

Balance Sheet (as of December 31, 2022 Actual and Proforma)
Assets and Other Debits

Line No. (a)	Account Title (Number) (b)	2022 Year End (c)	Adjustments (d)	2022 Proformed Year End (e)
UTILITY PLANT				
1	Utility Plant (101-106)	\$ 4,436,796	\$ 3,311,670	\$ 7,748,466
2	Less: Accumulated Depr. and Amort. (108-110)	\$ 1,910,232	\$ 68,162	1,978,394
3	Net Plant	\$ 2,526,564	\$ 3,243,508	\$ 5,770,072
4	Utility Plant Acquisition Adj. (Net) (114-115)			-
5	Total Net Utility Plant	\$ 2,526,564	\$ 3,243,508	\$ 5,770,072
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 (125)	11,301		11,301
13	Special Funds(126-128)			
14	Total Other Property & Investments	\$ 11,301		\$ 11,301
CURRENT AND ACCRUED ASSETS				
16	Cash (131)	77	72,834	72,911
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)	64,067		64,067
22	Accounts Receivable from Assoc. Co. (145)			
23	Notes Receivable from Assoc. Co. (146)	(7,989)		
24	Materials and Supplies (151-153)	18,817		18,817
25	Stores Expense (161)			
26	Prepayments-Other (162)	12,267		12,267
27	Prepaid Taxes (163)			
28	Interest and Dividends Receivable (171)			
29	Rents Receivable (172)			
30	Accrued Utility Revenues (173)	16,750		16,750
31	Misc. Current and Accrued Assets (174)			
32	Total Current and Accrued Assets	\$ 103,989	\$ 72,834	\$ 176,823
DEFERRED DEBITS				
32	Unamortized Debt Discount & Expense (181)	-		-
33	Extraordinary Property Losses (182)			
34	Prelim. Survey & Investigation Charges (183)	-		-
35	Clearing Accounts (184)			
36	Temporary Facilities (185)			
37	Miscellaneous Deferred Debits (186)	162,368		162,368
38	Research & Development Expenditures (187)			
39	Accumulated Deferred Income Taxes (190)			-
40	Total Deferred Debits	\$ 162,368	\$ -	\$ 162,368
TOTAL ASSETS AND OTHER DEBITS				
		\$ 2,804,222	\$ 3,316,342	\$ 6,120,564

Balance Sheet (as of December 31, 2022 Actual and Proforma)
Equity Capital and Liabilities

Line No. (a)	Account Title (Number) (b)	2022 Year End (c)	Adjustments (f)	2022 Proformed Year End (g)
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)	1,291,568		1,291,568
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	(375,721)	77,611	(298,110)
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 915,847	\$ 77,611	\$ 993,458
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	155,919	2,452,824	2,608,743
17	Total Long-Term Debt	\$ 155,919	\$ 2,452,824	\$ 2,608,743
CURRENT AND ACCRUED LIABILITIES				
18	Accounts Payable (231)	129,864		129,864
19	Notes Payable (232)	7,099		7,099
20	Accounts Payable to Associated Co. (233)		511,670	511,670
21	Notes Payable to Associated Co. (234)	900,000		900,000
22	Customer Deposits (235)			
23	Accrued Taxes (236)	-		-
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)	40,959		40,959
29	Total Current and Accrued Liabilities	\$ 1,077,922	\$ 511,670	\$ 1,589,592
DEFERRED CREDITS				
30	Unamortized Premium on Debt (251)			
31	Advances for Construction (252)			
32	Other Deferred Credits (253)	181,835		
33	Accumulated Deferred Investment Tax Credits (255)			
34	Accumulated Deferred Income Taxes:			
35	Accelerated Amortization (281)			
36	Liberalized Depreciation (282)	100,588		100,588
37	Other (283)	16,235		
38	Total Deferred Credits	\$ 298,658	\$ -	\$ 298,658
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)	803,660	280,000	1,083,660
45	Accumulated Amortization of C.I.A.C. (272)	447,784	5,763	453,547
46	Total Net C.I.A.C.	\$ 355,876	\$ 274,237	\$ 630,113
46	TOTAL EQUITY CAPITAL AND LIABILITIES	\$ 2,804,222	\$ 3,316,342	\$ 6,120,564

2023 Financing with NH DWGTF - Rosebrook Pressure Reduction Project (Phase I)

Income Statement for the Twelve Months Ended December 31,2022, Actual and Proforma)

