

M-2 Sub 2023 W

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JUN 08 2023

ANNUAL REPORT

OF

Total Environmental Solutions, Inc. / W- 1146 Sub 9
Company Name (as franchised by NCUC) NCUC Certificate No.

P.O. Box 14059
Mailing Address

Baton Rouge LA 70898
City State Zip

Area Code (225) 766-4477 Ext. 3017
Telephone Number (including area code)

Area Code (225) 766-6701
Fax Number (including area code)

frobicheaux@tesi-usa.com
Email Address

TO THE

NORTH CAROLINA UTILITIES COMMISSION

For The Year Ended

December 31, 2022

RETURN TO: Public Staff - Accounting Division
North Carolina Utilities Commission
4326 Mail Service Center
Raleigh, NC 27699-4326

FILING INSTRUCTIONS

WHEN TO FILE:

This form, consisting of twenty-nine pages, must be filed with this Commission no later than **April 30th** following the end of the calendar year covered by this report. Failure to file your Annual Report on or before the due date will result in Commission action, which may result in the assessment of financial penalties (North Carolina General Statute GS 62-310).

WHERE TO FILE:

Send the original and two (2) copies to:

PUBLIC STAFF - ACCOUNTING DIVISION
NORTH CAROLINA UTILITIES COMMISSION
4326 MAIL SERVICE CENTER
RALEIGH, NORTH CAROLINA 27699-4326

NUMBER OF COPIES REQUIRED:

The original and two (2) copies of this report legibly completed (including NCUC certificate number) and signed and notarized, are required to be filed in order to satisfy the Annual Report filing requirements established by this Commission. One copy of this report should be maintained in your files.

VERIFICATION UNDER OATH REGARDING ACCURACY OF REPORT:

Both the original and the required copies of this report must be verified under oath by the chief executive officer, a senior level financial officer, or the responsible accounting officer of the utility.

QUESTIONS:

If you have any questions or need assistance in completing this report or questions concerning this Commission's Annual Report filing requirements, call or write the Public Staff - Accounting Division, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326, Telephone Number 919-733-4279. This report is available in Microsoft Excel on the Public Staff's web site at:

<http://www.pubstaff.commerce.state.nc.us/psacctg/report.htm>.

COMPANY INFORMATION

1. Trade name used for utility business Total Environmental Solutions, Inc.
2. Name of owner (if different from trade name) N/A
3. Business street address (if different from mailing address) 1824 Ryder Drive
 City and state Baton Rouge, LA Zip 70808
4. If corporation, list the following:
 President Brian Rivet Vice-President Larry Daigle
 Secretary Julien Bourdreaux, III Treasurer Eroy Acosta
 Other officers _____
- List three (3) largest stockholders and percent of voting shares held by each:
South Louisiana Electric Cooperative is the only stockholder
- In what state is firm incorporated? Louisiana What year? 2000
5. If partnership, list the owners and percent of ownership held by each:
N/A
6. Year Company first began utility service: 2001
7. Filing status (check one only)
☒ Corporation ☐ Partnership ☐ Sole Proprietorship
☐ Subchapter S Corp. ☐ Limited Liability Co. ☐ Other (Describe: _____)

PERSONS TO CONTACT

	<u>Name</u>	<u>Address</u>	<u>Telephone</u>
General Manager	<u>Wayne Owens</u>	<u>1824 Ryder Drive, Baton Rouge, LA 70808</u>	<u>225-766-4477</u>
Complaints or Billing	<u>Gayle davidson</u>	<u>1824 Ryder Drive, Baton Rouge, LA 70808</u>	<u>225-766-4477</u>
Engineering Operations	<u>Vacant</u>	<u>1824 Ryder Drive, Baton Rouge, LA 70808</u>	<u>225-766-4477</u>
Emergency Service	<u>Jack Gibbons</u>	<u>1824 Ryder Drive, Baton Rouge, LA 70808</u>	<u>225-766-4477</u>
Accounting	<u>Wayne Owens</u>	<u>1824 Ryder Drive, Baton Rouge, LA 70808</u>	<u>225-766-4477</u>
Outside Accountant	<u>Paul Shaffer</u>	<u>527 E. Airport Ave, Baton Rouge, LA 70806</u>	<u>225-926-1050</u>

