

2015 Financing of Mt. Roberts with CoBank

Balance Sheet
Assets and Other Debits

Line No. (a)	Account Title (Number) (b)	2014 Year End Balance (c)	Adjustments (d)	2014 Proformed Year End Balance (e)
UTILITY PLANT				
1	Utility Plant (101-106)	\$ 5,136,724	\$ 415,906	\$ 5,552,630
2	Less: Accumulated Depr. and Amort. (108-110)	\$ 1,582,018	\$ -	\$ 1,582,018
3	Net Plant	\$ 3,554,706	\$ 415,906	\$ 3,970,612
4	Utility Plant Acquisition Adj. (Net) (114-115)	(81,969)		(81,969)
5	Total Net Utility Plant	\$ 3,472,737	\$ 415,906	\$ 3,888,643
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)	10,152	(18,925)	(8,773)
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)	137,762		137,762
22	Accounts Receivable from Assoc. Co. (145)	26,110		26,110
23	Notes Receivable from Assoc. Co. (146)			
24	Materials and Supplies (151-153)	4,717		4,717
25	Stores Expense (161)			
26	Prepayments-Other (162)	37,245		37,245
27	Prepaid Taxes (163)	11,727		11,727
28	Interest and Dividends Receivable (171)			
29	Rents Receivable (172)			
30	Accrued Utility Revenues (173)			
31	Misc. Current and Accrued Assets (174)			
32	Total Current and Accrued Assets	\$ 227,713	\$ (18,925)	\$ 208,788
DEFERRED DEBITS				
32	Unamortized Debt Discount & Expense (181)	11,261	10,925	22,186
33	Extraordinary Property Losses (182)			
34	Prelim. Survey & Investigation Charges (183)			
35	Clearing Accounts (184)			
36	Temporary Facilities (185)			
37	Miscellaneous Deferred Debits (186)	55,371		55,371
38	Research & Development Expenditures (187)			
39	Accumulated Deferred Income Taxes (190)			
40	Total Deferred Debits	\$ 66,632	\$ 10,925	\$ 77,557
TOTAL ASSETS AND OTHER DEBITS				
		\$ 3,767,082	\$ 407,906	\$ 4,174,988

2015 Financing of Mt. Roberts with CoBank

Balance Sheet

Equity Capital and Liabilities

Line No. (a)	Account Title (Number) (b)	2014 Year End Balance (c)	Adjustments (d)	2014 Proforma Year End Balance (e)
EQUITY CAPITAL				
1	Common Stock Issued (201)	\$ 10,000		\$ 10,000
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)	1,227,180		1,227,180
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)	(7,360)		(7,360)
10	Retained Earnings (214-215)	610,827	(228)	610,599
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 1,840,647	\$ (228)	\$ 1,840,419
LONG TERM DEBT				
13	Bonds (221)	780,824	408,134	1,188,958
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	138,854		138,854
17	Total Long-Term Debt	\$ 919,678	\$ 408,134	\$ 1,327,812
CURRENT AND ACCRUED LIABILITIES				
18	Accounts Payable (231)	196,553		196,553
19	Notes Payable (232)			
20	Accounts Payable to Associated Co. (233)			
21	Notes Payable to Associated Co. (234)			
22	Customer Deposits (235)	1,956		1,956
23	Accrued Taxes (236)	(6,768)		(6,768)
24	Accrued Interest (237)	3,371		3,371
25	Accrued Dividends (238)			
26	Matured Long-Term Debt (239)			
27	Matured Interest (240)			
28	Misc. Current and Accrued Liabilities (241)			
29	Total Current and Accrued Liabilities	\$ 195,112	\$ -	\$ 195,112
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)	190,070		190,070
37	Other (283)			
38	Total Deferred Credits	\$ 190,070	\$ -	\$ 190,070
OPERATING RESERVES				
39	Property Insurance Reserve (261)			
40	Injuries and Damages Reserve (262)			
41	Pensions and Benefits Reserves (263)			
42	Miscellaneous Operating Reserves (265)			
43	Total Operating Reserves			
CONTRIBUTIONS IN AID OF CONSTRUCTION				
44	Contributions In Aid of Construction (271)	870,878		870,878
45	Accumulated Amortization of C.I.A.C. (272)	249,303		249,303
46	Total Net C.I.A.C.	\$ 621,575	\$ -	\$ 621,575
46	TOTAL EQUITY CAPITAL AND LIABILITIES	\$ 3,767,082	\$ 407,906	\$ 4,174,988

