31,195)	(177,120)	50,765
Misc Nonutility Expenses	0	0	0	0	0
Net Income (Loss)	(30,597)	26,909	(55,641)	168,777	(141,868)
Gallons Sold	10,970,441	168,563,821	11,312,095	169,839,220	(1,275,399)
Average Gallons Sold Per Day	385,072		387,111		(2,039)

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

January 31, 2010

ASSETS

	<u>1/31/10</u>
Current Assets:	
Cash	33,191
Accounts Receivable	96,427
Accrued Metered Revenue	107,903
Other Accounts Receivable	347,282
Prepayments	26,400
Misc Current & Accrued Assets	0
Deferred Expenses	192,664
Deferred Income Taxes	23,533
Total Current Assets	<u>827,400</u>
Fixed Assets:	
Construction Work in Progress	570,678
Franchises	20,142
Land & Land Rights	76,185
Structures & Improvements	803,075
Wells & Springs	556,848
Supply Mains	18,724
Pumping Equipment	1,070,194
Water Treatment Equipment	427,608
Distribution Reserves & Standpipes	1,473,531
Transmission & Distribution Mains	4,823,732
Services	1,770,365
Meters & Meter Installation	800,998
Hydrants	110,056
Office Furniture & Equipment	1,420
Transportation Equipment	81,950
Tools Shop and Garage Equipment	1,926
Computer Equipment	72,611
Less: Accumulated Depreciation	<u>(3,179,891)</u>
Total Fixed Assets	<u>9,500,152</u>
Total Assets	<u><u>10,327,551</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

January 31, 2010

LIABILITIES

	<u>1/31/10</u>
Current Liabilities:	
Accounts Payable	2,389
Accounts Payable to associated Companies	14,499
Customer Deposits	0
Accrued Taxes	408
Accrued Expenses	19,762
Total Current Liabilities	<u>37,057</u>
Long-Term Liabilities:	
Note Payable - TD Bank	1,434,352
Notes Payable - State of NH (DWSRF)	2,287,062
Notes Payable - Outside Parties	196,779
Notes Payables - Lewis Builders	712,858
Accum. Deferred Inc Tax	1,684
CIAC	6,969,799
Accumulated Amortization of CIAC	<u>(2,019,080)</u>
Total Long-Term Liabilities	<u>9,583,455</u>
Stockholders' Equity:	
Common Stock	20,100
Other paid in Capital	2,104,354
Retained earnings	(1,428,401)
Reacquired Capital Stock	(3,333)
Net Income (Loss)	14,320
Stockholders' Equity	<u>707,040</u>
Total Liabilities and Stockholders' Equity	<u><u>10,327,551</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.
INCOME STATEMENT
FOR THE MONTH ENDING JANUARY 31, 2010

Total Revenue	<u>121,347</u>
Net Depreciation & CIAC	15,762
Property Taxes	11,815
Other Taxes	108
Misc Nonutility Expenses	0
Interest Expense	13,078
Labor on Outside Jobs	1,419
Well Expenses	99
Power Purchased for Pumping	15,479
Pumping Expenses	5,982
Chemicals	656
Treatment Expense (Filters)	6,437
Transm & Distribution Exp (Mains)	522
Meter Expenses & Customer Installations	811
Maintenance of Storage Tanks	0
Maintenance of Services	409
Maintenance of Hydrants	0
Meter Reading Expenses	320
Customer Records & Collections	4,259
Uncollectable Accounts	0
Administrative & General Salaries	1,275
Office Supplies & Other Expenses	965
Outside Services - Engineering	1,035
Outside Services - Management Fees	9,167
Outside Services - Accounting	2,133
Outside Services - Legal	491
Injuries & Damages (Insurance Expense)	2,229
Employee Pensions & Benefits	4,654
Franchise Requirements	0
Regulatory Commission Expenses	5,275
Misc General Expenses	0
Misc Expenses - Vehicle Expenses	1,240
General Rents	1,408
Total Expenses	<u>107,027</u>
Net Income (Loss)	<u><u>14,320</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

February 28, 2010

ASSETS

	<u>2/28/10</u>
Current Assets:	
Cash	62,414
Accounts Receivable	95,636
Accrued Metered Revenue	90,641
Other Accounts Receivable	347,282
Prepayments	13,146
Misc Current & Accrued Assets	0
Deferred Expenses	187,080
Deferred Income Taxes	23,426
Total Current Assets	<u>819,624</u>
Fixed Assets:	
Construction Work in Progress	602,220
Franchises	20,142
Land & Land Rights	76,185
Structures & Improvements	803,075
Wells & Springs	554,695
Supply Mains	18,724
Pumping Equipment	1,070,194
Water Treatment Equipment	427,608
Distribution Reserves & Standpipes	1,473,531
Transmission & Distribution Mains	4,823,732
Services	1,770,365
Meters & Meter Installation	802,113
Hydrants	110,056
Office Furniture & Equipment	1,420
Transportation Equipment	81,950
Tools Shop and Garage Equipment	1,926
Computer Equipment	72,611
Less: Accumulated Depreciation	<u>(3,209,891)</u>
Total Fixed Assets	<u>9,500,655</u>
Total Assets	<u><u>10,320,279</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

February 28, 2010

LIABILITIES

	<u>2/28/10</u>
Current Liabilities:	
Accounts Payable	5,121
Accounts Payable to associated Companies	33,510
Customer Deposits	0
Accrued Taxes	759
Accrued Expenses	<u>17,822</u>
Total Current Liabilities	<u><u>57,212</u></u>
Long-Term Liabilities:	
Note Payable - TD Bank	1,431,240
Notes Payable - State of NH (DWSRF)	2,282,910
Notes Payable - Outside Parties	195,355
Notes Payables - Lewis Builders	712,585
Accum. Deferred inc Tax	1,684
CIAC	6,969,799
Accumulated Amortization of CIAC	<u>(2,034,080)</u>
Total Long-Term Liabilities	<u><u>9,559,494</u></u>
Stockholders' Equity:	
Common Stock	20,100
Other paid in Capital	2,104,354
Retained earnings	(1,428,401)
Reacquired Capital Stock	(3,333)
Net Income (Loss)	<u>10,854</u>
Stockholders' Equity	<u><u>703,574</u></u>
Total Liabilities and Stockholders' Equity	<u><u><u>10,320,279</u></u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

INCOME STATEMENT

FOR THE TWO MONTHS ENDING FEBRUARY 28, 2010

	Month of Feb. 2010	Year-To-Date 2/28/10
Total Revenue	108,125	229,472
Net Depreciation & CIAC	15,762	31,525
Property Taxes	11,815	23,630
Other Taxes	108	216
Misc Nonutility Expenses	0	0
Interest Expense	13,046	26,124
Labor on Outside Jobs	897	2,316
Well Expenses	206	305
Power Purchased for Pumping	13,906	29,385
Pumping Expenses	3,528	9,510
Chemicals	801	1,457
Treatment Expense (Filters)	3,993	10,430
Transm & Distribution Exp (Mains)	742	1,264
Meter Expenses & Customer Installations	2,572	3,384
Maintenance of Storage Tanks	92	92
Maintenance of Services	290	699
Maintenance of Hydrants	0	0
Meter Reading Expenses	213	533
Customer Records & Collections	4,613	8,872
Uncollectable Accounts	0	0
Administrative & General Salaries	2,455	3,729
Office Supplies & Other Expenses	4,616	5,581
Outside Services - Engineering	4,250	5,285
Outside Services - Management Fees	9,167	18,333
Outside Services - Accounting	6,245	8,378
Outside Services - Legal	0	491
Injuries & Damages (Insurance Expense)	2,160	4,389
Employee Pensions & Benefits	3,049	7,703
Franchise Requirements	0	0
Regulatory Commission Expenses	4,267	9,541
Misc General Expenses	223	223
Misc Expenses - Vehicle Expenses	1,169	2,408
General Rents	1,408	2,817
Total Expenses	111,592	218,618
Net Income (Loss)	(3,466)	10,854

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET March 31, 2010 and 2009

ASSETS

	<u>3/31/10</u>	<u>3/31/09</u>
Current Assets:		
Cash	78,644	31,463
Accounts Receivable	66,957	86,104
Accrued Metered Revenue	112,333	141,924
Other Accounts Receivable	347,282	0
Prepayments	10,010	16,663
Misc Current & Accrued Assets	0	0
Deferred Expenses	170,752	133,291
Deferred Income Taxes	23,318	24,611
Total Current Assets	<u>809,296</u>	<u>434,056</u>
Fixed Assets:		
Construction Work in Progress	608,790	499,827
Franchises	20,142	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	803,075	737,977
Wells & Springs	554,695	512,387
Supply Mains	18,724	17,481
Pumping Equipment	1,072,101	984,413
Water Treatment Equipment	427,608	409,077
Distribution Reserves & Standpipes	1,473,531	1,433,604
Transmission & Distribution Mains	4,823,732	3,730,127
Services	1,772,226	1,755,592
Meters & Meter Installation	804,754	784,883
Hydrants	110,056	80,056
Office Furniture & Equipment	1,420	0
Transportation Equipment	81,950	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	72,611
Less: Accumulated Depreciation	<u>(3,241,891)</u>	<u>(2,880,687)</u>
Total Fixed Assets	<u>9,481,635</u>	<u>8,308,172</u>
Total Assets	<u><u>10,290,931</u></u>	<u><u>8,742,228</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

March 31, 2010 and 2009

LIABILITIES

	<u>3/31/10</u>	<u>3/31/09</u>
Current Liabilities:		
Accounts Payable	5,715	69,220
Accounts Payable to associated Companies	19,784	1,198,040
Customer Deposits	0	0
Accrued Taxes	10,596	957
Accrued Expenses	16,426	66,495
Total Current Liabilities	<u>52,520</u>	<u>1,334,711</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,427,364	0
Notes Payable - State of NH (DWSRF)	2,278,747	1,273,628
Notes Payable - Outside Parties	193,929	171,114
Notes Payables - Lewis Builders	712,310	1,859,327
Accum. Deferred Inc Tax	1,684	0
CIAC	6,969,799	6,336,258
Accumulated Amortization of CIAC	<u>(2,049,080)</u>	<u>(1,868,357)</u>
Total Long-Term Liabilities	<u>9,534,753</u>	<u>7,771,971</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	1,113,401
Retained earnings	(1,428,401)	(1,427,987)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	10,938	(66,634)
Stockholders' Equity	<u>703,657</u>	<u>(364,454)</u>
Total Liabilities and Stockholders' Equity	<u><u>10,290,931</u></u>	<u><u>8,742,228</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.
SUMMARY INCOME STATEMENT
FOR THE THREE MONTHS ENDING MARCH 31, 2010 AND 2009

	<u>Month of</u> <u>Mar. 2010</u>	<u>Year-To-Date</u> <u>3/31/10</u>	<u>Year-To-Date</u> <u>3/31/09</u>	<u>Year-To-Date</u> <u>3/31/08</u>
Total Revenue	131,835	361,308	249,346	291,156
Net Depreciation & CIAC	17,762	49,287	43,769	41,054
Property Taxes	11,815	35,445	24,904	18,934
Other Taxes	108	323	323	323
Misc Nonutility Expenses	0	0	0	0
Interest Expense	12,266	38,390	34,366	42,156
Labor on Outside Jobs	283	2,599	436	5,249
Well Expenses	(78)	227	72	1,354
Power Purchased for Pumping	20,824	50,208	50,965	48,533
Pumping Expenses	4,734	14,244	15,925	27,726
Chemicals	695	2,152	2,404	1,815
Treatment Expense (Filters)	4,717	15,147	18,313	21,128
Transm & Distribution Exp (Mains)	1,486	2,750	7,246	2,782
Meter Expenses & Customer Installations	(1,640)	1,743	9,276	2,095
Maintenance of Storage Tanks	60	152	55	437
Maintenance of Services	2,035	2,733	7,757	1,792
Maintenance of Hydrants	0	0	20	46
Meter Reading Expenses	366	899	417	691
Customer Records & Collections	4,791	13,662	11,008	13,644
Uncollectable Accounts	0	0	0	0
Administrative & General Salaries	1,844	5,574	0	0
Office Supplies & Other Expenses	9,375	14,955	5,221	6,441
Outside Services - Engineering	3,980	9,265	12,216	4,702
Outside Services - Management Fees	9,167	27,500	27,500	27,500
Outside Services - Accounting	2,122	10,500	7,332	7,347
Outside Services - Legal	770	1,262	4,571	2,580
Injuries & Damages (Insurance Expense)	2,166	6,555	4,569	8,973
Employee Pensions & Benefits	4,147	11,850	13,850	15,532
Franchise Requirements	0	0	0	0
Regulatory Commission Expenses	15,011	24,552	2,067	910
Misc General Expenses	0	223	4,737	3,466
Misc Expenses - Vehicle Expenses	1,537	3,945	2,438	4,374
General Rents	1,408	4,225	4,225	4,225
Total Expenses	131,752	350,370	315,980	315,808
Net Income (Loss)	84	10,938	(66,634)	(24,653)

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

April 30, 2010

ASSETS

	<u>4/30/10</u>
Current Assets:	
Cash	64,940
Accounts Receivable	69,106
Accrued Metered Revenue	117,690
Other Accounts Receivable	347,282
Prepayments	12,496
Misc Current & Accrued Assets	0
Deferred Expenses	159,466
Deferred Income Taxes	23,210
Total Current Assets	<u>794,190</u>
Fixed Assets:	
Construction Work in Progress	610,660
Franchises	20,142
Land & Land Rights	76,185
Structures & Improvements	803,075
Wells & Springs	554,695
Supply Mains	18,724
Pumping Equipment	1,072,101
Water Treatment Equipment	427,608
Distribution Reserves & Standpipes	1,473,531
Transmission & Distribution Mains	4,825,501
Services	1,773,796
Meters & Meter Installation	805,515
Hydrants	110,056
Office Furniture & Equipment	1,420
Transportation Equipment	81,950
Tools Shop and Garage Equipment	1,926
Computer Equipment	72,611
Less: Accumulated Depreciation	<u>(3,273,891)</u>
Total Fixed Assets	<u>9,455,604</u>
Total Assets	<u><u>10,249,793</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

April 30, 2010

LIABILITIES

	<u>4/30/10</u>
Current Liabilities:	
Accounts Payable	10,682
Accounts Payable to Associated Companies	(3,484)
Customer Deposits	0
Accrued Taxes	12,688
Accrued Expenses	15,266
Total Current Liabilities	<u>35,153</u>
Long-Term Liabilities:	
Note Payable - TD Bank	1,424,211
Notes Payable - State of NH (DWSRF)	2,274,572
Notes Payable - Outside Parties	192,499
Notes Payables - Associated Companies	712,034
Accum Deferred Inc Tax - Liberalized Dep'n	1,684
Total Long-Term Liabilities	<u>4,605,000</u>
Contributions in Aid of Construction:	
CIAC	6,969,799
Accumulated Amortization of CIAC	<u>(2,064,080)</u>
Total CIAC	<u>4,905,720</u>
Stockholders' Equity:	
Common Stock	20,100
Other paid in Capital	2,104,354
Retained earnings	(1,428,401)
Reacquired Capital Stock	(3,333)
Net Income (Loss)	11,201
Stockholders' Equity	<u>703,921</u>
Total Liabilities and Stockholders' Equity	<u><u>10,249,793</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