OPERATING STATISTICS**Employees**

Number of full-time employees at end of year	<u>3</u>
Number of part-time employees at end of year	<u>0</u>
Total <u>months</u> worked by each full-time employee during year	<u>12</u>
Total <u>days</u> worked by each part-time employee during year	<u>0</u>
Total salaries and wages paid during year	<u>136,344</u>

Reconnections (not including initial connections)

	<u>Water</u>	<u>Sewer</u>
Number of service reconnections during year (See Rule R7-20 and R10-16)	<u>110</u>	<u>0</u>
Number of different customers who had service reconnected during year	<u>515</u>	<u>0</u>

Customer Deposits

Amount of customer deposits received during year	<u>0</u>
Amount of customer deposits refunded during year	<u>0</u>
Balance of customer deposits held at end of year	<u>0</u>
Amount of customer deposits held for more than 12 months	<u>0</u>

Other Information

	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>
Annual operating revenues	<u>1,171,926</u>	<u>34,425</u>	<u>1,206,351</u>
Utility plant in service at year end	<u>634,812</u>	<u>179,359</u>	<u>814,171</u>
End-of-period customers	<u>2204</u>	<u>2</u>	<u>2206</u>

For each subdivision or service area, list the following in alphabetical order.

[illegible]

WATER AND SEWER COMBINED BALANCE SHEET
ASSETS AND OTHER DEBITS

Line No.	<u>Title of Account</u> (a)	<u>Balance at Beginning of Year</u> (b)	<u>Balance at End of Year</u> (c)
	<u>Utility plant</u>		
1.	Utility plant (must agree with Page 12, Line 108, Columns (c) & (f))	628,042	814,171
2.	Accumulated provision for depreciation and amortization of utility plant	(394,348)	(414,628)
3.	Net utility plant (Line 1 minus Line 2)	233,694	399,543
4.	Utility plant acquisition adjustment		
5.	Accumulated provision for amortization of acquisition adjustment		
6.	Net utility plant acquisition adjustment (Line 4 minus Line 5)		
7.	Total utility plant (Line 3 plus Line 6)	233,694	399,543
	<u>Other Property and Investments</u>		
8.	Nonutility property		
9.	Accumulated provision for depreciation and amortization of nonutility property		
10.	Other investments		
11.	Special funds		
12.	Total other property and investments		
	<u>Current Assets and Other Debits</u>		
13.	Cash and working funds	500	500
14.	Temporary cash investments		
15.	Notes receivable		
16.	Customer accounts receivable	69,833	280,104
17.	Other accounts receivable	104,000	104,000
18.	Accumulated provisions for uncollectible accounts - Cr.	(7,301)	(218,911)
19.	Notes receivable from associated companies		
20.	Accounts receivable from associated companies		
21.	Materials and supplies		
22.	Prepayments	47,757	50,035
23.	Other current and accrued assets		
24.	Total current and accrued assets	214,789	215,728
	<u>Deferred Debits</u>		
25.	Unamortized debt discount and expense		
26.	Extraordinary property losses		
27.	Accumulated deferred income taxes		
28.	Other deferred debits		
29.	Total deferred debits		
30.	Total assets and other debits (L7 + L12 + L24 + L29)	448,483	615,271

Remarks: _____

WATER AND SEWER COMBINED BALANCE SHEET
CAPITAL, LIABILITIES, AND OTHER CREDITS

Line No.	Title of Account (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)
	<u>Stockholders' Equity (If Corporation)</u>		
1.	Common stock shares		
2.	Paid-in capital		
3.	Retained earnings	1,584,125	1,914,261
4.	Other		
5.	Total common equity (Line 1 thru Line 4)	1,584,125	1,914,261
6.	Preferred stock		
7.	Total stockholders' equity (Line 5 + Line 6)	1,584,125	1,914,261
	<u>OR</u>		
8.	<u>Proprietary Capital (if Partnership/Proprietorship)</u> Total proprietary capital		
	<u>Long-Term Debt</u>		
9.	Bonds		
10.	Advances from associated companies	(1,898,087)	(2,377,476)
11.	Other long-term debt		
12.	Total long-term debt	(1,898,087)	(2,377,476)
	<u>Current and Accrued Liabilities</u>		
13.	Notes payable		
14.	Accounts payable	(86,963)	(100,273)
15.	Customer deposits		
16.	Taxes accrued		
17.	Interest accrued		
18.	Other current and accrued liabilities	(47,557)	(51,783)
19.	Total current and accrued liabilities	(134,521)	(152,056)
	<u>Deferred Credits</u>		
20.	Unamortized premium on debt		
21.	Customer advances for construction		
22.	Other deferred credits		
23.	Total deferred credits		
	<u>Operating Reserves</u>		
24.	Property insurance reserve		
25.	Miscellaneous operating reserves		
26.	Total operating reserves		
	<u>Contributions in Aid of Construction</u>		
27.	Contributions in aid of construction		
28.	Accumulated amortization of contributions in aid of construction		
29.	Total contributions in aid of construction		
30.	Total liabilities and other credits (L12 + L19 + L23 + L26 + L29)	(2,032,608)	(2,529,532)
31.	Total capital, liabilities, & other credits (L7 + L8 + L30)	(448,483)	(615,271)