2015 Financing of Mt. Roberts with CoBank

Statement of Income

Line No. (a)	Account Title (Number) (b)	2014 Year End Balance (c)	Adjustments (d)	2014 Proformed Year End Balance (e)
UTILITY OPERATING INCOME				
1	Operating Revenues(400)	\$ 1,316,010	\$ 28,529	\$ 1,344,539
2	Operating Expenses:			
3	Operating and Maintenance Expense (401)	974,896	-	974,896
4	Depreciation Expense (403)	164,383	-	164,383
5	Amortization of Contribution in Aid of Construction (405)	(17,129)		(17,129)
6	Amortization of Utility Plant Acquisition Adjustment (406)	(5,708)		(5,708)
7	Amortization Expense-Other (407)			
8	Taxes Other Than Income (408.1-408.13)	74,833	5,378	80,211
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	28,807		28,807
10	Total Operating Expenses	\$ 1,220,082	\$ 5,378	\$ 1,225,460
11	Net Operating Income (Loss)	95,928	23,151	119,079
12	Income From Utility Plant Leased to Others (413)			
13	Gains(Losses) From Disposition of Utility Property (414)	30,795		30,795
14	Net Water Utility Operating Income	\$ 126,723	\$ 23,151	\$ 149,874
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)	(2,216)		(2,216)
23	Total Other Income and Deductions	\$ (2,216)	\$ -	\$ (2,216)
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)	63,513	22,804	86,317
28	Amortization of Debt Discount & Expense (428)	1,837	575	2,412
29	Amortization of Premium on Debt (429)			
30	Total Interest Expense	\$ 65,350	\$ 23,379	\$ 88,729
31	Income Before Extraordinary Items	59,157	(228)	58,929
EXTRAORDINARY ITEMS				
32	Extraordinary Income (433)			
33	Extraordinary Deductions (434)			
34	Income Taxes, Extraordinary Items (409.3)			
35	Net Extraordinary Items			
NET INCOME (LOSS)		\$ 59,157	\$ (228)	\$ 58,929

2015 Financing of Mt. Roberts with CoBank

Capital Structure

Line No. (a)	Account Title (Number) (b)	2014 (c)	Adjustments (d)	Proformed 2014 (e)
EQUITY CAPITAL				
1	Common Stock Issued (201)	\$ 10,000		\$ 10,000
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)	1,227,180		1,227,180
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)	(7,360)		(7,360)
10	Retained Earnings (214-215)	610,827	(228)	610,599
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 1,840,647	\$ (228)	\$ 1,840,419
LONG TERM DEBT				
13	Bonds (221)	780,824	408,134	1,188,958
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	138,854		138,854
17	Total Long-Term Debt	\$ 919,678	\$ 408,134	\$ 1,327,812
Total Capitalization		\$ 2,760,325	\$ 407,906	\$ 3,168,231

Capitalization Ratios

Line No.	Account Title (Number) (a)	12/31/2004	Proforma Adjustments	Proformed 12/31/2008
EQUITY CAPITAL				
1	Common Stock Issued (201)	0.36%		0.32%
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)	44.46%		38.73%
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)	-0.27%		-0.23%
10	Retained Earnings (214-215)	22.13%	-0.06%	19.27%
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	66.68%	-0.06%	58.09%
LONG TERM DEBT				
13	Bonds (221)	28.29%	100.06%	37.53%
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	5.03%	0.00%	4.38%
17	Total Long-Term Debt	33.32%	100.06%	41.91%
Total Capitalization		100.00%	100.00%	100.00%

2015 Financing of Mt. Roberts with CoBank

Journal Entries				Impact on NI
JE#1	Dr.	Miscellaneous Deferred Debits	11,500	
	Cr.	Cash		11,500
To record costs associated with financing and step increase (See SPS 10)				
JE#2	Dr.	Cash	427,406	
	Cr.	Other Long Term Debt		420,000
	Cr.	Cash		7,406
To record receipt of cash and additional long term debt (See SPS 9)				
JE#3	Dr.	Accumulated Depreciation		
	Cr.	Plant		0
To record retirement of ...				
JE#4	Dr.	Plant	415,906	
	Cr.	Cash		415,906
To record additional investment in plant (See SPS 7)				
JE#5	Dr.	Depreciation Expense	0	0
	Cr.	Accumulated Depreciation		0
To record annual depreciation expense (See SPS 7)				
JE#6	Dr.	Operating Expenses		0
	Cr.	Cash		
To record increase in operating expenses				
JE#7	Dr.	Taxes other than Income - State	2,745	(2,745)
	Dr.	Taxes other than Income - Local	2,633	(2,633)
	Cr.	Cash		5,378
To record increase in property taxes (See SPS 8)				
JE#8	Dr.	Other Long Debt	11,866	
	Dr.	Interest Expense	22,804	(22,804)
	Cr.	Cash		34,670
To record year 1 repayment of principal and interest on CoBank Note				
JE#9	Dr.	Amortization of Debt Expense (\$11,500 / 20 yrs.)	575	(575)
	Cr.	Miscellaneous Deferred Debt		575
To record amortization of debt expense				
JE#10	Dr.	Cash	28,529	
	Cr.	Revenue		28,529
To record receipt of revenue (See SPS 5)				
Total Impact on Net Income				(228)