SUMMARY INCOME STATEMENT

FOR THE FOUR MONTHS ENDING APRIL 30, 2010

	<u>Month of</u> <u>Apr. 2010</u>	<u>Year-To-Date</u> <u>4/30/10</u>
Total Revenue	<u>134,593</u>	<u>495,901</u>
Net Depreciation & CIAC	17,762	67,049
Property Taxes	11,815	47,260
Other Taxes	1,084	1,408
Misc Nonutility Expenses	0	0
Interest Expense	12,974	51,364
Labor on Outside Jobs	664	3,263
Well Expenses	888	1,115
Power Purchased for Pumping	13,379	63,587
Pumping Expenses	4,432	18,676
Chemicals	404	2,556
Treatment Expense (Filters)	8,621	23,767
Transm & Distribution Exp (Mains)	1,259	4,009
Meter Expenses & Customer Installations	2,866	4,609
Maintenance of Storage Tanks	0	152
Maintenance of Services	2,487	5,220
Maintenance of Hydrants	0	0
Meter Reading Expenses	509	1,408
Customer Records & Collections	6,255	19,917
Uncollectable Accounts	0	0
Administrative & General Salaries	2,582	8,155
Office Supplies & Other Expenses	1,028	15,983
Outside Services - Engineering	3,800	13,065
Outside Services - Management Fees	9,167	36,667
Outside Services - Accounting	5,704	16,204
Outside Services - Legal	2,096	3,358
Injuries & Damages (Insurance Expense)	1,891	8,446
Employee Pensions & Benefits	3,306	15,156
Franchise Requirements	0	0
Regulatory Commission Expenses	16,019	40,572
Misc General Expenses	(5)	218
Misc Expenses - Vehicle Expenses	1,936	5,881
General Rents	1,408	5,633
Total Expenses	<u>134,330</u>	<u>484,700</u>
Net Income (Loss)	<u>263</u>	<u>11,201</u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

May 31, 2010

ASSETS

	<u>5/31/10</u>
Current Assets:	
Cash	70,470
Accounts Receivable	78,547
Accrued Metered Revenue	139,031
Other Accounts Receivable	347,282
Prepayments	13,518
Misc Current & Accrued Assets	0
Deferred Expenses	154,844
Deferred Income Taxes	23,102
Total Current Assets	<u>826,793</u>
Fixed Assets:	
Construction Work in Progress	632,817
Franchises	20,142
Land & Land Rights	76,185
Structures & Improvements	803,075
Wells & Springs	554,709
Supply Mains	18,724
Pumping Equipment	1,076,429
Water Treatment Equipment	427,715
Distribution Reserves & Standpipes	1,473,531
Transmission & Distribution Mains	4,825,501
Services	1,773,796
Meters & Meter Installation	806,325
Hydrants	110,056
Office Furniture & Equipment	1,420
Transportation Equipment	81,950
Tools Shop and Garage Equipment	1,926
Computer Equipment	72,611
Less: Accumulated Depreciation	<u>(3,305,891)</u>
Total Fixed Assets	<u>9,451,021</u>
Total Assets	<u><u>10,277,814</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

May 31, 2010

LIABILITIES

	<u>5/31/10</u>
Current Liabilities:	
Accounts Payable	11,918
Accounts Payable to Associated Companies	(404)
Customer Deposits	0
Accrued Taxes	24,550
Accrued Expenses	14,317
Total Current Liabilities	<u>50,382</u>
Long-Term Liabilities:	
Note Payable - TD Bank	1,420,794
Notes Payable - State of NH (DWSRF)	2,270,385
Notes Payable - Outside Parties	191,066
Notes Payables - Lewis Builders	711,757
Accum Deferred Inc Tax - Liberalized Dep'n	1,684
Total Long-Term Liabilities	<u>4,595,687</u>
Contributions in Aid of Construction:	
CIAC	6,969,799
Accumulated Amortization of CIAC	(2,079,080)
Total CIAC	<u>4,890,720</u>
Stockholders' Equity:	
Common Stock	20,100
Other paid in Capital	2,104,354
Retained earnings	(1,428,401)
Reacquired Capital Stock	(3,333)
Net Income (Loss)	48,307
Stockholders' Equity	<u>741,026</u>
Total Liabilities and Stockholders' Equity	<u><u>10,277,814</u></u>

HAMPSTEAD AREA WATER COMPAN'
SUMMARY INCOME STATEMENT
FOR THE FIVE MONTHS ENDING MAY 31, 201

	<u>Month of</u> <u>May 2010</u>	<u>Year-To-Date</u> <u>5/31/10</u>
Total Revenue	<u>151,408</u>	<u>647,308</u>
Net Depreciation & CIAC	17,762	84,812
Property Taxes	11,815	59,075
Other Taxes	108	1,515
Misc Nonutility Expenses	0	0
Interest Expense	12,693	64,057
Labor on Outside Jobs	2,819	6,082
Well Expenses	51	1,166
Power Purchased for Pumping	13,534	77,120
Pumping Expenses	1,805	20,482
Chemicals	883	3,439
Treatment Expense (Filters)	4,444	28,212
Transm & Distribution Exp (Mains)	1,166	5,175
Meter Expenses & Customer Installations	1,007	5,616
Maintenance of Storage Tanks	0	152
Maintenance of Services	528	5,748
Maintenance of Hydrants	0	0
Meter Reading Expenses	421	1,829
Customer Records & Collections	4,902	24,819
Uncollectable Accounts	0	0
Administrative & General Salaries	1,376	9,532
Office Supplies & Other Expenses	8,127	24,111
Outside Services - Engineering	3,813	16,878
Outside Services - Management Fees	9,167	45,833
Outside Services - Accounting	1,826	18,030
Outside Services - Legal	2,091	5,450
Injuries & Damages (Insurance Expense)	1,446	9,892
Employee Pensions & Benefits	3,626	18,782
Franchise Requirements	0	0
Regulatory Commission Expenses	4,267	44,838
Misc General Expenses	(31)	186
Misc Expenses - Vehicle Expenses	3,246	9,127
General Rents	1,408	7,042
Total Expenses	<u>114,302</u>	<u>599,001</u>
Net Income (Loss)	<u>37,106</u>	<u>48,307</u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

June 30, 2010

ASSETS

	<u>6/30/10</u>	<u>6/30/09</u>
Current Assets:		
Cash	84,328	16,466
Accounts Receivable	97,849	117,769
Accrued Metered Revenue	141,297	85,727
Other Accounts Receivable	339,091	0
Prepayments	40,442	40,644
Misc Current & Accrued Assets	0	22
Deferred Expenses	151,606	151,495
Deferred Income Taxes	22,995	24,288
Total Current Assets	<u>877,607</u>	<u>436,410</u>
Fixed Assets:		
Construction Work in Progress	628,360	542,986
Franchises	20,142	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	803,075	739,570
Wells & Springs	554,709	514,584
Supply Mains	18,724	17,481
Pumping Equipment	1,083,261	993,987
Water Treatment Equipment	427,715	409,077
Distribution Reserves & Standpipes	1,473,531	1,433,604
Transmission & Distribution Mains	4,828,152	3,735,265
Services	1,779,388	1,762,035
Meters & Meter Installation	831,299	788,159
Hydrants	110,056	80,056
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	81,950	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	72,611
Less: Accumulated Depreciation	<u>(3,337,891)</u>	<u>(2,964,657)</u>
Total Fixed Assets	<u>9,454,614</u>	<u>8,297,001</u>
Total Assets	<u><u>10,332,221</u></u>	<u><u>8,733,411</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

June 30, 2010

LIABILITIES

	<u>6/30/10</u>	<u>6/30/09</u>
Current Liabilities:		
Accounts Payable	27,829	2,711
Accounts Payable to Associated Companies	32,857	1,269,517
Customer Deposits	0	0
Accrued Taxes	920	(232)
Accrued Expenses	12,926	68,041
Total Current Liabilities	<u>74,532</u>	<u>1,340,036</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,417,608	0
Notes Payable - State of NH (DWSRF)	2,266,187	1,261,516
Notes Payable - Outside Parties	189,629	167,693
Notes Payables - Lewis Builders	711,479	1,912,110
Accum Deferred Inc Tax - Liberalized Dep'n	1,664	0
Total Long-Term Liabilities	<u>4,586,586</u>	<u>3,341,319</u>
Contributions in Aid of Construction:		
CIAC	6,969,799	6,343,127
Accumulated Amortization of CIAC	<u>(2,094,080)</u>	<u>(1,909,186)</u>
Total CIAC	<u>4,875,720</u>	<u>4,433,941</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	1,113,401
Retained earnings	(1,428,401)	(1,427,987)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	102,664	(84,066)
Stockholders' Equity	<u>795,383</u>	<u>(381,885)</u>
Total Liabilities and Stockholders' Equity	<u><u>10,332,221</u></u>	<u><u>8,733,411</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.
SUMMARY INCOME STATEMENT
FOR THE SIX MONTHS ENDING JUNE 30, 2010, 2009 AND 2008

	<u>Month of June 2010</u>	<u>Year-To-Date 6/30/10</u>	<u>Year-To-Date 6/30/09</u>	<u>Year-To-Date 6/30/08</u>
Total Revenue	177,472	824,780	558,930	616,955
Net Depreciation & CIAC	17,762	102,574	87,538	86,375
Property Taxes	11,815	70,890	51,047	50,005
Other Taxes	108	1,623	1,255	966
Misc Nonutility Expenses	0	0	0	0
Interest Expense	12,907	76,964	70,812	84,791
Labor on Outside Jobs	1,394	7,477	976	6,514
Well Expenses	797	1,964	8,065	4,571
Power Purchased for Pumping	16,209	93,329	91,496	89,764
Pumping Expenses	8,751	29,233	38,548	43,526
Chemicals	1,273	4,712	5,419	4,123
Treatment Expense (Filters)	7,654	35,865	42,524	41,461
Transm & Distribution Exp (Mains)	647	5,822	16,808	7,809
Meter Expenses & Customer Installations	2,111	7,726	10,880	6,133
Maintenance of Storage Tanks	0	152	383	608
Maintenance of Services	2,580	8,328	15,128	4,870
Maintenance of Hydrants	0	0	50	415
Meter Reading Expenses	477	2,306	3,277	1,484
Customer Records & Collections	4,935	29,754	24,087	27,888
Uncollectable Accounts	0	0	0	0
Administrative & General Salaries	676	10,208	8,886	0
Office Supplies & Other Expenses	873	24,984	14,775	11,915
Outside Services - Engineering	3,717	20,595	16,769	12,088
Outside Services - Management Fees	9,167	55,000	55,000	55,000
Outside Services - Accounting	773	18,803	14,789	13,898
Outside Services - Legal	1,709	7,159	6,248	4,336
Injuries & Damages (Insurance Expense)	1,606	11,498	9,710	13,262
Employee Pensions & Benefits	5,180	23,962	26,490	26,652
Franchise Requirements	3,170	3,170	3,660	3,660
Regulatory Commission Expenses	4,267	49,105	2,177	3,776
Misc General Expenses	(50)	137	17	8,637
Misc Expenses - Vehicle Expenses	1,200	10,327	7,731	11,436
General Rents	1,408	8,450	8,450	8,450
Total Expenses	123,115	722,116	642,996	634,412
Net Income (Loss)	54,357	102,664	(84,066)	(17,456)

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

July 31, 2010

ASSETS

	<u>7/31/10</u>	<u>7/31/09</u>
Current Assets:		
Cash	107,395	205,074
Accounts Receivable	125,769	77,108
Accrued Metered Revenue	145,145	91,436
Other Accounts Receivable	339,091	0
Prepayments	26,711	30,690
Misc Current & Accrued Assets	0	0
Deferred Expenses	149,794	155,004
Deferred Income Taxes	22,887	24,180
Total Current Assets	<u>916,791</u>	<u>583,492</u>
Fixed Assets:		
Construction Work in Progress	630,507	804,734
Franchises	20,142	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	803,075	739,570
Wells & Springs	554,709	514,584
Supply Mains	18,724	17,481
Pumping Equipment	1,083,261	993,987
Water Treatment Equipment	427,715	409,077
Distribution Reserves & Standpipes	1,476,399	1,433,604
Transmission & Distribution Mains	4,828,152	3,736,744
Services	1,780,415	1,762,035
Meters & Meter Installation	838,263	789,251
Hydrants	110,056	80,056
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	81,950	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	72,611
Less: Accumulated Depreciation	<u>(3,370,891)</u>	<u>(2,993,297)</u>
Total Fixed Assets	<u>9,434,619</u>	<u>8,532,680</u>
Total Assets	<u><u>10,351,410</u></u>	<u><u>9,116,173</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

July 31, 2010

LIABILITIES

	<u>7/31/10</u>	<u>7/31/09</u>
Current Liabilities:		
Accounts Payable	8,128	136,521
Accounts Payable to Associated Companies	19,689	1,375,285
Customer Deposits	0	0
Accrued Taxes	920	(232)
Accrued Expenses	32,660	67,279
Total Current Liabilities	<u>61,396</u>	<u>1,578,853</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,414,158	0
Notes Payable - State of NH (DWSRF)	2,261,977	1,253,384
Notes Payable - Outside Parties	188,188	205,631
Notes Payables - Lewis Builders	711,199	2,037,022
Accum Deferred Inc Tax - Liberalized Dep'n	1,684	0
Total Long-Term Liabilities	<u>4,577,206</u>	<u>3,496,036</u>
Contributions in Aid of Construction:		
CIAC	6,969,799	6,343,127
Accumulated Amortization of CIAC	(2,109,080)	(1,923,236)
Total CIAC	<u>4,860,720</u>	<u>4,419,891</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	1,113,401
Retained earnings	(1,428,401)	(1,427,987)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	159,369	(80,788)
Stockholders' Equity	<u>852,088</u>	<u>(378,608)</u>
Total Liabilities and Stockholders' Equity	<u><u>10,351,410</u></u>	<u><u>9,116,173</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

SUMMARY INCOME STATEMENT

FOR THE SEVEN MONTHS ENDING JULY 31, 2010 AND 2009

	<u>Month of July 2010</u>	<u>Year-To-Date 7/31/10</u>	<u>Month of July 2009</u>	<u>Year-To-Date 7/31/09</u>
Total Revenue	<u>178,951</u>	<u>1,003,731</u>	<u>108,941</u>	<u>667,871</u>
Net Depreciation & CIAC	18,762	121,336	14,590	102,128
Property Taxes	11,815	82,705	8,301	59,348
Other Taxes	211	1,834	108	1,362
Misc Nonutility Expenses	0	0	0	0
Interest Expense	12,627	89,591	14,796	85,608
Labor on Outside Jobs	1,021	8,497	1,282	2,258
Well Expenses	818	2,782	10	8,075
Power Purchased for Pumping	18,535	111,864	13,506	105,003
Pumping Expenses	7,129	36,362	2,716	41,264
Chemicals	849	5,560	874	6,293
Treatment Expense (Filters)	6,719	42,584	9,892	52,416
Transm & Distribution Exp (Mains)	666	6,488	680	17,488
Meter Expenses & Customer Installations	3,697	11,423	677	11,557
Maintenance of Storage Tanks	58	210	118	501
Maintenance of Services	851	9,179	30	15,157
Maintenance of Hydrants	0	0	50	99
Meter Reading Expenses	572	2,878	334	3,611
Customer Records & Collections	7,020	36,774	4,712	28,799
Uncollectable Accounts	0	0	0	0
Administrative & General Salaries	1,232	11,439	1,162	10,048
Office Supplies & Other Expenses	1,467	26,451	7,274	22,049
Outside Services - Engineering	2,119	22,714	430	17,198
Outside Services - Management Fees	9,167	64,167	9,167	64,167
Outside Services - Accounting	1,249	20,052	1,707	16,496
Outside Services - Legal	889	8,048	1,717	7,966
Injuries & Damages (Insurance Expense)	2,642	14,140	2,989	12,699
Employee Pensions & Benefits	5,369	29,331	5,836	32,326
Franchise Requirements	0	3,170	0	3,660
Regulatory Commission Expenses	4,267	53,371	37	2,214
Misc General Expenses	(53)	84	50	68
Misc Expenses - Vehicle Expenses	1,142	11,469	1,211	8,943
General Rents	1,408	9,858	1,408	9,858
Total Expenses	<u>122,246</u>	<u>844,362</u>	<u>105,662</u>	<u>748,659</u>
Net Income (Loss)	<u>56,705</u>	<u>159,369</u>	<u>3,278</u>	<u>(80,788)</u>
Gallons Sold	20,193,307	117,328,267	14,479,161	