Line No. (a)	Account Title (Number) (b)	2022 (c)	Adjustments (e)	2022 Proforma (f)
UTILITY OPERATING INCOME				
1	Operating Revenues(400)	\$ 697,056	\$ 258,235	\$ 955,291
2	Operating Expenses:			
3	Operating and Maintenance Expense (401)	966,560		966,560
4	Depreciation Expense (403)	161,133	68,162	229,295
5	Amortization of Contribution in Aid of Construction (405)	(22,788)	(5,763)	(28,551)
6	Amortization of Utility Plant Acquisition Adjustment (406)			-
7	Amortization Expense-Other (407)			
8	Taxes Other Than Income (408.1-408.13)	54,088	39,311	93,399
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	(98,966)		(98,966)
10	Total Operating Expenses	\$ 1,060,027	\$ 101,710	\$ 1,161,737
11	Net Operating Income (Loss)	(362,971)	156,525	(206,446)
12	Income From Utility Plant Leased to Others (413)			
13	Gains(Losses) From Disposition of Utility Property (414)			
14	Net Water Utility Operating Income	\$ (362,971)	\$ 156,525	\$ (206,446)
OTHER INCOME AND DEDUCTIONS				
15	Revenues From Merchandising, Jobbing and Contract Work (415)	2,751		2,751
16	Costs and Expenses of Merchandising, Jobbing and Contract Work (416)	(1,342)		
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)	(83)		
21	Gains (Losses) Form Disposition Nonutility Property (422)			
22	Miscellaneous Nonutility Expenses (426)			
23	Total Other Income and Deductions	\$ 1,326	\$ -	\$ 1,326
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)	12,497	78,914	91,411
28	Amortization of Debt Discount & Expense (428)	372		372
29	Amortization of Premium on Debt (429)			
30	Total Interest Expense	\$ 12,869	\$ 78,914	\$ 91,783
31	Income Before Extraordinary Items	(374,514)	77,611	(296,903)
EXTRAORDINARY ITEMS				
32	Extraordinary Income (433)			
33	Extraordinary Deductions (434)			
34	Income Taxes, Extraordinary Items (409.3)			
35	Net Extraordinary Items			
	NET INCOME (LOSS)	\$ (374,514)	\$ 77,611	\$ (296,903)

2023 Financing with NH DWGTF - Rosebrook Pressure Reduction Project (Phase I)

Capital Structure, Actual and Proforma to Reflect issuance of Loan Fund

Line No. (a)	Account Title (Number) (b)	12/31/2022 (c)	Proforma Adjustments (d)	Proforma 12/31/2022 (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)	1,291,568	-	1,291,568
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)	-		-
10	Retained Earnings (214-215)	(375,721)	77,611	(298,110)
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 915,847	\$ 77,611	\$ 993,458
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	155,919	2,452,824	2,608,743
17	Total Long-Term Debt	\$ 155,919	\$ 2,452,824	\$ 2,608,743
Total Capitalization				
		\$ 1,071,766	\$ 2,530,435	\$ 3,602,201

Capitalization Ratios, Actual and Proforma to Reflect issuance of Loan Fund

Line No. (a)	Account Title (Number) (a)	12/31/2022	Proforma Adjustments	Proforma 12/31/2022
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)	120.51%	0.00%	35.85%
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	-35.06%	3.07%	-8.28%
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	85.45%	3.07%	27.58%
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	14.55%	96.93%	72.42%
17	Total Long-Term Debt	14.55%	96.93%	72.42%
Total Capitalization				
		100.00%	100.00%	100.00%

2023 Financing with NH DWGTF - Rosebrook Pressure Reduction Project (Phase I)

Journal Entries to reflect Project Financing				<u>Impact on NI</u>
JE#1	Dr. Cash	\$ 3,311,670		
	Cr. Other Long Term Debt		\$ 2,520,000	
	Cr. CIAC		\$ 280,000	
	Cr. Short term debt		\$ 511,670	
	To record receipt of cash and additional LTD (See DJS-6)			
JE#2	Dr. Plant	\$ 3,311,670		
	Cr. Cash		\$ 3,311,670	
	To record plant costs (See JPW-6)			
JE#3	Dr. Depreciation Expenses	\$ 68,162		
	Cr. Accumulated Depreciation		\$ 68,162	\$ (68,162)
	To record half year depreciation expense and related A/D (See JPW-3)			
JE#4	Dr. Accum Amort of CIAC	\$ 5,763		
	Cr. Amortization of CIAC		\$ 5,763	\$ 5,763
	To record half year depreciation expense and related A/D (See JPW-5)			
JE#5	Dr. Other Long Debt	\$ 67,176		
	Dr. Interest Expense	\$ 78,914		
	Cr. Cash		\$ 146,090	\$ (78,914)
	To record first year repayment of principal and interest on \$2,520,000 of NHDES Note			
JE#6	Dr. Cash	\$ 258,235		
	Cr. Revenue		\$ 258,235	\$ 258,235
	To record receipt of revenue (See JPW-4)			
JE#7	Dr. Taxes other than Income	\$ 39,311		
	Cr. Cash		\$ 39,311	\$ (39,311)
	To record increase in property taxes (See JPW-3)			
	Total Impact on Net Income			\$ 77,611
	Impact on Cash		\$ 3,569,905	\$ 3,497,071
	Net impact on cash		\$	\$ 72,834