STATEMENT OF CASH FLOWS

Line No.	Item	Water and Sewer Combined Operations
	Cash Flows from Operating Activities	
1.	Net income (must agree with Page 14, Line 30, Column (d))	(330,135)
2.	Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
	Depreciation and amortization	22,250
3.	Increase (decrease) in deferred taxes and investment tax credits - net	
4.	Allowance for funds used during construction (AFUDC)	
5.	Decrease (increase) in accounts receivable - net	1,339
6.	Decrease (increase) in materials and supplies	
7.	Decrease (increase) in prepayments and other current and accrued assets	(2,278)
8.	Decrease (increase) in other deferred debits	
9.	Increase (decrease) in accrued expenses and accounts payable	17,535
10.	Increase (decrease) in other current and accrued liabilities	
11.	Increase (decrease) in other deferred credits	
12.	Adjustment to Beginning Accum Deprec.	-1970
13.	Total adjustments (sum of Lines 2 through 12)	36,876
14.	Net cash provided by (used in) operating activities (Line 1 plus Line 13)	(293,259)
	Cash Flows From Investing Activities	
15.	Purchases of utility plant	186,129
16.	Proceeds from disposal of utility plant	
17.	Investments in and advances to affiliates	
18.	Repayments of advances by affiliates	
19.	Receipts of contributions in aid of construction (CIAC)	
20.	Other investing activities	
21.	Net cash provided by investing activities (Sum of Lines 15 through 20)	186,129
	Cash Flows from Financing Activities	
22.	Decrease (increase) in short-term debt	
23.	Advances from affiliates	479,389
24.	Repayment of advances from affiliates	0
25.	Proceeds from issuing long-term debt	
26.	Repayment of long-term debt	
27.	Proceeds from issuing stock	
28.	Dividend paid	
29.	Other financing activities	
30.	Net cash provided by financing activities (Sum of Lines 22 through 29)	479,389
31.	Net increase (decrease) in cash and cash equivalents (Line 14 + Line 21 + Line 30)	-
32.	Cash and cash equivalents at beginning of year	500
33.	Cash and cash equivalents at end of year (Line 31 + Line 32)	500

WATER PLANT IN SERVICE (ACCOUNT 101)

Line No.	Acct. No.	Account (a)	Depr. Rates (b)	Balance at Beginning of Year (c)	Plant Added (d)	Plant Retired (e)	Balance at End of Year (f)
		<u>INTANGIBLE PLANT</u>					
1.	301.1	Organization					
2.	302.1	Franchises					
3.	339.1	Other plant and miscellaneous equipment					
4.		Total intangible plant					
		<u>SOURCE OF SUPPLY AND PUMPING PLANT</u>					
5.	303.2	Land and land rights					
6.	304.2	Structures and improvements					
7.	305.2	Collecting and impounding reservoirs					
8.	306.2	Lake, river, and other intakes					
9.	307.2	Wells and springs					
10.	308.2	Infiltration galleries and tunnels					
11.	309.2	Supply mains					
12.	310.2	Power generation equipment					
13.	311.2	Pumping equipment					
14.	339.2	Other plant and miscellaneous equipment					
15.		Total source of supply and pumping plant					
		<u>WATER TREATMENT PLANT</u>					
16.	303.3	Land and land rights					
17.	304.3	Structures and improvements					
18.	311.3	Pumping equipment					
19.	320.3	Water treatment equipment					
20.	339.3	Other plant and miscellaneous equipment					
21.		Total water treatment plant					