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

August 31, 2010

ASSETS

	<u>8/31/10</u>	<u>8/31/09</u>
Current Assets:		
Cash	199,926	46,092
Accounts Receivable	104,886	76,586
Accrued Metered Revenue	127,387	123,871
Other Accounts Receivable	339,091	0
Prepayments	17,188	27,484
Misc Current & Accrued Assets	0	0
Deferred Expenses	147,514	169,241
Deferred Income Taxes	22,779	24,072
Total Current Assets	<u>958,771</u>	<u>467,346</u>
Fixed Assets:		
Construction Work in Progress	623,169	1,056,196
Franchises	20,142	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	803,075	739,570
Wells & Springs	554,709	514,584
Supply Mains	18,724	17,481
Pumping Equipment	1,083,261	993,987
Water Treatment Equipment	427,715	409,077
Distribution Reserves & Standpipes	1,476,399	1,433,604
Transmission & Distribution Mains	4,828,152	3,736,744
Services	1,780,415	1,763,190
Meters & Meter Installation	844,691	792,891
Hydrants	110,056	80,056
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	81,950	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	72,611
Less: Accumulated Depreciation	<u>(3,403,891)</u>	<u>(3,021,937)</u>
Total Fixed Assets	<u>9,400,710</u>	<u>8,760,298</u>
Total Assets	<u><u>10,359,481</u></u>	<u><u>9,227,644</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

August 31, 2010

LIABILITIES

	<u>8/31/10</u>	<u>8/31/09</u>
Current Liabilities:		
Accounts Payable	3,854	268,799
Accounts Payable to Associated Companies	13,309	14,419
Customer Deposits	0	0
Accrued Taxes	920	0
Accrued Expenses	31,711	67,539
Total Current Liabilities	<u>49,794</u>	<u>350,758</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,410,936	1,450,000
Notes Payable - State of NH (DWSRF)	2,257,755	1,459,194
Notes Payable - Outside Parties	186,744	204,251
Notes Payables - Lewis Builders	710,657	690,782
Accum Deferred inc Tax - Liberalized Dep'n	1,684	0
Total Long-Term Liabilities	<u>4,567,775</u>	<u>3,804,227</u>
Contributions in Aid of Construction:		
CIAC	6,969,799	6,343,127
Accumulated Amortization of CIAC	<u>(2,124,080)</u>	<u>(1,937,286)</u>
Total CIAC	<u>4,845,720</u>	<u>4,405,840</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,428,401)	(1,427,987)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	203,473	(26,315)
Stockholders' Equity	<u>896,193</u>	<u>666,818</u>
Total Liabilities and Stockholders' Equity	<u><u>10,359,481</u></u>	<u><u>9,227,644</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.
SUMMARY INCOME STATEMENT
FOR THE EIGHT MONTHS ENDING AUGUST 31, 2010 AND 2009

	<u>Month of Aug 2010</u>	<u>Year-To-Date 8/31/10</u>	<u>Month of Aug 2009</u>	<u>Year-To-Date 8/31/09</u>
Total Revenue	<u>153,854</u>	<u>1,157,585</u>	<u>147,396</u>	<u>815,267</u>
Net Depreciation & CIAC	18,762	140,098	14,590	116,718
Property Taxes	11,815	94,520	8,301	67,649
Other Taxes	108	1,942	340	1,702
Misc Nonutility Expenses	0	0	0	0
Interest Expense	13,361	102,952	8,636	94,244
Labor on Outside Jobs	1,440	9,937	689	2,946
Well Expenses	0	2,782	3,907	11,982
Power Purchased for Pumping	16,189	128,053	14,187	119,189
Pumping Expenses	5,495	41,856	1,661	42,925
Chemicals	127	5,687	1,743	8,036
Treatment Expense (Filters)	4,367	46,952	5,835	58,251
Transm & Distribution Exp (Mains)	1,655	8,143	956	18,444
Meter Expenses & Customer Installations	1,045	12,468	(2,864)	8,693
Maintenance of Storage Tanks	15	225	30	531
Maintenance of Services	149	9,327	1,137	16,295
Maintenance of Hydrants	0	0	55	154
Meter Reading Expenses	643	3,521	369	3,980
Customer Records & Collections	5,775	42,549	3,432	32,231
Uncollectable Accounts	0	0	0	0
Administrative & General Salaries	1,003	12,442	1,343	11,391
Office Supplies & Other Expenses	1,105	27,555	5,985	28,034
Outside Services - Engineering	638	23,352	40	17,238
Outside Services - Management Fees	9,167	73,333	9,167	73,333
Outside Services - Accounting	1,455	21,507	1,835	18,331
Outside Services - Legal	963	9,011	661	8,626
Injuries & Damages (Insurance Expense)	1,425	15,565	1,756	14,455
Employee Pensions & Benefits	5,097	34,427	4,925	37,251
Franchise Requirements	0	3,170	0	3,660
Regulatory Commission Expenses	4,939	58,310	1,445	3,659
Misc General Expenses	0	84	0	68
Misc Expenses - Vehicle Expenses	1,608	13,077	1,355	10,298
General Rents	1,408	11,267	1,408	11,267
Total Expenses	<u>109,750</u>	<u>954,112</u>	<u>92,923</u>	<u>841,582</u>
Net Income (Loss)	<u>44,104</u>	<u>203,473</u>	<u>54,473</u>	<u>(26,315)</u>
Gallons Sold	15,542,425	117,328,267	17,525,837	

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET
September 30, 2010

ASSETS

	<u>9/30/10</u>	<u>9/30/09</u>
Current Assets:		
Cash	264,125	53,497
Accounts Receivable	75,852	109,584
Accrued Metered Revenue	128,828	113,635
Other Accounts Receivable	339,091	0
Prepayments	15,718	18,482
Misc Current & Accrued Assets	0	0
Deferred Expenses	143,861	168,905
Deferred Income Taxes	22,671	23,964
Total Current Assets	<u>990,147</u>	<u>488,066</u>
Fixed Assets:		
Construction Work in Progress	639,418	1,489,105
Franchises	20,142	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	803,075	739,570
Wells & Springs	554,709	514,584
Supply Mains	18,724	17,481
Pumping Equipment	1,083,261	995,299
Water Treatment Equipment	427,715	409,077
Distribution Reserves & Standpipes	1,476,399	1,433,604
Transmission & Distribution Mains	4,830,678	3,736,744
Services	1,786,919	1,763,190
Meters & Meter Installation	856,091	792,891
Hydrants	110,056	80,056
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	81,950	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	72,611
Less: Accumulated Depreciation	<u>(3,436,891)</u>	<u>(3,049,577)</u>
Total Fixed Assets	<u>9,404,389</u>	<u>9,166,880</u>
Total Assets	<u><u>10,394,536</u></u>	<u><u>9,654,946</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET
September 30, 2010

LIABILITIES

	<u>9/30/10</u>	<u>9/30/09</u>
Current Liabilities:		
Accounts Payable	17,497	482,916
Accounts Payable to Associated Companies	13,699	18,954
Customer Deposits	0	0
Accrued Taxes	920	0
Accrued Expenses	30,319	61,294
Total Current Liabilities	<u>62,434</u>	<u>563,164</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,407,695	1,447,136
Notes Payable - State of NH (DWSRF)	2,253,521	1,677,898
Notes Payable - Outside Parties	182,596	202,868
Notes Payables - Lewis Builders	710,111	690,782
Accum Deferred Inc Tax - Liberalized Dep'n	1,684	0
Total Long-Term Liabilities	<u>4,555,608</u>	<u>4,018,684</u>
Contributions in Aid of Construction:		
CIAC	6,969,799	6,348,127
Accumulated Amortization of CIAC	<u>(2,139,080)</u>	<u>(1,951,337)</u>
Total CIAC	<u>4,830,720</u>	<u>4,396,790</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,428,401)	(1,427,987)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	253,055	(16,825)
Stockholders' Equity	<u>945,774</u>	<u>676,308</u>
Total Liabilities and Stockholders' Equity	<u><u>10,394,536</u></u>	<u><u>9,654,946</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.
SUMMARY INCOME STATEMENT
FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2010 AND 2009

	<u>Month of Sep-10</u>	<u>Year-To-Date 9/30/10</u>	<u>Month of Sep-09</u>	<u>Year-To-Date 9/30/09</u>
Total Revenue	<u>151,500</u>	<u>1,309,085</u>	<u>130,307</u>	<u>945,574</u>
Net Depreciation & CIAC	18,762	158,861	14,590	131,307
Property Taxes	11,815	106,335	16,018	83,668
Other Taxes	108	2,050	(858)	845
Misc Nonutility Expenses	0	0	0	0
Interest Expense	14,809	117,761	15,813	110,057
Labor on Outside Jobs	739	10,676	395	3,341
Well Expenses	0	2,782	(454)	11,529
Power Purchased for Pumping	15,028	143,082	14,802	133,991
Pumping Expenses	837	42,694	4,432	47,357
Chemicals	453	6,140	1,138	9,175
Treatment Expense (Filters)	5,866	52,817	7,044	65,295
Transm & Distribution Exp (Mains)	1,740	9,883	987	19,431
Meter Expenses & Customer Installations	(3,552)	8,916	9,266	17,959
Maintenance of Storage Tanks	0	225	118	648
Maintenance of Services	1,164	10,492	1,129	17,424
Maintenance of Hydrants	0	0	53	207
Meter Reading Expenses	471	3,992	433	4,413
Customer Records & Collections	5,138	47,687	5,004	37,236
Uncollectable Accounts	0	0	0	0
Administrative & General Salaries	1,323	13,765	2,172	13,563
Office Supplies & Other Expenses	1,359	28,915	1,012	29,046
Outside Services - Engineering	1,092	24,444	523	17,761
Outside Services - Management Fees	9,167	82,500	9,167	82,500
Outside Services - Accounting	1,129	22,636	855	19,186
Outside Services - Legal	1,219	10,230	480	9,107
Injuries & Damages (Insurance Expense)	1,428	16,993	4,286	18,741
Employee Pensions & Benefits	4,737	39,164	4,412	41,662
Franchise Requirements	0	3,170	0	3,660
Regulatory Commission Expenses	4,267	62,576	799	4,459
Misc General Expenses	0	84	(147)	(80)
Misc Expenses - Vehicle Expenses	1,411	14,488	5,940	16,238
General Rents	1,408	12,675	1,408	12,675
Total Expenses	<u>101,918</u>	<u>1,056,030</u>	<u>120,817</u>	<u>962,399</u>
Net Income (Loss)	<u>49,582</u>	<u>253,055</u>	<u>9,490</u>	<u>(16,825)</u>
Gallons Sold	16,416,867	133,745,134	15,801,663	
Average Gallons Sold Per Day	520,789		509,731	

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

October 31, 2010

ASSETS

	<u>10/31/10</u>	<u>10/31/09</u>
Current Assets:		
Cash	252,346	59,913
Accounts Receivable	106,447	99,627
Accrued Metered Revenue	102,725	109,298
Other Accounts Receivable	339,091	0
Prepayments	17,007	9,488
Misc Current & Accrued Assets	0	0
Deferred Expenses	142,915	163,717
Deferred Income Taxes	22,564	23,857
Total Current Assets	<u>983,095</u>	<u>465,900</u>
Fixed Assets:		
Construction Work in Progress	645,801	1,658,044
Franchises	20,142	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	803,075	774,081
Wells & Springs	554,709	537,070
Supply Mains	18,724	17,481
Pumping Equipment	1,089,109	1,028,822
Water Treatment Equipment	427,715	424,034
Distribution Reserves & Standpipes	1,476,399	1,457,094
Transmission & Distribution Mains	4,830,678	3,776,744
Services	1,789,472	1,768,200
Meters & Meter Installation	865,991	792,959
Hydrants	110,056	80,056
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	81,950	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	72,611
Less: Accumulated Depreciation	<u>(3,469,891)</u>	<u>(3,076,917)</u>
Total Fixed Assets	<u>9,396,073</u>	<u>9,482,523</u>
Total Assets	<u><u>10,379,168</u></u>	<u><u>9,948,423</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

October 31, 2010

LIABILITIES

	<u>10/31/10</u>	<u>10/31/09</u>
Current Liabilities:		
Accounts Payable	13,917	215,839
Accounts Payable to Associated Companies	18,792	21,520
Customer Deposits	0	0
Accrued Taxes	11,184	1,185
Accrued Expenses	28,828	36,501
Total Current Liabilities	<u>72,721</u>	<u>275,045</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,404,193	1,443,840
Notes Payable - State of NH (DWSRF)	2,249,276	2,087,019
Notes Payable - Outside Parties	181,145	224,481
Notes Payables - Lewis Builders	709,152	690,566
Accum Deferred Inc Tax - Liberalized Dep'n	1,684	0
Total Long-Term Liabilities	<u>4,545,449</u>	<u>4,445,907</u>
Contributions in Aid of Construction:		
CIAC	6,969,799	6,495,484
Accumulated Amortization of CIAC	(2,154,080)	(1,965,387)
Total CIAC	<u>4,815,720</u>	<u>4,530,097</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,428,401)	(1,427,987)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	252,559	4,241
Stockholders' Equity	<u>945,278</u>	<u>697,374</u>
Total Liabilities and Stockholders' Equity	<u><u>10,379,168</u></u>	<u><u>9,948,423</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

