

2020 NH DWSRF Financing of White Rock Improvements

Balance Sheet

Assets and Other Debits

Line No. (a)	Account Title (Number) (b)	Total Company	Total Company	Total Company
		2019 Year End Balance (c)	Adjustments (d)	2019 Year End Proforma Balance (e)
UTILITY PLANT				
1	Utility Plant (101-106)	\$ 3,458,705	\$ 125,000	\$ 3,583,705
2	Less: Accumulated Depr. and Amort. (108-110)	\$ 1,565,196	\$ 1,375	1,566,571
3	Net Plant	\$ 1,893,509	\$ 123,625	\$ 2,017,134
4	Utility Plant Acquisition Adj. (Net) (114-115)	(13,484)		(13,484)
5	Total Net Utility Plant	\$ 1,880,025	\$ 123,625	\$ 2,003,650
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	8,404		8,404
13	Special Funds(126-128)			
14	Total Other Property & Investments	\$ 8,404		\$ 8,404
CURRENT AND ACCRUED ASSETS				
16	Cash (131)	24,860	(12,071)	12,789
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)	27,311		27,311
22	Accounts Receivable from Assoc. Co. (145)			
23	Notes Receivable from Assoc. Co. (146)			
24	Materials and Supplies (151-153)	14,032		14,032
25	Stores Expense (161)			
26	Prepayments-Other (162)	1,363		1,363
27	Prepaid Taxes (163)			
28	Interest and Dividends Receivable (171)			
29	Rents Receivable (172)			
30	Accrued Utility Revenues (173)	63,985		63,985
31	Misc. Current and Accrued Assets (174)			
32	Total Current and Accrued Assets	\$ 131,551	\$ (12,071)	\$ 119,480
DEFERRED DEBITS				
32	Unamortized Debt Discount & Expense (181)		9,500	9,500
33	Extraordinary Property Losses (182)			
34	Prelim. Survey & Investigation Charges (183)	186,492		186,492
35	Clearing Accounts (184)			
36	Temporary Facilities (185)			
37	Miscellaneous Deferred Debits (186)	290,095		290,095
38	Research & Development Expenditures (187)			
39	Accumulated Deferred Income Taxes (190)	3,000		
40	Total Deferred Debits	\$ 479,587	\$ 9,500	\$ 489,087
TOTAL ASSETS AND OTHER DEBITS		\$ 2,499,567	\$ 121,054	\$ 2,620,621

2020 NH DWSRF Financing of White Rock Improvements

Balance Sheet
Equity Capital and Liabilities

Line No. (a)	Account Title (Number) (b)	Total Company	Total Company	Total Company
		2019 Year End Balance (c)	Adjustments (d)	2019 Year End Proforma Balance (e)
EQUITY CAPITAL				
1	Common Stock Issued (201)			
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)	1,066,251		1,066,251
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	115,931	1,347	117,278
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 1,182,182	\$ 1,347	\$ 1,183,529
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	555,324	119,707	675,031
17	Total Long-Term Debt	\$ 555,324	\$ 119,707	\$ 675,031
CURRENT AND ACCRUED LIABILITIES				
18	Accounts Payable (231)	60,089		60,089
19	Notes Payable (232)	13,900		13,900
20	Accounts Payable to Associated Co. (233)	99,920		99,920
21	Notes Payable to Associated Co. (234)			
22	Customer Deposits (235)			
23	Accrued Taxes (236)	(18,196)		(18,196)
24	Accrued Interest (237)	5,382		5,382
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	\$ 161,095	\$ -	\$ 161,095
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)	199,797		199,797
37	Other (283)			
38	Total Deferred Credits	\$ 199,797	\$ -	\$ 199,797
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)	776,759		776,759
45	Accumulated Amortization of C.I.A.C. (272)	375,590		375,590
46	Total Net C.I.A.C.	\$ 401,169	\$ -	\$ 401,169
46	TOTAL EQUITY CAPITAL AND LIABILITIES	\$ 2,499,567	\$ 121,054	\$ 2,620,621

2020 NH DWSRF Financing of White Rock Improvements

Statement of Income (for the period 5/1/2019 - 12/31/19)