2023 Financing with NH DWGTF - Rosebrook Pressure Reduction Project (Phase I)

Weighted Average Cost of Capital for Rosebrook Pressure Reduction Project

<u>Financing</u>	<u>Amount</u>	<u>Percent</u>	<u>Interest Rate</u>	<u>Interest Expense</u>	<u>Cost Rate</u>	<u>Weighted Average Cost of Capital</u>
NH DWGTF	\$2,520,000	100.00%	3.17%	\$ 78,914	3.17%	3.17%

2023 Financing with NH DRGTF - Rosebrook Pressure Reduction Project (Phase I)

Source and Use of Cash

Total Costs of Project Phase 1 \$ 3,311,670

Source of Funds:

NH DRGTF - Loan Funds	\$ 2,520,000
NH DRGTF - Grant Funds	280,000
Abenaki Water Company	511,670
Total Source of Funds	<u>\$ 3,311,670</u>

Use of Funds:

Pressure Reduction Project Phase 1 \$ 3,311,670

ABENAKI WATER CO., INC.
(Directors Written Consent)
(Effective: December 16, 2022)

The undersigned, being all the Directors of Abenaki Water Co., Inc. (the “Company”), hereby consent to the following action, which consent shall have the same effect as a vote in favor of such action taken at a meeting of the Company's Directors:

AUTHORIZATION TO ENTER INTO DRINKING WATER AND GROUNDWATER TRUST FUND PROGRAM LOAN AGREEMENT AND RELATED ACTIONS

RESOLVED, that Abenaki Water Co., Inc. (the “Company”) is hereby authorized to enter into a Drinking Water and Groundwater Trust Fund (“DWGTF”) loan agreement between the Company and the New Hampshire Department of Environmental Services (the “Loan Agreement”) to fund a water system improvement project (the “Project”) to address the high-water pressure and make improvements at its treatment station in the Rosebrook System (“Rosebrook”). This will increase system reliability and decrease the risk associated with working on the water system.

RESOLVED, that each of the President and Chief Operating Officer, the Executive Vice President, Chief Financial Officer and Treasurer, the Vice President, Operations and Utility Innovation, and the Vice President, Engineering and Real Estate of the Company and the Assistant Treasurer-Corporate Finance and Cash Management of Eversource Energy Service Company (the “Authorized Officers”), acting singly, is hereby authorized to execute, deliver, and perform, in the name and on behalf of the Company, any and all documents that may be necessary or desirable to effectuate the Loan Agreement.

RESOLVED, that each Authorized Officer, acting singly, is hereby authorized to enter into an agreement under the DWGTF Program between the Company and the New Hampshire Department of Environmental Services in an amount up to \$2,520,000.00, at an interest rate of 3.17%, and for a term of up to 25 years (the “Loan Agreement”) for the purpose of securing the water system improvements loan (the “Loan”) for the Project, and to grant a security interest in the Company’s property to secure such Loan.


RESOLVED, that the Project is hereby approved, and each Authorized Officer is authorized to sign the loan application, loan agreements, promissory notes, security instruments and any and all papers necessary or appropriate to satisfy the conditions of and execute the obligations of the Loan Agreement on behalf of the Company.

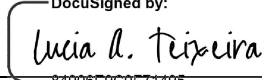
RESOLVED, that if such Loan be made, the Company agrees to operate and maintain all facilities constructed or modified with the funds received in accordance with all applicable requirements.

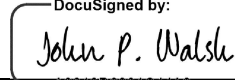
ABENAKI WATER CO., INC.
(Directors Written Consent)
(Effective: December 16, 2022)

RESOLVED, that each Authorized Officer is hereby authorized, in the name and on behalf of the Company, to file with the New Hampshire Public Utilities Commission and any and all other applicable federal, state or local regulatory agencies, applications for all necessary approvals relating to the Loan Agreement and the Loan Agreement, and any transactions contemplated by the foregoing resolutions.

RESOLVED, that any and all actions heretofore taken, and any and all things heretofore done, by any officer of the Company in connection with or with respect to the Loan Agreement and the Loan Agreement or any related agreements to be entered into by the Company in connection therewith are hereby approved, ratified, and confirmed.

DocuSigned by:

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Donald J. Morrissey

DocuSigned by:

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Lucia A. Teixeira

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John P. Walsh