SUMMARY INCOME STATEMENT

FOR THE TEN MONTHS ENDING OCTOBER 31, 2010 AND 2009

	<u>Month of Oct-10</u>	<u>Year-To-Date 10/31/10</u>	<u>Month of Oct-09</u>	<u>Year-To-Date 10/31/09</u>
Total Revenue	<u>122,151</u>	<u>1,431,236</u>	<u>135,731</u>	<u>1,081,305</u>
Net Depreciation & CIAC	18,762	177,623	14,590	145,897
Property Taxes	10,895	117,231	10,751	94,419
Other Taxes	108	2,158	108	953
Misc Nonutility Expenses	0	0	0	0
Interest Expense	13,977	131,738	12,394	122,451
Labor on Outside Jobs	1,159	11,835	654	3,995
Well Expenses	300	3,081	0	11,529
Power Purchased for Pumping	13,905	156,987	14,722	148,713
Pumping Expenses	3,043	45,736	4,080	51,437
Chemicals	829	6,968	1,245	10,420
Treatment Expense (Filters)	12,430	65,248	9,188	74,484
Transm & Distribution Exp (Mains)	788	10,671	1,213	20,644
Meter Expenses & Customer Installations	861	9,777	1,638	19,597
Maintenance of Storage Tanks	0	225	53	701
Maintenance of Services	1,869	12,361	513	17,937
Maintenance of Hydrants	0	0	0	207
Meter Reading Expenses	564	4,556	436	4,849
Customer Records & Collections	6,322	54,008	5,551	42,787
Uncollectable Accounts	0	0	0	0
Administrative & General Salaries	2,285	16,050	3,278	16,841
Office Supplies & Other Expenses	11,435	40,349	3,269	32,315
Outside Services - Engineering	2,310	26,754	1,792	19,554
Outside Services - Management Fees	9,167	91,667	9,167	91,667
Outside Services - Accounting	2,601	25,237	3,758	22,944
Outside Services - Legal	572	10,802	1,048	10,155
Injuries & Damages (Insurance Expense)	1,527	18,520	2,303	21,044
Employee Pensions & Benefits	3,658	42,822	3,335	44,998
Franchise Requirements	0	3,170	0	3,660
Regulatory Commission Expenses	1,040	63,616	6,074	10,532
Misc General Expenses	(72)	11	417	337
Misc Expenses - Vehicle Expenses	904	15,392	1,680	17,917
General Rents	1,408	14,083	1,408	14,083
Total Expenses	<u>122,647</u>	<u>1,178,677</u>	<u>114,665</u>	<u>1,077,064</u>
Net Income (Loss)	<u>(496)</u>	<u>252,559</u>	<u>21,066</u>	<u>4,241</u>
Gallons Sold	13,109,561	146,854,695	12,295,747	
Average Gallons Sold Per Day	426,156		417,478	

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET
November 30, 2010

ASSETS

	<u>11/30/10</u>	<u>11/30/09</u>
Current Assets:		
Cash	256,701	68,193
Accounts Receivable	66,795	86,462
Accrued Metered Revenue	102,217	104,922
Other Accounts Receivable	339,091	0
Prepayments	43,936	32,220
Misc Current & Accrued Assets	0	0
Deferred Expenses	129,548	158,460
Deferred Income Taxes	22,456	23,749
Total Current Assets	<u>960,744</u>	<u>474,006</u>
Fixed Assets:		
Construction Work in Progress	654,991	1,668,873
Franchises	20,142	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	803,075	774,081
Wells & Springs	554,709	537,070
Supply Mains	18,724	17,481
Pumping Equipment	1,090,534	1,029,957
Water Treatment Equipment	427,715	424,034
Distribution Reserves & Standpipes	1,476,399	1,457,094
Transmission & Distribution Mains	4,832,841	3,777,806
Services	1,789,472	1,769,224
Meters & Meter Installation	874,433	792,959
Hydrants	110,056	80,056
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	113,826	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	72,611
Less: Accumulated Depreciation	<u>(3,502,891)</u>	<u>(3,105,307)</u>
Total Fixed Assets	<u>9,416,168</u>	<u>9,468,183</u>
Total Assets	<u><u>10,376,911</u></u>	<u><u>9,942,189</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET
November 30, 2010

LIABILITIES

	<u>11/30/10</u>	<u>11/30/09</u>
Current Liabilities:		
Accounts Payable	44,559	34,185
Accounts Payable to Associated Companies	21,639	21,945
Customer Deposits	0	0
Accrued Taxes	0	0
Accrued Expenses	27,548	28,332
Total Current Liabilities	<u>93,746</u>	<u>84,462</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,400,919	1,440,778
Notes Payable - State of NH (DWSRF)	2,245,018	2,295,331
Notes Payable - Outside Parties	209,498	223,091
Notes Payables - Lewis Builders	708,189	690,349
Accum Deferred Inc Tax - Liberalized Dep'n	1,684	0
Total Long-Term Liabilities	<u>4,565,308</u>	<u>4,649,549</u>
Contributions in Aid of Construction:		
CIAC	6,969,799	6,495,484
Accumulated Amortization of CIAC	<u>(2,169,080)</u>	<u>(1,979,437)</u>
Total CIAC	<u>4,800,720</u>	<u>4,516,047</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,428,401)	(1,427,987)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	224,418	(1,002)
Stockholders' Equity	<u>917,137</u>	<u>692,131</u>
Total Liabilities and Stockholders' Equity	<u><u>10,376,911</u></u>	<u><u>9,942,189</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.
SUMMARY INCOME STATEMENT
FOR THE ELEVEN MONTHS ENDING NOVEMBER 30, 2010 AND 2009

	<u>Month of Nov-10</u>	<u>Year-To-Date 11/30/10</u>	<u>Month of Nov-09</u>	<u>Year-To-Date 11/30/09</u>
Total Revenue	109,708	1,540,944	117,158	1,198,463
Net Depreciation & CIAC	18,762	196,385	14,590	160,487
Property Taxes	39,278	156,508	34,533	128,952
Other Taxes	108	2,265	108	1,060
Misc Nonutility Expenses	0	0	0	0
Interest Expense	14,187	145,925	12,611	135,062
Labor on Outside Jobs	1,008	12,843	2,281	6,276
Well Expenses	319	3,400	455	11,984
Power Purchased for Pumping	11,472	168,458	11,511	160,225
Pumping Expenses	(3,206)	42,530	3,177	54,614
Chemicals	434	7,403	874	11,294
Treatment Expense (Filters)	4,233	69,481	3,738	78,221
Transm & Distribution Exp (Mains)	2,089	12,760	2,221	22,865
Meter Expenses & Customer Installations	1,465	11,242	521	20,118
Maintenance of Storage Tanks	95	320	22	722
Maintenance of Services	1,825	14,186	354	18,291
Maintenance of Hydrants	198	198	208	415
Meter Reading Expenses	347	4,904	319	5,168
Customer Records & Collections	5,711	59,719	4,643	47,430
Uncollectable Accounts	0	0	0	0
Administrative & General Salaries	1,503	17,553	1,253	18,094
Office Supplies & Other Expenses	1,385	41,734	724	33,038
Outside Services - Engineering	3,014	29,767	1,382	20,936
Outside Services - Management Fees	9,167	100,833	9,167	100,833
Outside Services - Accounting	8,013	33,250	1,882	24,826
Outside Services - Legal	826	11,628	1,069	11,224
Injuries & Damages (Insurance Expense)	1,435	19,955	2,217	23,261
Employee Pensions & Benefits	3,513	46,335	4,729	49,727
Franchise Requirements	0	3,170	0	3,660
Regulatory Commission Expenses	7,472	71,088	5,066	15,598
Misc General Expenses	483	494	269	606
Misc Expenses - Vehicle Expenses	1,305	16,698	1,070	18,987
General Rents	1,408	15,492	1,408	15,492
Total Expenses	137,849	1,316,526	122,402	1,199,466
Net Income (Loss)	(28,141)	224,418	(5,243)	(1,002)
Gallons Sold	11,672,430	169,839,220	12,690,674	
Average Gallons Sold Per Day	386,200		396,583	

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

December 31, 2010

ASSETS

	<u>12/31/10</u>	<u>12/31/09</u>
Current Assets:		
Cash	204,641	29,584
Accounts Receivable	64,894	88,563
Accrued Metered Revenue	101,805	107,704
Other Accounts Receivable	339,091	347,282
Prepayments	44,061	41,158
Misc Current & Accrued Assets	0	0
Deferred Expenses	124,536	198,247
Deferred Income Taxes	22,348	23,641
Total Current Assets	<u>901,376</u>	<u>836,178</u>
Fixed Assets:		
Construction Work in Progress	338,759	569,672
Franchises	21,299	20,142
Land & Land Rights	76,185	76,185
Structures & Improvements	800,902	803,075
Wells & Springs	572,519	553,318
Supply Mains	18,724	18,724
Pumping Equipment	1,074,644	1,070,194
Water Treatment Equipment	431,138	427,608
Distribution Reserves & Standpipes	1,473,531	1,473,531
Transmission & Distribution Mains	4,843,108	4,823,732
Services	1,800,753	1,769,224
Meters & Meter Installation	864,176	800,899
Hydrants	110,056	110,056
Other Plant (Hydrology Study)	303,311	0
Office Furniture & Equipment	1,420	1,420
Transportation Equipment	115,119	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	78,836	72,611
Less: Accumulated Depreciation	<u>(3,508,268)</u>	<u>(3,149,891)</u>
Total Fixed Assets	<u>9,418,138</u>	<u>9,524,377</u>
Total Assets	<u><u>10,319,514</u></u>	<u><u>10,360,555</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET
December 31, 2010

LIABILITIES

	<u>12/31/10</u>	<u>12/31/09</u>
Current Liabilities:		
Accounts Payable	32,233	18,131
Accounts Payable to Associated Companies	80,109	14,961
Customer Deposits	0	0
Accrued Taxes	185	0
Accrued Expenses	22,569	21,159
Total Current Liabilities	<u>135,096</u>	<u>54,251</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,397,381	1,437,450
Notes Payable - State of NH (DWSRF)	2,240,749	2,291,202
Notes Payable - Outside Parties	195,039	227,398
Notes Payables - Lewis Builders	706,133	690,130
Accum Deferred Inc Tax - Liberalized Dep'n	4,315	1,684
Total Long-Term Liabilities	<u>4,543,617</u>	<u>4,647,865</u>
Contributions in Aid of Construction:		
CIAC	6,966,458	6,969,799
Accumulated Amortization of CIAC	<u>(2,187,154)</u>	<u>(2,004,080)</u>
Total CIAC	<u>4,779,304</u>	<u>4,965,720</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	2,104,354
Retained earnings	(1,428,401)	(1,427,987)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	168,777	(413)
Stockholders' Equity	<u>861,497</u>	<u>692,720</u>
Total Liabilities and Stockholders' Equity	<u><u>10,319,514</u></u>	<u><u>10,360,555</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

SUMMARY INCOME STATEMENT

FOR THE YEARS ENDING DECEMBER 31, 2010 AND 2009

	Month of Dec-10	Year-To-Date 12/31/10	Month of Dec-09	Year-To-Date 12/31/09	Increase (Decrease)
Total Revenue	118,220	1,508,226	116,005	1,283,395	224,830
Net Depreciation & CIAC	22,990	219,376	23,753	184,239	35,136
Property Taxes	15,090	171,598	11,815	140,767	30,831
Other Taxes	5,477	7,742	4,345	5,405	2,337
Labor on Outside Jobs	350	13,193	79	6,355	6,838
Well Expenses	124	3,524	129	12,113	(8,588)
Power Purchased for Pumping	14,100	182,558	13,912	174,137	8,421
Pumping Expenses	10,482	53,012	4,147	58,761	(5,748)
Chemicals	849	8,251	656	11,949	(3,698)
Treatment Expense (Filters)	5,964	75,445	6,089	84,310	(8,865)
Transm & Distribution Exp (Mains)	2,493	15,253	1,875	24,740	(9,487)
Meter Expenses & Customer Installations	12,945	24,187	(8,827)	11,291	12,895
Maintenance of Storage Tanks	4,068	4,389	86	809	3,580
Maintenance of Services	2,412	16,598	797	19,087	(2,489)
Maintenance of Hydrants	0	198	630	1,045	(847)
Meter Reading Expenses	403	5,307	(222)	4,945	362
Customer Records & Collections	5,250	64,970	5,050	52,480	12,490
Uncollectable Accounts	9,541	9,541	187	187	9,354
Administrative & General Salaries	1,446	18,999	1,662	19,756	(757)
Office Supplies & Other Expenses	866	42,600	1,596	34,634	7,966
Outside Services - Engineering	4,023	33,791	1,991	22,927	10,864
Outside Services - Management Fees	10,575	111,408	9,167	110,000	1,408
Outside Services - Accounting	1,550	34,801	7,127	31,953	2,847
Outside Services - Legal	1,082	12,710	475	11,698	1,012
Injuries & Damages (Insurance Expense)	2,205	22,159	1,881	25,142	(2,983)
Employee Pensions & Benefits	5,555	51,890	4,111	53,838	(1,948)
Franchise Requirements	0	3,170	0	3,660	(490)
Misc General Expenses	(7)	487	0	606	(119)
Misc Expenses - Vehicle Expenses	2,681	19,378	1,995	20,982	(1,604)
General Rents	0	15,492	1,408	16,900	(1,408)
Total Expenses	142,513	1,242,026	95,911	1,144,717	97,309
Net Operating Income	(24,293)	266,199	20,093	138,678	127,521
Rate Case Recovery Fees	2,564	153,502	13,453	44,526	108,976
Regulatory Commission Expenses	(2,717)	(73,805)	(15,266)	(30,864)	(42,941)
Interest Expense	(31,195)	(177,120)	(17,692)	(152,753)	(24,366)
Misc Nonutility Expenses	0	0	0	0	0
Net Income (Loss)	(55,641)	168,777	589	(413)	169,190
Gallons Sold	11,312,095	169,839,220	11,472,265		
Average Gallons Sold Per Day	387,111		395,596		

Hampstead Area Water Company

Federal Income Tax Reconciliation

HAWC is a Subchapter S Corporation and the income of the corporation is taxed at the shareholder level. Therefore no federal income tax is paid by HAWC.

Hampstead Area Water Company

New Hampshire and Federal Income Tax Factor

Hampstead Area Water Company ("Company") is an "S-Corporation." As such, the Company pays no federal income taxes. It does however pay a business enterprise tax ("BET") in New Hampshire. The BET rate is .75%.