Line No. (a)	Account Title (Number) (b)	Total Company	WhiteRock	WhiteRock	WhiteRock
		2019 Year End Balance (c)	2019 Year End Balance (e)	Adjustments (f)	2019 Proformed Year End Balance (g)
UTILITY OPERATING INCOME					
1	Operating Revenues(400)	\$ 705,735	\$ 82,211	\$ 8,483	\$ 90,694
2	Operating Expenses:				
3	Operating and Maintenance Expense (401)	489,703	82,034		82,034
4	Depreciation Expense (403)	120,700	19,061	1,375	20,436
5	Amortization of Contribution in Aid of Construction (405)	(25,581)	(5,139)		(5,139)
6	Amortization of Utility Plant Acquisition Adjustment (406)	8,068	1,091		
7	Amortization Expense-Other (407)				
8	Taxes Other Than Income (408.1-408.13)	37,050	9,789	3,177	12,966
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	11,700	(7,200)		(7,200)
10	Total Operating Expenses	\$ 641,640	\$ 99,636	\$ 4,552	\$ 103,097
11	Net Operating Income (Loss)	64,095	(17,425)	3,931	(12,403)
12	Income From Utility Plant Leased to Others (413)				
13	Gains(Losses) From Disposition of Utility Property (414)				
14	Net Water Utility Operating Income	\$ 64,095	\$ (17,425)	\$ 3,931	\$ (12,403)
OTHER INCOME AND DEDUCTIONS					
15	Revenues From Merchandising, Jobbing and Contract Work (415)	100			-
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)	5,193	429		429
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)	(13,065)			-
23	Total Other Income and Deductions	\$ (7,772)	\$ 429	\$ -	\$ 429
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)	23,808	1,995	2,084	4,079
28	Amortization of Debt Discount & Expense (428)	3,452	541	500	1,041
29	Amortization of Premium on Debt (429)				
30	Total Interest Expense	\$ 27,260	\$ 2,536	\$ 2,584	\$ 5,120
31	Income Before Extraordinary Items	29,063	(19,532)	1,347	(17,094)
EXTRAORDINARY ITEMS					
32	Extraordinary Income (433)				
33	Extraordinary Deductions (434)				
34	Income Taxes, Extraordinary Items (409.3)				
35	Net Extraordinary Items				
	NET INCOME (LOSS)	\$ 29,063	\$ (19,532)	\$ 1,347	\$ (17,094)

2020 NH DWSRF Financing of White Rock Improvements

Capital Structure

Line No. (a)	Account Title (Number) (b)	12/31/2019 (c)	Proforma Adjustments (d)	Proformed 12/31/2019 (e)
EQUITY CAPITAL				
1	Common Stock Issued (201)			
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)	1,066,251		1,066,251
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	115,931	1,347	117,278
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 1,182,182	\$ 1,347	\$ 1,183,529
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	555,324	119,707	675,031
17	Total Long-Term Debt	\$ 555,324	\$ 119,707	\$ 675,031
Total Capitalization		\$ 1,737,506	\$ 121,054	\$ 1,858,560

Capitalization Ratios

Line No.	Account Title (Number) (a)	12/31/2019	Proforma Adjustments	Proformed 12/31/2019
EQUITY CAPITAL				
1	Common Stock Issued (201)			
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)	61.37%		57.37%
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	6.67%	1.11%	6.31%
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	68.04%	1.11%	63.68%
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	31.96%	98.89%	36.32%
17	Total Long-Term Debt	31.96%	98.89%	36.32%
Total Capitalization		100.00%	100.00%	100.00%

2020 NH DWSRF Financing of White Rock Improvements

Journal Entries				<u>Impact on NI</u>
JE#1	Dr. Miscellaneous Deferred Debits	10,000		
	Cr. Cash		10,000	
	To record costs associated with financing (See SPS 10)			
JE#2	Dr. Cash	125,000		
	Cr. Other Long Term Debt		125,000	
	To record receipt of cash and additional LTD (See SPS 6)			
JE#3	Dr. Plant	125,000		
	Cr. Cash		125,000	
	Cr. CIAC		-	
	To record plant and CIAC (See SPS 7 & 8)			
JE#4	Dr. Accumulated Depreciation			
	Cr. Plant		-	
	To record retirement of plant			
JE#5	Dr. Depreciation Expenses	1,375		(1,375)
	Cr. Accumulated Depreciation		1,375	
	To record first year depreciation expense and related A/D (See SPS 7)			
JE#6	Dr. Amortization of Debt Expense	500		(500)
	Cr. Miscellaneous Deferred Debt		500	
	To record amortization of debt expense (See SPS-10)			
JE#7	Dr. Other Long Debt	5,293		
	Dr. Interest Expense	2,084		(2,084)
	Cr. Cash		7,377	
	To record first year repayment of principal and interest on \$125,000 of NHDES SRF Loan			
JE#8	Dr. Cash	8,483		
	Cr. Revenue		8,483	8,483
JE#9	Dr. O&M Expenses	-		-
	Dr. Taxes other than Income	3,177		(3,177)
	Dr. Income Taxes	-		-
	Cr. Cash		3,177	
	To record increase in property taxes (See SPS 8)			
	Total Impact on Net Income			1,347
	Impact on Cash			145,554 (12,071)
		133,483		