WATER PLANT IN SERVICE (ACCOUNT 101)

Line No.	Acct. No.	Account (a)	Depr. Rates (b)	Balance at Beginning of Year (c)	Plant Added (d)	Plant Retired (e)	Balance at End of Year (f)
		<u>TRANSMISSION AND DISTRIBUTION PLANT</u>					
22.	303.4	Land and land rights	SL40	(5,008)			(5,008)
23.	304.4	Structures and improvements	SL20	73,790	-		73,790
24.	311.4	Pumping equipment	SL20	5,885	-		5,885
25.	330.4	Distribution reservoirs and standpipes		181,363			181,363
26.	331.4	Transmission and distribution mains	SL20	42,341			42,341
27.	333.4	Services	SL20	99,375	185,115		284,490
28.	334.4	Meters and meter installations	SL15				-
29.	335.4	Hydrants					-
30.	336.4	Backflow prevention devices					-
31.	339.4	Other plant and miscellaneous equipment					-
32.		Total transmission and distribution plant		397,746	185,115	-	582,861
		<u>GENERAL PLANT</u>					
33.	303.5	Land and land rights		-			-
34.	304.5	Structures and improvements	SL20	120			120
35.	340.5	Office furniture and equipment	SL20	-			-
36.	341.5	Transportation equipment	SL15	36,045			36,045
37.	342.5	Stores equipment		-			-
38.	343.5	Tools, shop, and garage equipment	SL5	4,017			4,017
39.	344.5	Laboratory equipment		-			-
40.	345.5	Power operated equipment		11,418			11,418
41.	346.5	Communication equipment		-			-
42.	347.5	Miscellaneous equipment	SL5	352			352
43.	348.5	Other tangible plant		-			-
44.		Total general plant		51,952	-	-	51,952
45.		Total water plant in service		449,698	185,115	-	634,813

SEWER PLANT IN SERVICE (ACCOUNT 101)

Line No.	Acct. No.	Account (a)	Depr. Rates (b)	Balance at Beginning of Year (c)	Plant Added (d)	Plant Retired (e)	Balance at End of Year (f)
		<u>INTANGIBLE PLANT</u>					
46.	351.1	Organization					
47.	352.1	Franchises					
48.	389.1	Other plant and miscellaneous equipment					
49.		Total intangible plant					
		<u>COLLECTION PLANT</u>					
50.	353.2	Land and land rights					
51.	354.2	Structures and improvements					
52.	355.2	Power generation equipment					
53.	360.2	Collection sewers - force					
54.	361.2	Collection sewers - gravity					
55.	362.2	Special collecting structures					
56.	363.2	Services to customers					
57.	364.2	Flow measuring devices					
58.	365.2	Flow measuring installations					
59.	389.2	Other plant and miscellaneous equipment					
60.		Total collection plant					
		<u>SYSTEM PUMPING PLANT</u>					
61.	353.3	Land and land rights					
62.	354.3	Structures and improvements					
63.	355.3	Power generation equipment					
64.	370.3	Receiving wells					
65.	371.3	Pumping equipment					
66.	389.3	Other plant and miscellaneous equipment					
67.		Total system pumping plant					

SEWER PLANT IN SERVICE (ACCOUNT 101)

Line No.	Acct. No.	Account (a)	Depr. Rates (b)	Balance at Beginning of Year (c)	Plant Added (d)	Plant Retired (e)	Balance at End of Year (f)
		<u>TREATMENT AND DISPOSAL PLANT</u>					
68.	353.4	Land and land rights					
69.	354.4	Structures and improvements					
70.	355.4	Power generation equipment					
71.	380.4	Treatment and disposal equipment					
72.	381.4	Plant sewers					
73.	382.4	Outfall sewer lines					
74.	389.4	Other plant and miscellaneous equipment					
75.		Total treatment and disposal plant					
		<u>RECLAIMED WATER TREATMENT PLANT</u>					
76.	353.5	Land and land rights					
77.	354.5	Structures and improvements					
78.	355.5	Power generation equipment					
79.	371.5	Pumping equipment					
80.	374.5	Reuse distribution reservoirs					
81.	380.5	Treatment and disposal equipment					
82.	381.5	Plant sewers					
83.	389.5	Other plant and miscellaneous equipment					
84.		Total reclaimed water treatment plant					