HAWC
2012 ANTICIPATED ADDITIONS

<u>Plant Account</u>	<u>Description</u>	<u>Estimated Amount</u>	<u>Depreciation Rate</u>	<u>Half Year Depreciation</u>	<u>Accum. Depreciation</u>	<u>Location</u>	<u>Tax Rate</u>
304	Structures & Improvements:						
307	Wells & Springs:						
	2 replacement wells (West Side Dr & E.P.)	40,000	3.3%	667	667	Atk. & Hamp.	18.80 & 19.92
311	Pumping Equipment:						
	Replace misc pumps and equipment	20,000	10.0%	1,000	1,000	various	
	Test\Replace 7 well meters	4,000	10.0%	200	200	various	
320	Water Treatment Equipment:						
	Bryant Woods - Filters	60,000	3.6%	1,071	1,071	Atkinson	18.80
330	Distribution Reservoirs (Tanks):						
331	Transmission and Distribution Mains:						
	Replace\Repair Mains	30,000	2.2%	333	333	various	
333	Services:						
	SRF - Service Line Repairs	180,000	2.5%	2,250	2,250	Atkinson	18.80
334	Meters:						
	220 Meter Replacements	60,500	10.0%	3,025	3,025	Atk & Hamp.	18.80 & 19.92
335	Hydrants:						
341	Transportation Equipment:						
	Replace Pickup truck	34,000	20.0%	3,400	3,400	Atkinson	18.80
	TOTALS	428,500		11,946	11,946		

HAMPSTEAD AREA WATER CO., INC.
OFFICERS & DIRECTORS

<u>Title</u>	<u>Name</u>	<u>Compensation</u>	
		<u>2011</u>	<u>2010</u>
President	Harold Morse	0.00	0.00
Vice-President	Christine Lewis-Morse	0.00	0.00
Treasurer	Harold Morse	0.00	0.00
Secretary	Christine Lewis-Morse	0.00	0.00
Director	Christine Lewis-Morse	0.00	0.00

HAMPSTEAD AREA WATER CO., INC.
VOTING STOCK

Authorized number of shares: 300
Number of shares outstanding: 100

<u>Shareholder Name</u>	<u>Title</u>	<u>Number of Shares Owned</u>
Christine Lewis-Morse	Vice-President, Director	100

HAMPSTEAD AREA WATER CO., INC.
PAYMENTS IN EXCESS OF \$10,000
2011

<u>Name</u>	<u>Total Paid</u>	<u>Description of Services</u>
Lewis Builders Development Inc	1,900,617	Construction services, Note payments
Treasurer, State of NH	148,457	Taxes, Note payments
TD Bank	134,144	Note payments
Unitil	74,281	Electric service
PSNH	70,559	Electric service
Town of Hampstead	65,242	Real Estate Taxes and misc. Fees
State of New Hampshire	63,717	Taxes and Fees
Ti-Sales, Inc.	47,546	Equipment
Atkinson Area Waste Water	31,668	Reimbursement of Sewer fees collected
Unitil Energy Systems	31,573	Construction
Harvard Pilgrim Health Care NE	28,334	Health Insurance
Peerless Insurance	27,063	Liability Insurance
Town of Atkinson	23,846	Real Estate Taxes and misc. Fees
R.E. Prescott	23,275	Equipment
Centerview Hollow Land Co.	23,263	Note payments
Nelson Analytical Lab	22,920	Lab Services
Atkinson Tax Collector	22,680	Real Estate Taxes
Dean Howard	20,670	Note payments
Adedge Technologies	18,956	Filters
Business Card	18,138	Credit Card Company
GSG Supply	18,130	Equipment
Youngblood Electric Co.	16,481	Electric Contractor
Marlo Incorporated	14,600	Filters
Postmaster - Atkinson, NH	13,185	Postage
Lampert, Hausler & Rodman	12,954	Legal
Town of Sandown	11,594	Real Estate Taxes
Lewis Equipment	11,264	Vehicle Repairs
N.H. Electric Coop	10,919	Electric service
St Cyr & Associates	10,447	Consultant
Total	2,916,523	

HAMPSTEAD AREA WATER COMPANY, INC.

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BALANCE SHEET December 31, 2009

ASSETS

	12/31/09	12/31/08
Current Assets:		
Cash	29,584	14,173
Accounts Receivable	88,563	93,089
Accrued Metered Revenue	107,704	152,165
Other Accounts Receivable	347,282	0
Prepayments	41,158	40,443
Misc Current & Accrued Assets	0	0
Deferred Expenses	198,247	120,320
Deferred Income Taxes	23,641	24,934
Total Current Assets	836,178	445,124
Fixed Assets:		
Construction Work in Progress	569,672	422,089
Franchises	20,142	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	803,075	737,977
Wells & Springs	553,318	512,387
Supply Mains	18,724	17,481
Pumping Equipment	1,070,194	983,195
Water Treatment Equipment	427,608	409,077
Distribution Reserves & Standpipes	1,473,531	1,433,604
Transmission & Distribution Mains	4,823,732	3,728,322
Services	1,769,224	1,752,118
Meters & Meter Installation	800,899	749,684
Hydrants	110,056	80,056
Office Furniture & Equipment	1,420	
Transportation Equipment	81,950	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	72,611
Less: Accumulated Depreciation	(3,149,891)	(2,799,768)
Total Fixed Assets	9,524,377	8,269,657
Total Assets	10,360,555	8,714,781

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

December 31, 2009

LIABILITIES

	<u>12/31/09</u>	<u>12/31/08</u>
Current Liabilities:		
Accounts Payable	18,131	55,622
Accounts Payable to Associated Companies	14,961	1,103,394
Customer Deposits	0	0
Accrued Taxes	0	639
Accrued Expenses	21,159	66,144
Total Current Liabilities	<u>54,251</u>	<u>1,225,799</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,437,450	0
Notes Payable - State of NH (DWSRF)	2,291,202	1,281,647
Notes Payable - Outside Parties	227,398	175,195
Notes Payables - Lewis Builders	690,130	1,819,907
Accum Deferred Inc Tax - Liberalized Dep'n	1,684	0
CIAC	6,969,799	6,336,258
Accumulated Amortization of CIAC	<u>(2,004,080)</u>	<u>(1,826,206)</u>
Total Long-Term Liabilities	<u>9,613,584</u>	<u>7,786,802</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	1,113,401
Retained earnings	(1,427,987)	(1,413,934)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	<u>(413)</u>	<u>(14,054)</u>
Stockholders' Equity	<u>692,720</u>	<u>(297,819)</u>
Total Liabilities and Stockholders' Equity	<u><u>10,360,555</u></u>	<u><u>8,714,781</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.
SUMMARY INCOME STATEMENT
FOR THE YEARS ENDING DECEMBER 31, 2009, 2008 AND 2007

	<u>12/31/09</u>	<u>12/31/08</u>	<u>12/31/07</u>
Total Revenue	1,327,921	1,258,021	1,268,877
Net Depreciation & CIAC	184,239	175,113	164,046
Property Taxes	140,767	120,183	105,123
Other Taxes	5,405	4,443	3,934
Misc Nonutility Expenses	0	0	0
Interest Expense	152,753	181,163	154,183
Labor on Outside Jobs	6,355	10,690	12,316
Well Expenses	12,113	7,596	12,141
Power Purchased for Pumping	174,137	179,240	177,371
Pumping Expenses	58,761	76,074	70,380
Chemicals	11,949	10,653	11,917
Treatment Expense (Filters)	84,310	80,999	80,290
Transm & Distribution Exp (Mains)	24,740	19,062	21,686
Meter Expenses & Customer Installations	11,291	16,977	10,075
Maintenance of Storage Tanks	809	940	587
Maintenance of Services	19,087	9,659	4,210
Maintenance of Hydrants	1,045	1,038	2,377
Meter Reading Expenses	4,945	2,819	3,112
Customer Records & Collections	52,480	53,149	48,650
Uncollectable Accounts	187	1,129	8,791
Administrative & General Salaries	19,756		
Office Supplies & Other Expenses	34,634	23,840	45,546
Outside Services - Engineering	22,927	22,551	34,042
Outside Services - Management Fees	110,000	110,000	104,167
Outside Services - Accounting	31,953	25,883	21,127
Outside Services - Legal	11,698	11,335	21,070
Injuries & Damages (Insurance Expense)	25,142	23,117	16,221
Employee Pensions & Benefits	53,838	53,714	58,829
Franchise Requirements	3,660	3,660	3,570
Regulatory Commission Expenses	30,864	3,650	25,217
Misc General Expenses	606	5,749	(2,322)
Misc Expenses - Vehicle Expenses	20,982	20,749	20,253
General Rents	16,900	16,900	16,900
Total Expenses	1,328,335	1,272,074	1,255,810
Net Income (Loss)	(413)	(14,054)	13,067

HAMPSTEAD AREA WATER COMPANY INC

BALANCE SHEET
March 31, 2008

ASSETS

	<u>3/31/08</u>	<u>3/31/07</u>
Current Assets:		
Cash	10,346	57,874
Accounts Receivable	95,370	163,431
Accrued Metered Revenue	145,828	155,660
Prepayments	2,637	(341)
Misc Current & Accrued Assets	0	0
Deferred Expenses	62,592	53,744
Deferred Income Taxes	25,904	27,197
Total Current Assets	<u>342,676</u>	<u>457,565</u>
Fixed Assets:		
Construction Work in Progress	273,859	128,629
Franchises	10,763	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	737,977	731,471
Wells & Springs	512,387	512,387
Supply Mains	17,481	17,481
Pumping Equipment	977,311	956,245
Water Treatment Equipment	395,691	390,514
Distribution Reserves & Standpipes	1,433,604	1,433,604
Transmission & Distribution Mains	3,698,568	3,698,568
Services	1,751,502	1,751,502
Meters & Meter Installation	720,771	692,667
Hydrants	80,056	80,056
Transportation Equipment	81,950	63,377
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	59,249
Less: Accumulated Deprecion	<u>(2,547,777)</u>	<u>(2,234,789)</u>
Total Fixed Assets	<u>8,294,864</u>	<u>8,369,834</u>
Total Assets	<u>8,637,540</u>	<u>8,827,399</u>

LIABILITIES AND EQUITY

	<u>3/31/08</u>	<u>3/31/07</u>
Current Liabilities:		
Accounts Payable	18,736	77,025
Accts Pay to Associated Companies	980,761	1,151,380
Customer Deposits	0	0
Accrued Taxes, Utility Operating Inc	0	0
Accrued Taxes, Other Than Inc.	669	(640)
Accrued Interest	65,694	90,699
Misc Current & Accrued Liabilities	587	351
Injuries & Damages Reserve	0	0
Pensions & Benefits Reserve	0	0
Total Current Liabilities	<u>1,066,446</u>	<u>1,318,816</u>
Long-Term Liabilities:		
Notes Payable - Outside Parties	235,560	233,727
Notes Payable - NHDES (Smith Mtn Tank)	1,303,582	1,315,291
Notes Payable Lewis Builders Inc.	659,457	716,580
Notes Payable - Lewis Builders Development Inc	1,044,460	796,998
CIAC	6,337,208	6,337,208
Accum Amortization of CIAC	<u>(1,700,754)</u>	<u>(1,532,150)</u>
Total Long-Term Liabilities	<u>7,879,513</u>	<u>7,867,653</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other Paid In Capital	1,113,401	1,078,401
Retained Earnings	(1,413,934)	(1,427,001)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	<u>(24,653)</u>	<u>(27,236)</u>
Stockholders' Equity	<u>(308,418)</u>	<u>(359,069)</u>
Total Liabilities and Stockholders Equity	<u>8,637,540</u>	<u>8,827,399</u>

6/28/2012

HAMPSTEAD AREA WATER CO.
INCOME STATEMENT
FOR THE THREE MONTHS ENDING MARCH 31, 2008

Revenue:		
Total Revenue		291,156
Expenses:		
Depreciation		83,205
Amortization of CIAC		(42,151)
Property Taxes		18,934
Other Taxes & Licenses		0
State Income Taxes, Utility Oper Inc		0
Provision for Deferred Income Taxes		323
Misc Nonutility Expenses		0
Interest on Debt to Assoc Companies		29,200
Interest on Long-term Debt		12,956
Labor on Outside Jobs		5,249
Well - Operation Labor & Expenses		547
Well - Misc Expenses		136
Well - Maintenance Supervision & Eng.		0
Well - Maintenance of Structures\Improv		0
Maintenance of Wells & Springs		670
Power Purchased for Pumping		48,533
Pumping Labor & Expenses		13,256
Pumping - Misc Expenses		5,393
Pumps - Maintenance of Structures\Imp		3,314
Maintenance of Pumping Equipment		5,763
Chemicals		1,815
Treatment - Operation Labor & Expenses		20,668
Maintenance of Water Treatment Equip		459
Transm & Distribution Lines Expenses		1,749
Meter Expenses		251
Customer Installations Expenses		624
Transm & Distribution Lines - Misc Exp		32
Maintenance of Distrib Reservoirs & Stdp		437
Maintenance of Transm & Distrib Mains		1,001
Maintenance of Services		1,792
Maintenance of Meters		1,220
Maintenance of Hydrants		46
Meter Reading Expenses		691
Customer Records & Collection Expenses		13,644
Uncollectable Accounts		0
Office Supplies & Other Expenses		6,441
Outside Services - Engineering		4,702
Outside Services - Management Fees		27,500
Outside Services - Accounting		7,347
Outside Services - Legal		2,580
Injuries & Damages		8,973
Employee Pensions & Benefits		15,532
Franchise Requirements		0
Regulatory Commission Expenses		910
Misc General Expenses		3,466
Misc Expenses - Vehicle Expenses		4,374
General Rents		4,225
Total Expenses		315,808
Net Income (Loss)		(24,653)

HAMPSTEAD AREA WATER COMPANY INC

6/28/2012

BALANCE SHEET June 30, 2008

ASSETS

	6/30/08	6/30/07
Current Assets:		
Cash	21,864	55,498
Accounts Receivable	99,854	136,130
Accrued Metered Revenue	187,262	196,046
Prepayments	30,731	28,207
Misc Current & Accrued Assets	0	522
Deferred Expenses	74,093	48,558
Deferred Income Taxes	25,581	26,874
Total Current Assets	439,385	491,834
Fixed Assets:		
Construction Work in Progress	339,708	170,376
Franchises	10,763	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	737,977	737,977
Wells & Springs	512,387	512,387
Supply Mains	17,481	17,481
Pumping Equipment	971,813	964,275
Water Treatment Equipment	394,629	394,629
Distribution Reserves & Standpipes	1,433,604	1,433,604
Transmission & Distribution Mains	3,709,867	3,698,568
Services	1,751,502	1,751,502
Meters & Meter Installation	720,771	692,893
Hydrants	80,056	80,056
Transportation Equipment	81,950	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	70,752
Less: Accumulated Deprecion	(2,635,249)	(2,298,755)
Total Fixed Assets	8,277,981	8,396,569
Total Assets	8,717,366	8,888,403

LIABILITIES AND EQUITY

	6/30/08	6/30/07
Current Liabilities:		
Accounts Payable	2,361	77,777
Accts Pay to Associated Companies	1,036,223	1,171,413
Customer Deposits	0	0
Accrued Taxes, Utility Operating Inc	0	0
Accrued Taxes, Other Than Inc.	(849)	129
Accrued Interest	65,694	65,694
Misc Current & Accrued Liabilities	587	1,474
Injuries & Damages Reserve	0	0
Pensions & Benefits Reserve	1,555	0
Total Current Liabilities	1,105,571	1,316,486
Long-Term Liabilities:		
Notes Payable - Outside Parties	191,565	256,356
Notes Payable - NHDES (Smith Mtn Tank)	1,305,433	1,315,291
Notes Payable Lewis Builders Inc.	517,765	702,775
Notes Payable - Lewis Builders Development Inc	1,303,951	889,327
CIAC	6,337,208	6,337,208
Accum Amortization of CIAC	(1,742,905)	(1,574,301)
Total Long-Term Liabilities	7,913,018	7,926,656
Stockholders' Equity:		
Common Stock	20,100	20,100
Other Paid In Capital	1,113,401	1,078,401
Retained Earnings	(1,413,934)	(1,427,001)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	(17,456)	(22,906)
Stockholders' Equity	(301,222)	(354,739)
Total Liabilities and Stockholders Equity	8,717,366	8,888,403

6/28/2012

HAMPSTEAD AREA WATER COMPANY INC
SUMMARY INCOME STATEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2008, 2007 AND 2006