SPSt. Cyr
9/24/2015

2015 Financing of Mt. Roberts with CoBank

Preliminary Calculation of Revenue Requirement

Plant Additions/Retirements:		
Plant Additions		
303	Mt. Roberts land	\$ 415,906
	TOTAL	<u>\$ 415,906</u>
Plant Retirements		
Net Additions/Retirements		\$ 415,906
Add: Accum Depr on Retired Plant		0
Less: Accum Depr on New Plant		<u>0</u>
Net Plant		<u>\$ 415,906</u>
Plus: Working Capital		<u>0</u>
Total Additional Rate Base		\$ 415,906
Rate of Return		<u>5.57%</u>
Additional Net Operating Income Required		<u>\$ 23,151</u>
Increase in Operating and Maintenance Expenses		0
Increase in Depreciation Expense		0
Increase in Taxes other than Income - State		2,745
Increase in Taxes other than Income - Town		<u>2,633</u>
Total Increase in Operating Expenses		<u>\$ 5,378</u>
Total Additional Revenue Required		\$ 28,529
2014 Operating Revenues		<u>1,316,010</u>
Total Revenue Required		<u>\$1,344,539</u>

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9/24/2015

2014 Financing with CoBank

Actual Rate of Return

<u>Debt Holder</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Interest Expense</u>	<u>Amortization of Fin Costs</u>	<u>Total Interest</u>	<u>Cost Rate</u>
CoBank	<u>\$420,000</u>	5.50%	<u>\$22,804</u>	<u>\$575</u>	<u>\$23,379</u>	5.57%
Total Cost of Debt	<u>\$420,000</u>		<u>\$22,804</u>	<u>\$575</u>	<u>\$23,379</u>	5.57%

2015 Financing of Mt. Roberts with CoBank

Plant

Preliminary Accumulated Depreciation and Depreciation Expense

<u>PUC</u> <u>Acct. No.</u>	<u>Description</u>	<u>Cost</u>	<u>Depr.</u> <u>Rate</u>	<u>Annual</u> <u>Cost</u>	<u>Accum</u> <u>Depr.</u>
303	Mt. Roberts land	\$ 415,906	0.00%	\$ -	\$ -
	TOTAL	\$ 415,906		\$ -	\$ -

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9/24/2015

2015 Financing of Mt. Roberts with CoBank

Taxes	Total Projected Costs
<u>State Property Taxes</u>	
Purchase of Mt. Roberts land	\$415,906
Accumulated Depreciation	<u>0</u>
Net Plant	<u>\$415,906</u>
Thousand Dollars of Assessed Value	\$416
Property Tax Rate	<u>6.60</u>
State Property Taxes	<u>\$2,745</u>
<u>Moultonboro Property Taxes</u>	
Total Project Costs	\$415,906
Accumulated Depreciation	<u>0</u>
Net Plant	<u>\$415,906</u>
Thousand Dollars of Assessed Value	\$416
Property Tax Rate	<u>6.33</u>
Local Property Taxes	<u>\$2,633</u>

SPSt. Cyr
9/24/2015

2015 Financing of Mt. Roberts with CoBank

Total Costs of Projects \$ 427,406

Source of Funds:

CoBank \$ 420,000

LRWC 7,406

Total Source of Funds \$ 427,406

Use of Funds:

2015 Purchase of Mt. Roberts land \$ 415,906

2015 Financing Costs 11,500

Total Use of Funds \$ 427,406

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2015 Financing of Mt. Roberts with CoBank

Estimated Financing Costs

CoBank	\$ 4,000
Upton & Hatfield LLP	5,000
Stephen P. St. Cyr & Associates	<u>2,500</u>
Total Financing Costs	<u>\$ 11,500</u>

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