SEWER PLANT IN SERVICE (ACCOUNT 101)

Line No.	Acct. No.	Account (a)	Depr. Rates (b)	Balance at Beginning of Year (c)	Plant Added (d)	Plant Retired (e)	Balance at End of Year (f)
		<u>RECLAIMED WATER DISTRIBUTION PLANT</u>					
85.	352.6	Franchises		-			-
86.	353.6	Land and land rights		-			-
87.	354.6	Structures and improvements		-			-
88.	355.6	Power generation equipment		-			-
89.	366.6	Reuse services	SL/7	304	-		304
90.	367.6	Reuse meters and meter installations		-			-
91.	371.6	Pumping equipment	SL/20	68,342	-		68,342
92.	375.6	Reuse transmission and distribution system		-			-
93.	389.6	Other plant and miscellaneous equipment	SL/5	440	-		440
94.		Total reclaimed water distribution plant		69,086	-	-	69,086
		<u>GENERAL PLANT</u>					
95.	353.7	Land and land rights		-			-
96.	354.7	Structures and improvements	SL/20	55,459	-		55,459
97.	390.7	Office furniture and equipment		-			-
98.	391.7	Transportation equipment		-			-
99.	392.7	Stores equipment	SL/20	665	-		665
100.	393.7	Tools, shop, and garage equipment	SL/5	3,385	-		3,385
101.	394.7	Laboratory equipment	SL/7	4,026	-		4,026
102.	395.7	Power operated equipment	SL/5	1,844	-		1,844
103.	396.7	Communication equipment		-			-
104.	397.7	Miscellaneous equipment	SL/5	25	-		25
105.	398.7	Other tangible plant	SL/20	44,868	-		44,868
106.		Total general plant		110,272		-	110,272
107.		Total sewer plant in service		179,358	-	-	179,358
108.		Total water and sewer plant in service		629,056	185,115	-	814,171

SCHEDULE OF DEBT OF UTILITY
(Use additional pages if needed to report all loans)

Type of Loan ^{1/}	Lender	Collateral ^{2/}	Date of Loan	Maturity Date	Original Loan Amount	Current Amount Outstanding	Interest Rate (%) ^{3/}	Interest Paid This Year
Totals								0

1/ Indicate purpose of loan and whether the loan is a first mortgage, notes payable to banks, etc.
2/ Indicate whether loan is personally endorsed, and if so, by whom.
3/ If interest rate is variable, please describe terms of rate changes (example: prime rate + 1.0%).

WATER AND SEWER COMBINED INCOME STATEMENT AND RETAINED EARNINGS STATEMENT

Line No.	Item (a)	Water (b)	Sewer (c)	Combined (d)
	Utility Operating Income			
1.	Operating revenues ^{1/}	1,171,926	34,425	1,206,351
	Operating expenses:			
2.	Operation and maintenance expense ^{2/}	1,350,821	46,560	1,397,381
3.	Depreciation expense	15,374	6,876	22,250
4.	Amortization expense	0	0	0
5.	Taxes other than income and franchise ^{3/}	12,155	5,168	17,323
6.	Operating revenue deductions (Add Lines 2 - 5)	1,378,350	58,604	1,436,954
7.	NCUC regulatory fee			0
8.	Franchise (gross receipts) tax	0	0	0
9.	Income taxes - State	2,000	1,700	3,700
10.	Federal			0
11.	Investment tax credit - net			0
12.	Total operating expenses (Add Lines 6 - 11)	1,380,350	60,304	1,440,654
13.	Income from utility plant leased to others			0
14.	Utility operating income (Line 1 - Line 12 + Line 13)	(208,424)	(25,879)	(234,303)
	Other Income			
15.	Income from merchandise, job., & contract work - net			
16.	Nonoperating rental income			
17.	Interest and dividend income			
18.	Miscellaneous operating income			
19.	Total other income (Add Lines 15 - 18)			0
20.	Total income (Line 14 + Line 19)			(234,303)
	Income Deductions			
21.	Allocation of Administrative Operational Cost			94,649
22.	alloca			
23.	Amortization of debt discount and expense			
24.	Amortization of premium on debt - Credit			
25.	Interest on debt to associated companies			
26.	Other interest expense			1,183
27.	Interest charged to construction - Credit			
28.	Other (describe) -			
29.	Total income deductions (Add Lines 21 - 28)			95,832
30.	Net income (Line 20 minus Line 29)			(330,135)
	Retained Earnings			
31.	Unappropriated retained earnings at beginning of year			(1,584,125)
	Credits:			
32.	Balance transferred from income			(330,135)
33.	Miscellaneous credits to retained earnings			
	Debits:			
34.	Miscellaneous debits to retained earnings			
35.	Appropriations of retained earnings			
36.	Dividends declared - preferred			
37.	Dividends declared - common			
38.	Unappropriated retained earnings at end of year (Sum of Lines 31 through 37)			(1,914,261)