	Year To Date		
	6/30/08	6/30/07	6/30/06
Total Revenue	616,955	584,789	495,302
Net Depreciation & CIAC	86,375	81,531	48,402
Property Taxes	50,005	49,062	25,609
Other Taxes	966	652	713
Misc Nonutility Expenses	0	0	0
Interest Expense	84,791	64,102	55,315
Labor on Outside Jobs	6,514	5,795	5,569
Well Expenses	4,571	5,973	3,011
Power Purchased for Pumping	89,764	80,188	71,396
Pumping Expenses	43,526	36,295	31,451
Chemicals	4,123	6,270	3,116
Treatment Expenses (Filters)	41,461	40,768	40,822
Transm & Distribution Exp (Mains)	7,809	9,078	11,400
Meter Expenses & Customer Installations	6,133	3,880	5,514
Maintenance of Storage Tanks	608	272	220
Maintenance of Services	4,870	583	0
Maintenance of Hydrants	415	468	0
Meter Reading Expenses	1,484	1,576	597
Customer Records & Collections	27,888	21,681	19,115
Uncollectable Accounts	0	2,270	0
Office Supplies & Other Expenses	11,915	20,547	4,994
Outside Services - Engineering	12,088	20,966	18,379
Outside Services - Management Fees	55,000	50,000	50,000
Outside Services - Accounting	13,898	11,887	21,114
Outside Services - Legal	4,336	10,235	4,153
Injuries & Damages	13,262	6,747	8,911
Employee Pensions & Benefits	26,652	29,141	30,197
Franchise Requirements	3,660	3,570	0
Regulatory Commission Expenses	3,776	22,548	6,656
Misc General Expenses	8,637	3,633	841
Misc Expenses - Vehicle Expenses	11,436	9,529	5,718
General Rents	8,450	8,450	8,450
Total Expenses	634,412	607,695	481,661
Net Income (Loss)	(17,456)	(22,906)	13,640

HAMPSTEAD AREA WATER COMPANY INC

BALANCE SHEET
September 30, 2008

ASSETS

	<u>9/30/08</u>	<u>9/30/07</u>
Current Assets:		
Cash	44,658	51,372
Accounts Receivable	97,616	156,782
Accrued Metered Revenue	190,027	211,865
Prepayments	10,461	10,303
Misc Current & Accrued Assets	0	1,093
Deferred Expenses	94,602	52,928
Deferred Income Taxes	25,257	26,550
Total Current Assets	<u>462,623</u>	<u>510,893</u>
Fixed Assets:		
Construction Work in Progress	401,924	196,641
Franchises	10,763	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	737,977	737,977
Wells & Springs	512,387	512,387
Supply Mains	17,481	17,481
Pumping Equipment	976,436	968,101
Water Treatment Equipment	394,629	394,629
Distribution Reserves & Standpipes	1,433,604	1,433,604
Transmission & Distribution Mains	3,709,867	3,698,568
Services	1,752,118	1,751,502
Meters & Meter Installation	720,962	698,486
Hydrants	80,056	80,056
Transportation Equipment	81,950	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	72,611
Less: Accumulated Deprecion	<u>(2,715,113)</u>	<u>(2,381,460)</u>
Total Fixed Assets	<u>8,265,763</u>	<u>8,351,407</u>
Total Assets	<u><u>8,728,386</u></u>	<u><u>8,862,300</u></u>

HAMPSTEAD AREA WATER COMPANY INC

BALANCE SHEET
September 30, 2008

LIABILITIES AND EQUITY

	<u>9/30/08</u>	<u>9/30/07</u>
Current Liabilities:		
Accounts Payable	22,780	3,531
Accts Pay to Associated Companies	1,045,182	1,121,626
Customer Deposits	0	0
Accrued Taxes, Utility Operating Inc	0	0
Accrued Taxes, Other Than Inc.	7,667	291
Accrued Interest	65,694	65,694
Misc Current & Accrued Liabilities	(44)	(1,073)
Injuries & Damages Reserve	0	0
Pensions & Benefits Reserve	1,294	0
Total Current Liabilities	<u>1,142,572</u>	<u>1,190,068</u>
Long-Term Liabilities:		
Notes Payable - Outside Parties	187,544	252,101
Notes Payable - NHDES (Smith Mtn Tank)	1,289,622	1,315,291
Notes Payable Lewis Builders Inc.	512,292	688,657
Notes Payable - Lewis Builders Development Inc	1,318,106	982,120
CIAC	6,337,208	6,337,208
Accum Amortization of CIAC	(1,785,056)	(1,616,452)
Total Long-Term Liabilities	<u>7,859,716</u>	<u>7,958,924</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other Paid In Capital	1,113,401	1,078,401
Retained Earnings	(1,413,934)	(1,427,001)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	9,863	45,141
Stockholders' Equity	<u>(273,902)</u>	<u>(286,692)</u>
Total Liabilities and Stockholders Equity	<u>8,728,386</u>	<u>8,862,300</u>

12/16/2008

HAMPSTEAD AREA WATER COMPANY INC**INCOME STATEMENT**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008, 2007 AND 2006

Revenue:	Year To Date		
	9/30/08	9/30/07	9/30/06
Metered Sales to Residential Customers	937,519	955,730	787,508
Other Water Revenue	27,666	18,234	22,944
Total Revenue	965,185	973,964	810,452
Expenses:			
Depreciation	256,015	249,038	187,875
Amortization of CIAC	(126,453)	(126,453)	(115,272)
Property Taxes	88,540	75,521	38,193
Other Taxes & Licenses	320	0	153
State Income Taxes, Utility Oper Inc	0	5	66
Provision for Deferred Income Taxes	970	970	970
Misc Nonutility Expenses	0	0	0
Interest on Debt to Assoc Companies	86,537	91,309	78,374
Interest on Long-term Debt	44,317	11,687	10,329
Labor on Outside Jobs	8,688	7,592	11,295
Well - Operation Labor & Expenses	547	1,826	1,875
Well - Misc Expenses	230	0	0
Well - Maintenance Supervision & Eng.	0	0	0
Well - Maintenance of Structures\Improv	1,092	440	0
Maintenance of Wells & Springs	3,315	7,218	1,262
Power Purchased for Pumping	140,961	134,815	118,124
Pumping Labor & Expenses	29,585	22,413	16,876
Pumping - Misc Expenses	11,366	18,276	15,332
Pumps - Maintenance of Structures\Imp	8,882	6,699	6,704
Maintenance of Pumping Equipment	13,793	5,198	3,763
Chemicals	8,031	9,775	8,757
Treatment - Operation Labor & Expenses	60,475	53,844	61,778
Maintenance of Water Treatment Equip	2,512	2,552	1,966
Transm & Distribution Lines Expenses	4,051	11,145	11,664
Meter Expenses	2,752	634	2,559
Customer Installations Expenses	1,919	4,449	4,389
Transm & Distribution Lines - Misc Exp	96	0	0
Maintenance of Distrib Reservoirs & Stdp	770	432	390
Maintenance of Transm & Distrib Mains	11,050	3,422	4,936
Maintenance of Services	5,730	1,428	1,476
Maintenance of Meters	4,695	835	3,060
Maintenance of Hydrants	415	1,388	760
Meter Reading Expenses	2,291	2,509	1,003
Customer Records & Collection Expenses	40,646	35,474	26,777
Uncollectable Accounts	0	2,270	0
Office Supplies & Other Expenses	18,856	41,105	9,602
Outside Services - Engineering	18,157	27,824	22,826
Outside Services - Management Fees	82,500	76,667	75,000
Outside Services - Accounting	19,589	17,588	24,903
Outside Services - Legal	7,845	16,447	5,136
Injuries & Damages	17,228	11,535	12,415
Employee Pensions & Benefits	40,051	44,160	39,877
Franchise Requirements	3,660	3,570	3,830
Regulatory Commission Expenses	4,517	23,911	9,310
Misc General Expenses	0	73	1,131
Misc Expenses - Vehicle Expenses	16,106	16,557	9,850
General Rents	12,675	12,675	12,675
Total Expenses	955,321	928,823	731,988
Net Income (Loss)	9,863	45,141	78,463

HAMPSTEAD AREA WATER COMPANY INC

BALANCE SHEET

December 31, 2008

	<u>12/31/08</u>	<u>12/31/07</u>
ASSETS		
Current Assets:		
Cash	14,173	23,596
Accounts Receivable	93,089	78,435
Accrued Metered Revenue	152,165	167,373
Prepayments	40,443	28,977
Misc Current & Accrued Assets	0	0
Deferred Expenses	120,320	56,818
Deferred Income Taxes	24,934	26,227
Total Current Assets	<u>445,124</u>	<u>381,426</u>
Fixed Assets:		
Construction Work in Progress	422,089	230,629
Franchises	10,763	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	737,977	737,977
Wells & Springs	512,387	512,387
Supply Mains	17,481	17,481
Pumping Equipment	983,195	969,886
Water Treatment Equipment	409,077	394,629
Distribution Reserves & Standpipes	1,433,604	1,433,604
Transmission & Distribution Mains	3,728,322	3,698,568
Services	1,752,118	1,751,502
Meters & Meter Installation	749,684	720,771
Hydrants	80,056	80,056
Transportation Equipment	81,950	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	72,611
Less: Accumulated Depreciation	<u>(2,799,768)</u>	<u>(2,464,572)</u>
Total Fixed Assets	<u>8,269,657</u>	<u>8,326,353</u>
Total Assets	<u><u>8,714,781</u></u>	<u><u>8,707,779</u></u>

HAMPSTEAD AREA WATER COMPANY INC**BALANCE SHEET**

December 31, 2008

LIABILITIES AND EQUITY

	<u>12/31/08</u>	<u>12/31/07</u>
Current Liabilities:		
Accounts Payable	55,622	51,947
Accts Pay to Associated Companies	1,103,394	990,354
Customer Deposits	0	0
Accrued Taxes, Utility Operating Inc	194	304
Accrued Taxes, Other Than Inc.	445	(790)
Accrued Interest	65,694	65,694
Misc Current & Accrued Liabilities	451	(423)
Injuries & Damages Reserve	0	0
Pensions & Benefits Reserve	0	0
Total Current Liabilities	<u>1,225,799</u>	<u>1,107,085</u>
Long-Term Liabilities:		
Notes Payable - Outside Parties	175,195	239,526
Notes Payable - NHDES (Smith Mtn Tank)	1,281,647	1,315,291
Notes Payable Lewis Builders Inc.	505,543	674,219
Notes Payable - Lewis Builders Development Inc	1,314,364	976,819
CIAC	6,336,258	6,337,208
Accum Amortization of CIAC	(1,826,206)	(1,658,603)
Total Long-Term Liabilities	<u>7,786,802</u>	<u>7,884,460</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other Paid In Capital	1,113,401	1,113,401
Retained Earnings	(1,413,934)	(1,427,001)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	(14,054)	13,067
Stockholders' Equity	<u>(297,819)</u>	<u>(283,766)</u>
Total Liabilities and Stockholders Equity	<u><u>8,714,781</u></u>	<u><u>8,707,779</u></u>

HAMPSTEAD AREA WATER COMPANY INC
SUMMARY INCOME STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2008, 2007 AND 2006

	Year To Date		
	12/31/08	12/31/07	12/31/06
Metered Sales to Residential Customers	1,202,606	1,214,412	1,031,980
Other Water Revenue	55,414	54,465	44,797
Total Revenue	<u>1,258,021</u>	<u>1,268,877</u>	<u>1,076,777</u>
Net Depreciation & CIAC	175,113	164,046	125,171
Property Taxes	120,183	105,123	102,789
Other Taxes	4,443	3,934	3,844
Misc Nonutility Expenses	0	0	0
Interest Expense	181,163	154,183	128,329
Labor on Outside Jobs	10,690	12,316	16,502
Well Expenses	7,596	12,141	4,015
Power Purchased for Pumping	179,240	177,371	160,036
Pumping Expenses	76,074	70,380	61,484
Chemicals	10,653	11,917	11,072
Treatment Expenses (Filters)	80,999	80,290	85,753
Transm & Distribution Exp (Mains)	19,062	21,686	22,232
Meter Expenses & Customer Installations	16,977	10,075	10,176
Maintenance of Storage Tanks	940	587	598
Maintenance of Services	9,659	4,210	4,697
Maintenance of Hydrants	1,038	2,377	760
Meter Reading Expenses	2,819	3,112	2,129
Customer Records & Collections	53,149	48,650	34,461
Uncollectable Accounts	1,129	8,791	0
Office Supplies & Other Expenses	23,840	45,546	21,283
Outside Services - Engineering	22,551	34,042	27,813
Outside Services - Management Fees	110,000	104,167	100,000
Outside Services - Accounting	25,883	21,127	34,829
Outside Services - Legal	11,335	21,070	14,956
Injuries & Damages	23,117	16,221	17,974
Employee Pensions & Benefits	53,714	58,829	48,803
Franchise Requirements	3,660	3,570	3,830
Regulatory Commission Expenses	3,650	25,217	28,980
Misc General Expenses	5,749	(2,322)	1,012
Misc Expenses - Vehicle Expenses	20,749	20,253	12,438
General Rents	16,900	16,900	16,900
Total Expenses	<u>1,272,074</u>	<u>1,255,810</u>	<u>1,102,866</u>
Net Income (Loss)	<u>(14,054)</u>	<u>13,067</u>	<u>(26,089)</u>

6/25/2009

HAMPSTEAD AREA WATER COMPANY INC

BALANCE SHEET

March 31, 2009

ASSETS

	<u>3/31/09</u>	<u>3/31/08</u>
Current Assets:		
Cash	31,463	10,346
Accounts Receivable	86,104	95,370
Accrued Metered Revenue	141,924	145,828
Prepayments	16,663	2,637
Misc Current & Accrued Assets	0	0
Deferred Expenses	133,291	62,592
Deferred Income Taxes	24,611	25,904
Total Current Assets	<u>434,056</u>	<u>342,676</u>
Fixed Assets:		
Construction Work in Progress	499,827	273,859
Franchises	10,763	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	737,977	737,977
Wells & Springs	512,387	512,387
Supply Mains	17,481	17,481
Pumping Equipment	984,413	977,311
Water Treatment Equipment	409,077	395,691
Distribution Reserves & Standpipes	1,433,604	1,433,604
Transmission & Distribution Mains	3,730,127	3,698,568
Services	1,755,592	1,751,502
Meters & Meter Installation	784,883	720,771
Hydrants	80,056	80,056
Transportation Equipment	81,950	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	72,611
Less: Accumulated Depreciation	<u>(2,880,687)</u>	<u>(2,547,777)</u>
Total Fixed Assets	<u>8,308,172</u>	<u>8,294,864</u>
Total Assets	<u><u>8,742,228</u></u>	<u><u>8,637,540</u></u>

