

Class C Water Utility

**F-1 BALANCE SHEET**  
**Assets and Other Debits**

Line # (a)	Acct # (b)	Account Title (c)	Current Year End Balance (d)	Proforma Adjustments (e)	Proforma Year End Balance (f)
<b>UTILITY PLANT</b>					
1	101-105	Utility Plant	\$647,002		\$647,002
2	108-110	Less: Accumulated Depreciation & Amortization	534,318		534,318
3		Net Plant	\$112,684	\$0	\$112,684
4	114-115	Utility Plant Acquisition Adjustment - Net			
5		Total Net Utility Plant	\$112,684	\$0	\$112,684
<b>OTHER PROPERTY AND INVESTMENTS</b>					
6	121	Nonutility Property			
7	122	Less: Accumulated Depreciation & Amortization			
8		Net Nonutility Property			
9	124	Utility Investments			
10	127	Depreciation Funds			
11		Total Other Property and Investments			
<b>CURRENT AND ACCRUED ASSETS</b>					
12	131	Cash	\$766	\$13,546	\$14,312
13	132	Special Deposits	147		147
14	141-143	Accounts & Notes Receivable Net	11,918		11,918
15	151	Plant Materials and Supplies			
16	162-163	Prepayments	1,074		1,074
17	174	Miscellaneous Current and Accrued Assets			
18		Total Current and Accrued Assets	\$13,905	\$13,546	\$27,451
<b>DEFERRED DEBITS</b>					
19	186	Miscellaneous Deferred Debits	\$3,762	\$25,600	\$29,362
20	190	Accumulated Deferred Income Taxes			
21		Total Deferred Debits	\$3,762	\$25,600	\$29,362
<b>TOTAL ASSETS AND OTHER DEBITS</b>			<b>\$130,351</b>	<b>\$39,146</b>	<b>\$169,497</b>

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**F-1 BALANCE SHEET**  
**Equity Capital and Liabilities**

Line # (a)	Acct # (b)	Account Title ©	Current Year End Balance (d)	Proforma Adjustments (e)	Proforma Year End Balance (f)
<b>EQUITY CAPITAL</b>					
1	201	Common Stock Issued	\$1,000		\$1,000
2	204	Preferred Stock Issued			
3	211	Other Paid In Capital	25,000	(15,000)	10,000
4	217	Retained Earnings	(78,940)	9,955	(68,985)
5	218	Proprietary Capital (Proprietorships & Partnerships)			
6		Total Equity Capital	(\$52,940)	(\$5,045)	(\$57,985)
<b>LONG TERM DEBT</b>					
7	224	Other Long-Term Debt	\$134,217	59,733	\$193,950
<b>CURRENT AND ACCRUED LIABILITIES</b>					
8	231	Accounts Payable			
9	232	Notes Payable	18,000	2,000	20,000
10	235	Customer Deposits			
11	236	Accrued Taxes			
12	237	Accrued Interest			
13	241	Miscellaneous Current & Accrued Liabilities	11,547	(17,543)	(5,996)
14		Total Current and Accrued Liabilities	\$29,547	(\$15,543)	\$14,004
<b>OTHER LIABILITIES</b>					
15	252	Advances for Construction			
16	253	Other Deferred Credits			
17	255	Accumulated Deferred Investment Tax Credit			
18	265	Miscellaneous Operating Reserves			
19	271-272	CIAC - Net	19,527		19,527
20	281-283	Accumulated Deferred Income Taxes			
21		Total Other Liabilities	\$19,527	\$0	\$19,527
22		<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$130,351</b>	<b>\$39,146</b>	<b>\$169,497</b>

## Class C Water Utility

## F-2 STATEMENT OF INCOME

Line # (a)	Acct # (b)	Account Title (c)	Current Year End Balance (d)	Proforma Adjustments (e)	Proforma Year End Balance (f)
<b>UTILITY OPERATING INCOME</b>					
1	400	Operating Revenue	\$48,292	\$19,150	\$67,442
2	-	Operating Expenses:			
3	401	Operation and Maintenance	\$35,895		\$35,895
4	403	Depreciation	26,896		26,896
5	405	Amortization of CIAC	(2,157)		(2,157)
6	406	Amortization of Utility Plant Acquisition Adj			
7	407	Amortization - Other			-
8	408	Taxes Other Than Income	3,947		3,947
9	-	Income Taxes (409.1, 410.1, 411.1, 412.1)			-
10		Total Operating Expenses	\$64,581	\$0	\$64,581
11		Net Operating Income (Loss)	(\$16,289)	\$19,150	\$2,861
<b>OTHER INCOME AND DEDUCTIONS</b>					
12	419	Interest & Dividend Income			-
13	420	Allowance for Funds Used During Construction			
14	421	Non-Utility Income			
15	422	Gain (Loss) From Disposition Nonutility Property			
16	426	Miscellaneous Non-Utility Expenses			
17	427	Interest Expense	(5,853)	(9,195)	(15,048)
18	-	Taxes Other Than Income (409.2+410.2+411.2+412.2)			
19		Total Other Income and Deductions	(\$5,853)	(\$9,195)	(15,048)
20		<b>NET INCOME (LOSS)</b>	<b>(\$22,142)</b>	<b>\$9,955</b>	<b>(\$12,187)</b>