1/ Reference to Page 15, Line 22 for water operations and Page 17, Line 26 for sewer operations.

2/ Reference to Page 16, Line 28 for water operations and Page 18, Line 28 for sewer operations.

3/ Reference to Page 15, Line 5, Columns (b), (c), and (d).

SCHEDULE OF TAXES OTHER THAN INCOME AND FRANCHISE

Line No.	Item (a)	Water (b)	Sewer (c)	Total (d)
1.	Property	1,173	1,948	3,121
2.	Payroll	7,460	1,876	9,336
3.	Intangibles			0
4.	Other (explain) -	3,522	1,341	4,863
5.	Totals	12,155	5,165	17,320

WATER OPERATING REVENUES (ACCOUNT 400)

Line No.	Acct. No.	Account (a)	Amount For Current Year (b)	Number of Customers		Gallons of Water Sold (in Thousands) (e)
				Beginning of Year (c)	End of Year (d)	
1.	460	<u>Sales of Water</u> Unmetered water revenues				
2.	461.1	Residential - metered	1,111,847	2,086	2,204	59,930,763
3.	461.2	Commercial - metered				
4.	461.3	Industrial - metered				
5.	461.4	Public authorities - metered				
6.	461.5	Multiple family dwellings - metered				
7.		Total sales to general customers	1,111,847	2,086	2,204	59,930,763
8.	462.1	Public fire protection				
9.	462.2	Private fire protection				
10.	464	Other sales to public authorities				
11.	465	Sales to irrigation customers				
12.	466	Sales for resale				
13.	467	Interdepartmental sales				
14.		Total sales of water	1,111,847	2,086	2,204	59,930,763
15.	469	<u>Other Operating Revenues</u> Guaranteed revenues (including revenues from availability rates)				
16.	470	Forfeited discounts				
17.	471	Miscellaneous service revenues				
18.	472	Rents from water property				
19.	473	Interdepartmental rents				
20.	474	Other water revenues (Itemize on Page 19)	60,079			
21.		Total other operating revenues	60,079	-	-	-
22.	400	Total operating revenues	1,171,926			

WATER OPERATION AND MAINTENANCE EXPENSES

Line No.	Acct. No.	Account	Amount
1.	601	Salaries and wages - employees	100,843
2.	603	Salaries and wages - officers, directors, and majority stockholders	-
3.	604	Employee pensions and benefits	24,567
4.	610	Purchased water	993,165
5.	615	Purchased power	635
6.	616	Fuel for power production	-
7.	618	Chemicals	-
8.	620	Materials and supplies	32,994
9.	631	Contractual services - engineering	-
10.	632	Contractual services - accounting	3,788
11.	633	Contractual services - legal	2,829
12.	634	Contractual services - management fees	-
13.	635	Contractual services - testing	7,247
14.	636	Contractual services - other	65,553
15.	641	Rental of building / real property	-
16.	642	Rental of equipment	-
17.	650	Transportation equipment	22,880
18.	656	Insurance - vehicle	20,066
19.	657	Insurance - general liability	37,977
20.	658	Insurance - worker's compensation	3,884
21.	659	Insurance - other	-
22.	660	Advertising expense	
23.	666	Regulatory commission expenses - amortization of rate case expense	
24.	667	Regulatory commission expenses - other	
25.	668	Water resource conservation expense	
26.	670	Bad debt expense	7,712
27.	675	Miscellaneous expense (Itemize on Page 19)	26,681
28.		Total water operation and maintenance expenses	1,350,821