HAMPSTEAD AREA WATER COMPANY INC

BALANCE SHEET

March 31, 2009

LIABILITIES AND EQUITY

	<u>3/31/09</u>	<u>3/31/08</u>
Current Liabilities:		
Accounts Payable	69,220	18,736
Accts Pay to Associated Companies	1,198,040	980,761
Customer Deposits	0	0
Accrued Taxes, Utility Operating Inc	0	0
Accrued Taxes, Other Than Inc.	957	669
Accrued Interest	65,694	65,694
Misc Current & Accrued Liabilities	801	587
Injuries & Damages Reserve	0	0
Pensions & Benefits Reserve	0	0
Total Current Liabilities	<u>1,334,711</u>	<u>1,066,446</u>
Long-Term Liabilities:		
Notes Payable - Outside Parties	171,114	235,560
Notes Payable - NHDES (Smith Mtn Tank)	1,273,628	1,303,582
Notes Payable Lewis Builders Inc.	498,644	659,457
Notes Payable - Lewis Builders Development Inc	1,360,683	1,044,460
CIAC	6,336,258	6,337,208
Accum Amortization of CIAC	<u>(1,868,357)</u>	<u>(1,700,754)</u>
Total Long-Term Liabilities	<u>7,771,971</u>	<u>7,879,513</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other Paid In Capital	1,113,401	1,113,401
Retained Earnings	(1,427,987)	(1,413,934)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	<u>(66,634)</u>	<u>(24,653)</u>
Stockholders' Equity	<u>(364,454)</u>	<u>(308,418)</u>
Total Liabilities and Stockholders Equity	<u><u>8,742,228</u></u>	<u><u>8,637,540</u></u>

6/25/2009

HAMPSTEAD AREA WATER CO.
INCOME STATEMENT
FOR THE THREE MONTHS ENDING MARCH 31, 2009

Revenue:

Metered Sales to Residential Customers	244,085
Other Water Revenue	5,261
Total Revenue	<u>249,346</u>

Expenses:

Depreciation	85,920
Amortization of CIAC	(42,151)
Property Taxes	24,904
Other Taxes & Licenses	0
State Income Taxes, Utility Oper Inc	0
Provision for Deferred Income Taxes	323
Misc Nonutility Expenses	0
Interest on Debt to Assoc Companies	25,425
Interest on Long-term Debt	8,940
Labor on Outside Jobs	436
Well - Operation Labor & Expenses	0
Well - Misc Expenses	0
Well - Maintenance Supervision & Eng.	0
Well - Maintenance of Structures\Improv	0
Maintenance of Wells & Springs	72
Power Purchased for Pumping	50,965
Pumping Labor & Expenses	5,965
Pumping - Misc Expenses	474
Pumps - Maintenance of Structures\Imp	9,440
Maintenance of Pumping Equipment	46
Chemicals	2,404
Treatment - Operation Labor & Expenses	17,883
Maintenance of Water Treatment Equip	430
Transm & Distribution Lines Expenses	414
Meter Expenses	7,269
Customer Installations Expenses	265
Transm & Distribution Lines - Misc Exp	61
Maintenance of Distrib Reservoirs & Stdp	55
Maintenance of Transm & Distrib Mains	6,771
Maintenance of Services	7,757
Maintenance of Meters	1,742
Maintenance of Hydrants	20
Meter Reading Expenses	417
Customer Records & Collection Expenses	11,008
Uncollectable Accounts	0
Office Supplies & Other Expenses	5,221
Outside Services - Engineering	12,216
Outside Services - Management Fees	27,500
Outside Services - Accounting	7,332
Outside Services - Legal	4,571
Injuries & Damages	4,569
Employee Pensions & Benefits	13,850
Franchise Requirements	0
Regulatory Commission Expenses	2,067
Misc General Expenses	4,737
Misc Expenses - Vehicle Expenses	2,438
General Rents	4,225
Total Expenses	<u>315,980</u>

Net Income (Loss)(66,634)

10/1/2009

HAMPSTEAD AREA WATER COMPANY INC

BALANCE SHEET

June 30, 2009

ASSETS

	<u>6/30/09</u>	<u>6/30/08</u>
Current Assets:		
Cash	16,466	21,864
Accounts Receivable	117,769	99,854
Accrued Metered Revenue	85,727	187,262
Prepayments	40,644	30,731
Misc Current & Accrued Assets	22	0
Deferred Expenses	151,495	74,093
Deferred Income Taxes	24,288	25,581
Total Current Assets	<u>436,410</u>	<u>439,385</u>
Fixed Assets:		
Construction Work in Progress	542,986	339,708
Franchises	10,763	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	739,570	737,977
Wells & Springs	514,584	512,387
Supply Mains	17,481	17,481
Pumping Equipment	993,987	971,813
Water Treatment Equipment	409,077	394,629
Distribution Reserves & Standpipes	1,433,604	1,433,604
Transmission & Distribution Mains	3,735,265	3,709,867
Services	1,762,035	1,751,502
Meters & Meter Installation	788,159	720,771
Hydrants	80,056	80,056
Office Furniture & Equipment	1,420	0
Transportation Equipment	81,950	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	72,611
Less: Accumulated Depreciation	(2,964,657)	(2,635,249)
Total Fixed Assets	<u>8,297,001</u>	<u>8,277,981</u>
Total Assets	<u><u>8,733,411</u></u>	<u><u>8,717,366</u></u>

HAMPSTEAD AREA WATER COMPANY INC

BALANCE SHEET

June 30, 2009

LIABILITIES AND EQUITY

	<u>6/30/09</u>	<u>6/30/08</u>
Current Liabilities:		
Accounts Payable	2,711	2,361
Accts Pay to Associated Companies	1,269,517	1,036,223
Customer Deposits	0	0
Accrued Taxes, Utility Operating Inc	0	0
Accrued Taxes, Other Than Inc.	(232)	(849)
Accrued Interest	65,694	65,694
Misc Current & Accrued Liabilities	2,141	587
Injuries & Damages Reserve	0	0
Pensions & Benefits Reserve	207	1,555
Total Current Liabilities	<u>1,340,036</u>	<u>1,105,571</u>
Long-Term Liabilities:		
Notes Payable - Outside Parties	167,693	191,565
Note Payable - TD Bank	0	0
Notes Payable - NHDES (Smith Mtn Tank & Interconnection)	1,261,516	1,305,433
Notes Payable Lewis Builders Inc.	493,229	517,765
Notes Payable - Lewis Builders Development Inc	1,418,881	1,303,951
CIAC	6,343,127	6,337,208
Accum Amortization of CIAC	(1,909,186)	(1,742,905)
Total Long-Term Liabilities	<u>7,775,260</u>	<u>7,913,018</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other Paid In Capital	1,113,401	1,113,401
Retained Earnings	(1,427,987)	(1,413,934)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	(84,066)	(17,456)
Stockholders' Equity	<u>(381,885)</u>	<u>(301,222)</u>
Total Liabilities and Stockholders Equity	<u>8,733,411</u>	<u>8,717,366</u>

10/1/2009

HAMPSTEAD AREA WATER COMPANY INC
SUMMARY INCOME STATEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2009, 2008 AND 2007

	Year To Date		
	6/30/09	6/30/08	6/30/07
Metered Sales to Residential Customers	541,977	596,434	570,070
Other Water Revenue	16,954	20,521	14,719
Total Revenue	558,930	616,955	584,789
Net Depreciation & CIAC	87,538	86,375	81,531
Property Taxes	51,047	50,005	49,062
Other Taxes	1,255	966	652
Misc Nonutility Expenses	0	0	0
Interest Expense	70,812	84,791	64,102
Labor on Outside Jobs	976	6,514	5,795
Well Expenses	8,065	4,571	5,973
Power Purchased for Pumping	91,496	89,764	80,188
Pumping Expenses	38,548	43,526	36,295
Chemicals	5,419	4,123	6,270
Treatment Expenses (Filters)	42,524	41,461	40,768
Transm & Distribution Exp (Mains)	16,808	7,809	9,078
Meter Expenses & Customer Installations	10,880	6,133	3,880
Maintenance of Storage Tanks	383	608	272
Maintenance of Services	15,128	4,870	583
Maintenance of Hydrants	50	415	468
Meter Reading Expenses	3,277	1,484	1,576
Customer Records & Collections	24,087	27,888	21,681
Uncollectable Accounts	0	0	2,270
Administrative & General Salaries	8,886	0	0
Office Supplies & Other Expenses	14,775	11,915	20,547
Outside Services - Engineering	16,769	12,088	20,966
Outside Services - Management Fees	55,000	55,000	50,000
Outside Services - Accounting	14,789	13,898	11,887
Outside Services - Legal	6,248	4,336	10,235
Injuries & Damages	9,710	13,262	6,747
Employee Pensions & Benefits	26,490	26,652	29,141
Franchise Requirements	3,660	3,660	3,570
Regulatory Commission Expenses	2,177	3,776	22,548
Misc General Expenses	17	8,637	3,633
Misc Expenses - Vehicle Expenses	7,731	11,436	9,529
General Rents	8,450	8,450	8,450
Total Expenses	642,996	634,412	607,695
Net Income (Loss)	(84,066)	(17,456)	(22,906)

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

July 31, 2009

ASSETS

	<u>7/31/09</u>
Current Assets:	
Cash	205,074
Accounts Receivable	77,108
Accrued Metered Revenue	91,436
Prepayments	30,690
Misc Current & Accrued Assets	0
Deferred Expenses	155,004
Deferred Income Taxes	24,180
Total Current Assets	<u>583,492</u>
Fixed Assets:	
Construction Work in Progress	804,734
Franchises	10,763
Land & Land Rights	76,185
Structures & Improvements	739,570
Wells & Springs	514,584
Supply Mains	17,481
Pumping Equipment	993,987
Water Treatment Equipment	409,077
Distribution Reserves & Standpipes	1,433,604
Transmission & Distribution Mains	3,736,744
Services	1,762,035
Meters & Meter Installation	789,251
Hydrants	80,056
Office Furniture & Equipment	1,420
Transportation Equipment	81,950
Tools Shop and Garage Equipment	1,926
Computer Equipment	72,611
Less: Accumulated Depreciation	<u>(2,993,297)</u>
Total Fixed Assets	<u>8,532,680</u>
Total Assets	<u><u>9,116,173</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

July 31, 2009

LIABILITIES

	<u>7/31/09</u>
Current Liabilities:	
Accounts Payable	136,521
Accounts Payable to associated Companies	1,375,285
Customer Deposits	0
Accrued Taxes	(232)
Accrued Expenses	67,279
Total Current Liabilities	<u>1,578,853</u>
Long-Term Liabilities:	
Note Payable - TD Bank	0
Notes Payable - State of NH (DWSRF)	1,253,384
Notes Payable - Outside Parties	205,631
Notes Payables - Lewis Builders	2,037,022
CIAC	6,343,127
Accumulated Amortization of CIAC	(1,923,236)
Total Long-Term Liabilities	<u>7,915,927</u>
Stockholders' Equity:	
Common Stock	20,100
Other paid in Capital	1,113,401
Retained earnings	(1,427,987)
Reacquired Capital Stock	(3,333)
Net Income (Loss)	(80,788)
Stockholders' Equity	<u>(378,608)</u>
Total Liabilities and Stockholders' Equity	<u><u>9,116,173</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

INCOME STATEMENT

FOR THE SEVEN MONTHS ENDING JULY 31, 2009

Total Revenue	<u>667,871</u>
Net Depreciation & CIAC	102,128
Property Taxes	59,348
Other Taxes	1,362
Misc Nonutility Expenses	0
Interest Expense	85,608
Labor on Outside Jobs	2,258
Well Expenses	8,075
Power Purchased for Pumping	105,003
Pumping Expenses	41,264
Chemicals	6,293
Treatment Expense (Filters)	52,416
Transm & Distribution Exp (Mains)	17,488
Meter Expenses & Customer Installations	11,557
Maintenance of Storage Tanks	501
Maintenance of Services	15,157
Maintenance of Hydrants	99
Meter Reading Expenses	3,611
Customer Records & Collections	26,478
Uncollectable Accounts	0
Administrative & General Salaries	10,048
Office Supplies & Other Expenses	24,369
Outside Services - Engineering	17,198
Outside Services - Management Fees	64,167
Outside Services - Accounting	16,496
Outside Services - Legal	7,966
Injuries & Damages (Insurance Expense)	12,699
Employee Pensions & Benefits	32,326
Franchise Requirements	3,660
Regulatory Commission Expenses	2,214
Misc General Expenses	68
Misc Expenses - Vehicle Expenses	8,943
General Rents	9,858
Total Expenses	<u>748,659</u>
Net Income (Loss)	<u>(80,788)</u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

August 31, 2009

ASSETS

	<u>8/31/09</u>
Current Assets:	
Cash	46,092
Accounts Receivable	76,586
Accrued Metered Revenue	123,871
Prepayments	27,484
Misc Current & Accrued Assets	0
Deferred Expenses	169,241
Deferred Income Taxes	24,072
Total Current Assets	<u>467,346</u>
Fixed Assets:	
Construction Work in Progress	1,056,196
Franchises	10,763
Land & Land Rights	76,185
Structures & Improvements	739,570
Wells & Springs	514,584
Supply Mains	17,481
Pumping Equipment	993,987
Water Treatment Equipment	409,077
Distribution Reserves & Standpipes	1,433,604
Transmission & Distribution Mains	3,736,744
Services	1,763,190
Meters & Meter Installation	792,891
Hydrants	80,056
Office Furniture & Equipment	1,420
Transportation Equipment	81,950
Tools Shop and Garage Equipment	1,926
Computer Equipment	72,611
Less: Accumulated Depreciation	<u>(3,021,937)</u>
Total Fixed Assets	<u>8,760,298</u>
Total Assets	<u><u>9,227,644</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

August 31, 2009

LIABILITIES

	<u>8/31/09</u>
Current Liabilities:	
Accounts Payable	268,799
Accounts Payable to associated Companies	14,419
Customer Deposits	0
Accrued Taxes	0
Accrued Expenses	67,539
Total Current Liabilities	<u>350,758</u>
Long-Term Liabilities:	
Note Payable - TD Bank	1,450,000
Notes Payable - State of NH (DWSRF)	1,459,194
Notes Payable - Outside Parties	204,251
Notes Payables - Lewis Builders	690,782
CIAC	6,343,127
Accumulated Amortization of CIAC	(1,937,286)
Total Long-Term Liabilities	<u>8,210,068</u>
Stockholders' Equity:	
Common Stock	20,100
Other paid in Capital	2,104,354
Retained earnings	(1,427,987)
Reacquired Capital Stock	(3,333)
Net Income (Loss)	(26,315)
Stockholders' Equity	<u>666,818</u>
Total Liabilities and Stockholders' Equity	<u><u>9,227,644</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

INCOME STATEMENT

FOR THE EIGHT MONTHS ENDING AUGUST 31, 2009

Total Revenue	<u>815,267</u>
Net Depreciation & CIAC	116,718
Property Taxes	67,649
Other Taxes	1,702
Misc Nonutility Expenses	0
Interest Expense	94,244
Labor on Outside Jobs	2,946
Well Expenses	11,982
Power Purchased for Pumping	119,189
Pumping Expenses	42,925
Chemicals	8,036
Treatment Expense (Filters)	58,251
Transm & Distribution Exp (Mains)	18,444
Meter Expenses & Customer Installations	8,693
Maintenance of Storage Tanks	531
Maintenance of Services	16,295
Maintenance of Hydrants	154
Meter Reading Expenses	3,980
Customer Records & Collections	29,318
Uncollectable Accounts	0
Administrative & General Salaries	11,391
Office Supplies & Other Expenses	30,947
Outside Services - Engineering	17,238
Outside Services - Management Fees	73,333
Outside Services - Accounting	18,331
Outside Services - Legal	8,626
Injuries & Damages (Insurance Expense)	14,455
Employee Pensions & Benefits	37,251
Franchise Requirements	3,660
Regulatory Commission Expenses	3,659
Misc General Expenses	68
Misc Expenses - Vehicle Expenses	10,298
General Rents	11,267
Total Expenses	<u>841,582</u>
Net Income (Loss)	<u>(26,315)</u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