2020 NH DWSRF Financing of White Rock Improvements

Preliminary Calculation of Revenue Requirement

	<u>Total</u>
Plant Additions/Retirements:	
Plant Additions	
304 Water Treatment Structures	\$ -
307 Wells	-
309 Supply Mains	-
311 Instrumentation and Equipment	-
330 Water tank lining	50,000
331 Distribution valves	45,000
331 Pressure Reducing Valves with Vaults	30,000
TOTAL	<u>\$ 125,000</u>
Plant Retirements	
TOTAL	
Net Additions/Retirements	<u>\$ 125,000</u>
Less: Accum Depr on New Plant	<u>(1,375)</u>
Net Plant	\$123,625
Plus: Working Capital	<u>0</u>
Total Additional Rate Base	\$123,625
Rate of Return	<u>2.07%</u>
Return on Investment	<u>\$ 2,556</u>
Increase in Operating Expenses	\$ -
Decrease in Depreciation Expense on Retired Plant	-
Increase in Depreciation Expense on New Plant	2,750
Increase in Amortization of CIAC	-
Taxes other than Income	3,177
Income Taxes	-
Total Increase in Operating Expenses	<u>\$ 5,927</u>
Increase in Revenue Required	\$ 8,483
2019 Metered Sales to General Customers	<u>\$ 79,494</u>
Projected Metered Sales to General Customers	<u>\$ 87,977</u>
Percentage Increase in Revenue Required	<u>10.67%</u>

2020 NH DWSRF Financing of White Rock Improvements

Weighted Average Cost of Capital

<u>Financing</u>	<u>Amount</u>	<u>Percent</u>	<u>Interest Rate</u>	<u>Interest Expense</u>	<u>Amortization of Fin Costs</u>	<u>Total Interest</u>	<u>Cost Rate</u>	<u>Weighted Average Cost of Capital</u>
NH DWGTF	<u>\$125,000</u>	<u>100.00%</u>	1.70%	\$2,084	\$500	\$2,584	2.07%	<u>2.07%</u>
Total Capitalization	<u>\$125,000</u>	<u>100.00%</u>						<u>2.07%</u>

SPSt. Cyr
8/26/2020

2020 NH DWSRF Financing of White Rock Improvements

Plant / Accumulated Depreciation / 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>
<u>Additions to Plant</u>					
304	Water Treatment Structures	\$ -	2.50%	\$ -	\$ -
307	Wells	-	3.33%	-	-
309	Supply Mains	-	2.00%	-	-
311	Instrumentation and Equipment	-	10.00%	-	-
330	Water tank lining	50,000	2.50%	1,250	625
331	Distribution valves	45,000	2.00%	900	450
331	Pressure Reducing Valves with Vaults	30,000	2.00%	600	300
	Total	<u>\$ 125,000</u>		<u>\$ 2,750</u>	<u>\$ 1,375</u>

Retirement from Plant

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2020 NH DWSRF Financing of White Rock Improvements

Property Taxes

	Total Projected <u>Costs</u>
Total Project Costs	\$ 125,000
Accumulated Depreciation	<u>(1,375)</u>
Net Plant	\$ 123,625
Thousand Dollars of Assessed Value	\$ 123.63
Tax Value as % of Net Book Value	78.34%
Combined State and Local Property Tax Rate	<u>32.81</u>
State Property Taxes	\$ 3,177
Combined State and Local Property Tax Rate:	
New Hampshire	\$ 6.60
Bow	<u>26.21</u>
Total	\$ 32.81
NHDRA Assessed value as of 4/1/19	\$ 1,300,600
Net Plant at 12/31/18	<u>1,660,290</u>
Percent of assessed value to net plant	<u>78.34%</u>

2020 NH DWSRF Financing of White Rock Improvements

Total Costs of Projects \$ 125,000

Source of Funds:

NH DWSRF Loan Funds \$ 125,000

Total Source of Funds \$ 125,000

Use of Funds:

New Treatment Facility

New well source

Supply Mains

Instrumentation and Equipment

Water Tank Lining \$ 50,000

New distribution valves 45,000

Pressure Reducing Valves with Vaults 30,000

Total Use of Funds \$ 125,000

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2020 NH DWSRF Financing of White Rock Improvements

Estimated Financing Costs

NH DWSRF	\$ -
NESC	5,000
Stephen P. St. Cyr & Associates	5,000
Total Financing Costs	<u>\$ 10,000</u>
Life of Loan	<u>20 Yrs.</u>
Annual Amortization Expense	<u>\$ 500</u>

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