WATER PRODUCTION

	<u>Total During Year</u>	<u>During Peak Month of Year</u>
1. Total gallons pumped from own wells	0	N/A
2. Total gallons purchased from others	87,598,000	9,201,000
3. If water purchased, list from whom	Franklin County	
4. Name of peak month of water production	July	

SEWER OPERATING REVENUES

<u>Line No.</u>	<u>Acct. No.</u>	<u>Account</u> (a)	<u>Number of Customers</u>		<u>Revenue Amounts</u> (d)
			<u>Beginning of Year</u> (b)	<u>End of Year</u> (c)	
		<u>Sewer Service Revenues</u>			
1.	521.1	Residential - flat rate			
2.	521.2	Commercial - flat rate			
3.	521.3	Industrial - flat rate			
4.	521.4	Public authorities - flat rate			
5.	521.5	Multiple family dwellings - flat rate			
6.	521.6	Other revenues - flat rate			
7.	522.1	Residential - measured			
8.	522.2	Commercial - measured	2	2	34,425
9.	522.3	Industrial - measured			
10.	522.4	Public authorities - measured			
11.	522.5	Multiple family dwellings - measured			
12.	523	Revenues from public authorities			
13.	524	Revenues from other systems			
14.	525	Interdepartmental rents			
15.		Total sewer service revenues	2	2	34,425
16.	530	<u>Other Operating Revenues</u> Guaranteed revenues (including revenues from availability rates)			
17.	531	Sale of sludge			
18.	532	Forfeited discounts			
19.	534	Rents from wastewater property			
20.	535	Interdepartmental rents			
21.	536	Other water revenues (Itemize on Page 20)			-
22.	540	Flat rate reuse revenues			
23.	541	Measured reuse revenues			
24.	544	Reuse revenues from other systems			
25.		Total other operating revenues			
26.		Total sewer operating revenues (Line 15 plus Line 25)			34,425

SEWER OPERATION AND MAINTENANCE EXPENSES

Line No.	Acct. No.	Account	Amount
1.	701	Salaries and wages - employees	25,511
2.	703	Salaries and wages - officers, directors, and majority stockholders	-
3.	704	Employee pensions and benefits	3,803
4.	710	Purchased wastewater treatment	
5.	711	Sludge removal expense	-
6.	715	Purchased power	3,596
7.	716	Fuel for power production	
8.	718	Chemicals	
9.	720	Materials and supplies	86
10.	731	Contractual services - engineering	-
11.	732	Contractual services - accounting	274
12.	733	Contractual services - legal	212
13.	734	Contractual services - management fees	
14.	735	Contractual services - testing	8,066
15.	736	Contractual services - other	1,231
16.	741	Rental of building / real property	
17.	742	Rental of equipment	
18.	750	Transportation equipment	288
19.	756	Insurance - vehicle	836
20.	757	Insurance - general liability	1,582
21.	758	Insurance - worker's compensation	141
22.	759	Insurance - other	
23.	760	Advertising expense	
24.	766	Regulatory commission expenses - amortization of rate case expense	
25.	767	Regulatory commission expenses - other	
26.	770	Bad debt expense	
27.	775	Miscellaneous expense (Itemize on Page 20)	934
28.		Total sewer operation and maintenance expenses	46,560

DETAIL OF CERTAIN WATER ACCOUNTS**Account 474 - Other Water Revenues**

For each category greater than \$500, provide a description of the category and the amount. For each category that is \$500 or less, provide a listing of such categories on one line and provide one aggregate amount for all such categories.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1.	Tap & Connection Fees	33,000
2.	Service Fees	9,603
3.	Availability Revenue	48,862
4.	Revenue Adjustments	(31,386)
5.		
6.		
7.		
8.		
9.		
10.		
11.	Total other water revenues (Account 474)	60,079 1/

Account 675 - Miscellaneous Expenses

For each category greater than \$500, provide a description of the category and the amount. For each category that is \$500 or less, provide a listing of such categories on one line and provide one aggregate amount for all such categories.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1.	Education & Training	
2.	Office Supplies	637
3.	Postage & Shipping	15,889
4.	Communications	4,576
5.	Utilities	3,165
6.	Lock Box Fees	1,473
7.	Letter of Credit	611
8.	Miscellaneous	330
9.		
10.		
11.	Total miscellaneous expenses (Account 675)	26,681 2/

1/ Reference to Page 15, Line 20.

2/ Reference to Page 16, Line 27.