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**F-1 BALANCE SHEET**  
**Capital Structure**

Line # (a)	Acct # (b)	Account Title ©	Current Year End Balance (d)	Proforma Adjustments (e)	Proforma Year End Balance (f)
<b>EQUITY CAPITAL</b>					
1	201	Common Stock Issued	\$1,000		\$1,000
2	204	Preferred Stock Issued			
3	211	Other Paid In Capital	25,000	(15,000)	10,000
4	215	Unappropriated Retained Earnings			
5	217	Retained Earnings	(78,940)	\$9,955	(68,985)
6	218	Proprietary Capital (Proprietorships & Partnerships)			
7		Total Equity Capital	(\$52,940)	(\$5,045)	(\$57,985)
<b>LONG TERM DEBT</b>					
8	224	Other Long-Term Debt	\$134,217	\$59,733	\$193,950
9		<b>TOTAL CAPITAL</b>	<b>\$81,277</b>	<b>\$54,689</b>	<b>\$135,966</b>

**Capital Structure**

Line # (a)	Acct # (b)	Account Title ©	Current Year End Balance (d)	Proforma Adjustments (e)	Proforma Year End Balance (f)
<b>EQUITY CAPITAL</b>					
1	201	Common Stock Issued	1.23%		0.74%
2	204	Preferred Stock Issued			
3	211	Other Paid In Capital	30.76%		7.35%
4	215	Unappropriated Retained Earnings			
5	217	Retained Earnings	-97.12%	18.20%	-50.74%
6	218	Proprietary Capital (Proprietorships & Partnerships)			
7		Total Equity Capital	-65.14%	18.20%	-42.65%
<b>LONG TERM DEBT</b>					
8	224	Other Long-Term Debt	165.14%	109.22%	142.65%
9		<b>TOTAL CAPITAL</b>	<b>100.00%</b>	<b>127.43%</b>	<b>100.00%</b>

JOURNAL ENTRIES			Impact on NI
		2021 Net Income (Loss)	\$ (22,142)
1	Dr. Cash	201,743	
	Cr. Other Long Term Debt - 15 years		181,743
	Cr. Other Long Term Debt - Line of Credit ("LOC")		20,000
	To record receipt of cash and new LTD		
2	Dr. 2017 MCSB Loan	125,200	
	Dr. Accrued Liabilities	17,543	
	Dr. Additional Paid in Capital	15,000	
	Dr. Short Term Debt	18,000	
	Dr. Financing Costs	6,000	
	Dr. Rate Case Expenditures	20,000	
	Cr. Cash		201,743
	To record disbursement of funds		
3	Dr. Cash	15,238	
	Cr. Other Long Term Debt		9,729
	Cr. Interest Expense		5,508
	To reverse principal and interest payment on existing MCSB loan		
4	Dr. Other Long Debt	6,539	
	Dr. Interest Expense	14,303	
	Cr. Cash		20,842
	To record principal and interest payment on new Promissory Note		
5	Dr. Other Long Debt		
	Dr. Interest Expense		
	Cr. Cash		-
	To record principal and interest payment on new Line of Credit		
	Note: Initially, the new LOC will be used to pay for rate case expenditures.		
	Company envisions drawing on LOC during year 1 and repaying LOC in year 2 - 4.		
6	Dr. Amortization of Debt Expense	400	
	Cr. Misc Def Dr - Unamortized Debt Expense		400
	To record amortization of debt expense		
7	Dr. Cash	19,150	
	Cr. Revenue		19,150
	To record additional estimated cash & revenue from projected rate increase		
	Net Income		\$ (12,187)
	Net impact on Cash	236,131	222,585
			13,546

**Financing / Refinancing****Source of Funds:**

Robert S. LaMontagne, Owner	\$ 201,743
Total Source of Funds	<u>\$ 201,743</u>

**Use of Funds:**

Repayment of 2017 MCSB loan - Projected balance at 12/06/22	\$ 125,200
Repayment of 2019 Additional Paid in Capital	10,000
Repayment of 2020 Additional Paid in Capital	5,000
Repayment of 2021 Short Term Debt	18,000
Past due Management Fee (Mar. - July 2022)	8,635
Past due AAA Pump pump replacements (1 float switch & 2 pumps)	8,908
Payment of Financing costs	6,000
Payment of Rate Case Expenditures	20,000
Total Use of Funds	<u>\$ 201,743</u>

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**2022 Owner Financing**

**Estimated Owner Financing Costs**

Stephen P. St. Cyr & Associates	\$ 4,000
LBD	<u>2,000</u>
Total Financing Costs	<u>\$ 6,000</u>

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