

Attachment E.1 - Updated 10072021

Addendum to Application for Transfer of Public Utility Franchise and for approval of rates

<u>Operating Budget</u>						
	Year 1	Year 2	Year 3	Year 4	Year 5	
<u>Operating revenue</u>						
Metered service revenue	\$ 132,371	\$ 409,423	\$ 464,833	\$ 464,833	\$ 464,833	
Flat rate service revenue	\$ -	\$ -	\$ -	\$ -	\$ -	
EPA testing surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	
Re-connect fees	\$ 2,787	\$ 8,619	\$ 9,786	\$ 9,786	\$ 9,786	
Returned check charge	\$ 1,393	\$ 4,310	\$ 4,893	\$ 4,893	\$ 4,893	
Late payment charge	\$ 2,787	\$ 8,619	\$ 9,786	\$ 9,786	\$ 9,786	
Other operating revenue	\$ -	\$ -	\$ -	\$ -	\$ -	
Total operating revenue	\$ 139,338	\$ 430,972	\$ 489,298	\$ 489,298	\$ 489,298	
<u>Operating expenses</u>						
Total salaries and wages (employees only)	\$ -	\$ -	\$ -	\$ -	\$ -	
Outside labor expenses (non-employees)	\$ 118,718	\$ 118,718	\$ 118,718	\$ 118,718	\$ 118,718	
Administrative and office expense	\$ 22,050	\$ 22,050	\$ 22,050	\$ 22,050	\$ 22,050	
Maintenance and repair expense	\$ 10,584	\$ 10,584	\$ 10,584	\$ 10,584	\$ 10,584	
Purchased water	\$ -	\$ -	\$ -	\$ -	\$ -	
Purchased sewage treatment	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	
Electric power expense (exclude office)	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	
Chemicals expense	\$ -	\$ -	\$ -	\$ -	\$ -	
Testing fees	\$ 1,323	\$ 1,323	\$ 1,323	\$ 1,323	\$ 1,323	
Transportation expense	\$ -	\$ -	\$ -	\$ -	\$ -	
Other operating expense	\$ -	\$ -	\$ -	\$ -	\$ -	
Total operation and maintenance expenses	\$ 153,475	\$ 153,475	\$ 153,475	\$ 153,475	\$ 153,475	
Annual depreciation expense	\$ 60,730	\$ 61,234	\$ 63,753	\$ 63,753	\$ 63,753	
Property taxes paid on utility property	\$ 1,535	\$ 1,535	\$ 1,535	\$ 1,535	\$ 1,535	
Payroll taxes	\$ -	\$ -	\$ -	\$ -	\$ -	
Franchise (gross receipts) tax	\$ 1,535	\$ 1,535	\$ 1,535	\$ 1,535	\$ 1,535	
Annual NCUC regulatory fee	\$ 1,581	\$ 1,581	\$ 1,581	\$ 1,581	\$ 1,581	
Total operating expenses	\$ 218,855	\$ 219,359	\$ 221,878	\$ 221,878	\$ 221,878	
<u>Income Taxes</u>						
State income taxes	\$ -	\$ 5,290	\$ 6,686	\$ 6,686	\$ 6,686	
Federal income taxes	\$ -	\$ 44,439	\$ 56,158	\$ 56,158	\$ 56,158	
Total income taxes	\$ -	\$ 49,729	\$ 62,844	\$ 62,844	\$ 62,844	
Net operating income (loss)	\$ (79,517)	\$ 161,884	\$ 204,576	\$ 204,576	\$ 204,576	
Interest expense	\$ 60,730	\$ 61,234	\$ 63,753	\$ 63,753	\$ 63,753	
Net income (loss)	\$ (140,247)	\$ 100,650	\$ 140,824	\$ 140,824	\$ 140,824	

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Oct 07 2021

STATEMENT OF CASH FLOWS

	Year 1	Year 2	Year 3	Year 4	Year 5
PRE-TAX OPERATING INCOME (LOSS)					
Total Operating Revenue	\$ 139,338	\$ 430,972	\$ 489,298	\$ 489,298	\$ 489,298
Operation and Maintenance Expenses	\$ 153,475	\$ 153,475	\$ 153,475	\$ 153,475	\$ 153,475
Taxes Other than Income	\$ 4,650	\$ 4,650	\$ 4,650	\$ 4,650	\$ 4,650
Pre-Tax Operating Income (Loss)	\$ (18,787)	\$ 272,846	\$ 331,173	\$ 331,173	\$ 331,173
INCOME TAX CALCULATION					
Pre-Tax Operating Income (Loss)	\$ (18,787)	\$ 272,846	\$ 331,173	\$ 331,173	\$ 331,173
CIAC					
Tax Depreciation	\$ 60,730	\$ 61,234	\$ 63,753	\$ 63,753	\$ 63,753
Interest Expense	\$ 60,730	\$ 61,234	\$ 63,753	\$ 63,753	\$ 63,753
Taxable Income (Loss)	\$ (140,247)	\$ 150,379	\$ 203,667	\$ 203,667	\$ 203,667
State Income Tax	\$ -	\$ 5,290	\$ 6,686	\$ 6,686	\$ 6,686
Federal Income Tax	\$ -	\$ 44,439	\$ 56,158	\$ 56,158	\$ 56,158
Total Income Taxes to be Paid	\$ -	\$ 49,729	\$ 62,844	\$ 62,844	\$ 62,844
Net Cash Provided by Operating Activities	\$ (18,787)	\$ 223,117	\$ 268,329	\$ 268,329	\$ 268,329
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Utility Plant	\$ 1,214,603	\$ 60,454	\$ -	\$ -	\$ -
Cash Bonds Posted	\$ 134,956	\$ 6,717	\$ -	\$ -	\$ -
CIAC					
Proceeds from Disposal of Utility Plant					
Net Cash Used by Investing Activities	\$ 1,349,559	\$ 67,171	\$ -	\$ -	\$ -
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from Short Term Debt					
Principal Repayment of Short Term Debt					
Proceeds from Long Term Debt	\$ 674,779	\$ 33,586	\$ -	\$ -	\$ -
Principal Repayment of Long Term Debt					
Interest Payment for Debt	\$ (60,730)	\$ (61,234)	\$ (63,753)	\$ (63,753)	\$ (63,753)
Proceeds from Equity	\$ 674,779	\$ 33,586	\$ -	\$ -	\$ -
Dividends Paid	\$ 79,517				
Funds Provided by Owner					
Net Cash Provided by Financing Activities	\$ 1,368,345	\$ 5,938	\$ (63,753)	\$ (63,753)	\$ (63,753)
Net Increase (Decrease in Cash)	\$ (0)	\$ 161,884	\$ 204,576	\$ 204,576	\$ 204,576
Cash Balance at Beginning of Year	\$ -	\$ (0)	\$ 161,883	\$ 366,460	\$ 571,036
Cash Balance at End of Year	\$ (0)	\$ 161,883	\$ 366,460	\$ 571,036	\$ 775,613