September 30, 2009 and 2008

ASSETS

	<u>9/30/09</u>	<u>9/30/08</u>
Current Assets:		
Cash	53,497	44,658
Accounts Receivable	109,584	97,616
Accrued Metered Revenue	113,635	190,027
Prepayments	18,482	10,461
Misc Current & Accrued Assets	0	0
Deferred Expenses	168,905	94,602
Deferred Income Taxes	23,964	25,257
Total Current Assets	<u>488,066</u>	<u>462,623</u>
Fixed Assets:		
Construction Work in Progress	1,489,105	401,924
Franchises	10,763	10,763
Land & Land Rights	76,185	76,185
Structures & Improvements	739,570	737,977
Wells & Springs	514,584	512,387
Supply Mains	17,481	17,481
Pumping Equipment	995,299	976,436
Water Treatment Equipment	409,077	394,629
Distribution Reserves & Standpipes	1,433,604	1,433,604
Transmission & Distribution Mains	3,736,744	3,709,867
Services	1,763,190	1,752,118
Meters & Meter Installation	792,891	720,962
Hydrants	80,056	80,056
Office Furniture & Equipment	1,420	
Transportation Equipment	81,950	81,950
Tools Shop and Garage Equipment	1,926	1,926
Computer Equipment	72,611	72,611
Less: Accumulated Depreciation	<u>(3,049,577)</u>	<u>(2,715,113)</u>
Total Fixed Assets	<u>9,166,880</u>	<u>8,265,763</u>
Total Assets	<u><u>9,654,946</u></u>	<u><u>8,728,386</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

September 30, 2009 and 2008

LIABILITIES

	<u>9/30/09</u>	<u>9/30/08</u>
Current Liabilities:		
Accounts Payable	482,916	22,780
Accounts Payable to associated Companies	18,954	1,045,182
Customer Deposits	0	0
Accrued Taxes	0	7,667
Accrued Expenses	61,294	66,943
Total Current Liabilities	<u>563,164</u>	<u>1,142,572</u>
Long-Term Liabilities:		
Note Payable - TD Bank	1,447,136	0
Notes Payable - State of NH (DWSRF)	1,677,898	1,289,622
Notes Payable - Outside Parties	202,868	187,544
Notes Payables - Lewis Builders	690,782	1,830,398
CIAC	6,348,127	6,337,208
Accumulated Amortization of CIAC	<u>(1,951,337)</u>	<u>(1,785,056)</u>
Total Long-Term Liabilities	<u>8,415,474</u>	<u>7,859,716</u>
Stockholders' Equity:		
Common Stock	20,100	20,100
Other paid in Capital	2,104,354	1,113,401
Retained earnings	(1,427,987)	(1,413,934)
Reacquired Capital Stock	(3,333)	(3,333)
Net Income (Loss)	<u>(16,825)</u>	<u>9,863</u>
Stockholders' Equity	<u>676,308</u>	<u>(273,902)</u>
Total Liabilities and Stockholders' Equity	<u><u>9,654,946</u></u>	<u><u>8,728,386</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.
SUMMARY INCOME STATEMENT
FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2009, 2008 AND 2007

	<u>9/30/09</u>	<u>9/30/08</u>	<u>9/30/07</u>
Total Revenue	<u>945,574</u>	<u>965,185</u>	<u>973,964</u>
Net Depreciation & CIAC	131,307	129,562	122,585
Property Taxes	83,668	88,540	75,521
Other Taxes	845	1,290	975
Misc Nonutility Expenses	0	0	0
Interest Expense	110,057	130,854	102,996
Labor on Outside Jobs	3,341	8,688	7,592
Well Expenses	11,529	5,184	9,483
Power Purchased for Pumping	133,991	140,961	134,815
Pumping Expenses	47,357	63,626	52,587
Chemicals	9,175	8,031	9,775
Treatment Expense (Filters)	65,295	62,987	56,396
Transm & Distribution Exp (Mains)	19,431	15,198	14,567
Meter Expenses & Customer Installations	17,959	9,366	5,918
Maintenance of Storage Tanks	648	770	432
Maintenance of Services	17,424	5,730	1,428
Maintenance of Hydrants	207	415	1,388
Meter Reading Expenses	4,413	2,291	2,509
Customer Records & Collections	33,806	40,646	35,474
Uncollectable Accounts	0	0	2,270
Administrative & General Salaries	13,563		
Office Supplies & Other Expenses	32,475	18,856	41,105
Outside Services - Engineering	17,761	18,157	27,824
Outside Services - Management Fees	82,500	82,500	76,667
Outside Services - Accounting	19,186	19,589	17,588
Outside Services - Legal	9,107	7,845	16,447
Injuries & Damages (Insurance Expense)	18,741	17,228	11,535
Employee Pensions & Benefits	41,662	40,051	44,160
Franchise Requirements	3,660	3,660	3,570
Regulatory Commission Expenses	4,459	4,517	23,911
Misc General Expenses	(80)	0	73
Misc Expenses - Vehicle Expenses	16,238	16,106	16,557
General Rents	12,675	12,675	12,675
Total Expenses	<u>962,399</u>	<u>955,321</u>	<u>928,823</u>
Net Income (Loss)	<u>(16,825)</u>	<u>9,863</u>	<u>45,141</u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

October 31, 2009

ASSETS

	<u>10/31/09</u>
Current Assets:	
Cash	59,913
Accounts Receivable	99,627
Accrued Metered Revenue	109,298
Prepayments	9,488
Misc Current & Accrued Assets	0
Deferred Expenses	163,717
Deferred Income Taxes	23,857
Total Current Assets	<u>465,900</u>
Fixed Assets:	
Construction Work in Progress	1,658,044
Franchises	10,763
Land & Land Rights	76,185
Structures & Improvements	774,081
Wells & Springs	537,070
Supply Mains	17,481
Pumping Equipment	1,028,822
Water Treatment Equipment	424,034
Distribution Reserves & Standpipes	1,457,094
Transmission & Distribution Mains	3,776,744
Services	1,768,200
Meters & Meter Installation	792,959
Hydrants	80,056
Office Furniture & Equipment	1,420
Transportation Equipment	81,950
Tools Shop and Garage Equipment	1,926
Computer Equipment	72,611
Less: Accumulated Depreciation	<u>(3,076,917)</u>
Total Fixed Assets	<u>9,482,523</u>
Total Assets	<u><u>9,948,423</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

October 31, 2009

LIABILITIES

	<u>10/31/09</u>
Current Liabilities:	
Accounts Payable	215,839
Accounts Payable to associated Companies	21,520
Customer Deposits	0
Accrued Taxes	1,185
Accrued Expenses	36,501
Total Current Liabilities	<u>275,045</u>
Long-Term Liabilities:	
Note Payable - TD Bank	1,443,840
Notes Payable - State of NH (DWSRF)	2,087,019
Notes Payable - Outside Parties	224,481
Notes Payables - Lewis Builders	690,566
CIAC	6,495,484
Accumulated Amortization of CIAC	(1,965,387)
Total Long-Term Liabilities	<u>8,976,004</u>
Stockholders' Equity:	
Common Stock	20,100
Other paid in Capital	2,104,354
Retained earnings	(1,427,987)
Reacquired Capital Stock	(3,333)
Net Income (Loss)	4,241
Stockholders' Equity	<u>697,374</u>
Total Liabilities and Stockholders' Equity	<u><u>9,948,423</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

SUMMARY INCOME STATEMENT

FOR THE TEN MONTHS ENDING OCTOBER 31, 2009

	<u>10/31/09</u>
Total Revenue	<u>1,081,305</u>
Net Depreciation & CIAC	145,897
Property Taxes	94,419
Other Taxes	953
Misc Nonutility Expenses	0
Interest Expense	122,451
Labor on Outside Jobs	3,995
Well Expenses	11,529
Power Purchased for Pumping	148,713
Pumping Expenses	51,437
Chemicals	10,420
Treatment Expense (Filters)	74,484
Transm & Distribution Exp (Mains)	20,644
Meter Expenses & Customer Installations	19,597
Maintenance of Storage Tanks	701
Maintenance of Services	17,937
Maintenance of Hydrants	207
Meter Reading Expenses	4,849
Customer Records & Collections	38,799
Uncollectable Accounts	0
Administrative & General Salaries	16,841
Office Supplies & Other Expenses	36,302
Outside Services - Engineering	19,554
Outside Services - Management Fees	91,667
Outside Services - Accounting	22,944
Outside Services - Legal	10,155
Injuries & Damages (Insurance Expense)	21,044
Employee Pensions & Benefits	44,998
Franchise Requirements	3,660
Regulatory Commission Expenses	10,532
Misc General Expenses	337
Misc Expenses - Vehicle Expenses	17,917
General Rents	14,083
Total Expenses	<u>1,077,064</u>
Net Income (Loss)	<u>4,241</u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET
November 30, 2009

ASSETS

	<u>11/30/09</u>
Current Assets:	
Cash	68,193
Accounts Receivable	86,462
Accrued Metered Revenue	104,922
Prepayments	32,220
Misc Current & Accrued Assets	0
Deferred Expenses	158,460
Deferred Income Taxes	23,749
Total Current Assets	<u>474,006</u>
Fixed Assets:	
Construction Work in Progress	1,668,873
Franchises	10,763
Land & Land Rights	76,185
Structures & Improvements	774,081
Wells & Springs	537,070
Supply Mains	17,481
Pumping Equipment	1,029,957
Water Treatment Equipment	424,034
Distribution Reserves & Standpipes	1,457,094
Transmission & Distribution Mains	3,777,806
Services	1,769,224
Meters & Meter Installation	792,959
Hydrants	80,056
Office Furniture & Equipment	1,420
Transportation Equipment	81,950
Tools Shop and Garage Equipment	1,926
Computer Equipment	72,611
Less: Accumulated Depreciation	<u>(3,105,307)</u>
Total Fixed Assets	<u>9,468,183</u>
Total Assets	<u><u>9,942,189</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.

BALANCE SHEET

November 30, 2009

LIABILITIES

	<u>11/30/09</u>
Current Liabilities:	
Accounts Payable	34,185
Accounts Payable to associated Companies	21,945
Customer Deposits	0
Accrued Taxes	0
Accrued Expenses	28,332
Total Current Liabilities	<u>84,462</u>
Long-Term Liabilities:	
Note Payable - TD Bank	1,440,778
Notes Payable - State of NH (DWSRF)	2,295,331
Notes Payable - Outside Parties	223,091
Notes Payables - Lewis Builders	690,349
CIAC	6,495,484
Accumulated Amortization of CIAC	(1,979,437)
Total Long-Term Liabilities	<u>9,165,596</u>
Stockholders' Equity:	
Common Stock	20,100
Other paid in Capital	2,104,354
Retained earnings	(1,427,987)
Reacquired Capital Stock	(3,333)
Net Income (Loss)	(1,002)
Stockholders' Equity	<u>692,131</u>
Total Liabilities and Stockholders' Equity	<u><u>9,942,189</u></u>

HAMPSTEAD AREA WATER COMPANY, INC.
SUMMARY INCOME STATEMENT
FOR THE ELEVEN MONTHS ENDING NOVEMBER 30, 2009

	11/30/09
Total Revenue	1,198,463
Net Depreciation & CIAC	160,487
Property Taxes	128,952
Other Taxes	1,060
Misc Nonutility Expenses	0
Interest Expense	135,062
Labor on Outside Jobs	6,276
Well Expenses	11,984
Power Purchased for Pumping	160,225
Pumping Expenses	54,614
Chemicals	11,294
Treatment Expense (Filters)	78,221
Transm & Distribution Exp (Mains)	22,865
Meter Expenses & Customer Installations	20,118
Maintenance of Storage Tanks	722
Maintenance of Services	18,291
Maintenance of Hydrants	415
Meter Reading Expenses	5,168
Customer Records & Collections	42,827
Uncollectable Accounts	0
Administrative & General Salaries	18,094
Office Supplies & Other Expenses	37,641
Outside Services - Engineering	20,936
Outside Services - Management Fees	100,833
Outside Services - Accounting	24,826
Outside Services - Legal	11,224
Injuries & Damages (Insurance Expense)	23,261
Employee Pensions & Benefits	49,727
Franchise Requirements	3,660
Regulatory Commission Expenses	15,598
Misc General Expenses	606
Misc Expenses - Vehicle Expenses	18,987
General Rents	15,492
Total Expenses	1,199,466
Net Income (Loss)	(1,002)

Hampstead Area Water Company
DW-12-170 2012 Rate Case

Quarterly Sales Volumes are not itemized for residential or other classifications of service.

Hampstead Area Water Company

Projected need for External Capital for 2012 and 2013

External Capital for 2012

State Revolving Fund	\$180,000
Lewis Builders Development	<u>248,500</u>
Total 2012 External Capital	<u>\$428,500</u>

External Capital for 2013

State Revolving Fund	\$0
Lewis Builders Development	<u>346,800</u>
Total 2013 External Capital	<u>\$346,800</u>

Note: The projected external capital for 2013 is 80% of the 2013 anticipated additions.

Hampstead Area Water Company

Capital Budget with State of Source and Use of Funds for 2012 and 2013

Source of Funds for 2012

State Revolving Fund	\$180,000
Lewis Builders Development	218,072
Contribution in Aid of Construction	<u>30,428</u>
Total 2012 Source of Funds	<u>\$428,500</u>

Use of Funds for 2012

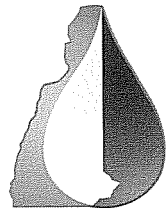
Wells	\$40,000
Pumping Equipment	24,000
Treatment Equipment	60,000
T&D Mains	30,000
Services	180,000
Meters	60,500
Transportation Equipment	<u>34,000</u>
Total 2012 Use of Funds	<u>\$428,500</u>

Source of Funds for 2013

Internally Generated Cash	\$86,700
Lewis Builders Development	<u>346,800</u>
Total 2013 Source of Funds	<u>\$433,500</u>

Use of Funds for 2013

Wells	\$40,000
Pumping Equipment	109,000
Treatment Equipment	60,000
T&D Mains	30,000
Services	100,000
Meters	60,500
Transportation Equipment	<u>34,000</u>
Total 2013 Use of Funds	<u>\$433,500</u>



HAMPSTEAD AREA

WATER COMPANY, INC

54 SAWYER AVENUE, ATKINSON, NH 03811

TEL: 603.362.4299 FAX: 603.362.4936
www.hampsteadwater.com

July 25, 2012

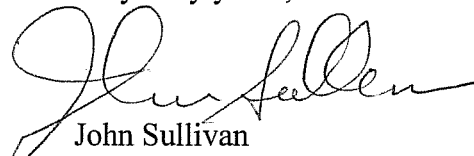
Debra Howland
Executive Director & Secretary
Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, N. H. 03301-2429

Re: General Rate Case Filing – Hampstead Area Water Company, Inc.
Attestation

Dear Ms. Howland:

Hampstead Area Water Company's ("HAWC" or "Company") filing for the proposed rate change in DW 12-170 was prepared utilizing the Company's books and records. To the best of my knowledge and belief, the filing, including its revenue and expenses and assets and liabilities, accurately reflects the Company's books.

Very truly yours,



John Sullivan
Controller

JS/ja

cc: HAWC
Stephen P. St. Cyr