DETAIL OF CERTAIN SEWER ACCOUNTS**Account 536 - Other Sewer Revenues**

For each category greater than \$500, provide a description of the category and the amount. For each category that is \$500 or less, provide a listing of such categories on one line and provide one aggregate amount for all such categories.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.	Total other sewer revenues (Account 536)	- 1/

Account 775 - Miscellaneous Expenses

For each category greater than \$500, provide a description of the category and the amount. For each category that is \$500 or less, provide a listing of such categories on one line and provide one aggregate amount for all such categories.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1.	Postage & Shipping	368
2.	Telecommunications	69
3.	Cellular	46
4.	Utilities	64
5.	Letter od credit	350
6.	Miscellneous	37
7.		
8.		
9.		
10.		
11.	Total miscellaneous expenses (Account 775)	934 2/

1/ Reference to Page 17, Line 21.

2/ Reference to Page 18, Line 27.

MONTHLY BILLING DATA

<u>Line No.</u>	<u>Month</u> (a)	<u>Water Operations</u>			<u>Sewer Operations</u>		
		Flat Rate Customers (b)	Metered Customers (c)	Gallons Sold To Metered Customers (d)	Flat Rate Customers (e)	Metered Customers (f)	Gallons Sold To Metered Customers (g)
1.	January		2,101	5,090,784		2	23,700
2.	February		2,111	3,344,138		2	39,240
3.	March		2,101	4,086,258		2	52,270
4.	April		2,121	4,347,106		2	14,170
5.	May		2,127	4,802,725		2	58,020
6.	June		2,134	4,615,279		2	43,950
7.	July		2,161	6,637,084		2	51,200
8.	August		2,178	5,785,308		2	31,000
9.	September		2,181	6,242,891		2	65,870
10.	October		2,210	4,853,911		2	86,520
11.	November		2,223	5,517,890		2	48,690
12.	December		2,204	4,607,389		2	87,280
13.	Totals for the year	-	25,852	59,930,763	-	24	601,910

INVESTMENT IN WATER/SEWER UTILITY SYSTEM

Line No.	Item (a)	Water (b)	Sewer (c)	Combined (d)
1.	Utility plant in service at year end	634,812.00	179,359.00	814,171.00
2.	Accumulated depreciation and amortization at year end	(332,877.00)	(82,146.00)	(415,023.00)
3.	Net utility plant (Line 1 minus Line 2)	301,935.00	97,213.00	399,148.00
4.	Utility plant acquisition adjustment at year end			-
5.	Accumulated amortization of acq. adj. at year end			-
6.	Contributions in aid of construction (CIAC) received during this 12-month reporting period			-
7.	Cumulative CIAC received at year end (excluding gross up)			-
8.	Accumulated amortization of CIAC at year end			-

IMPORTANT: Contributions in aid of construction (CIAC) are generally defined in the National Association of Regulatory Commissioners (NARUC) Uniform System of Accounts as money, services, or property received by the utility company from customers, developers, or any other source at no cost to the utility company which offsets the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment to be used to provide utility service. Tap-on fees and meter installation fees are forms of CIAC.

REGULATORY FEE RECONCILIATION

Line No.	Item	Amount
	<u>Regulatory Fee Reports</u>	
9.	Regulatory fee report for quarter ended March 31, Line 1	315,843
10.	Regulatory fee report for quarter ended June 30, Line 1	272,670
11.	Regulatory fee report for quarter ended September 30, Line 1	318,294
12.	Regulatory fee report for quarter ended December 31, Line 1	299,544
13.	Total NC jurisdictional revenues for the year reported on regulatory fee reports (Sum of Lines 9 through 12)	1,206,351
14.	Total operating revenues [Page 14, Line 1, Column (d)]	1,206,351
15.	Difference between regulatory fee reports and Annual Report (Line 13 minus Line 14)	(0)
	<u>Explanation of Difference(s)</u> (Include a brief written description of each difference)	
16.	Unbilled Revenue - Auditor Year-End Adjustment	0
17.		
18.		
19.		
20.	Total difference(s) (Sum of Lines 16 through 19 - Should be equal to Line 15)	0

BOND INFORMATION

(Note: If more lines are needed for additional bonds, attach supplementary sheets.)

For each bond (certificate of deposit, letter of credit, etc.) posted, list the following:

Line No.	Form of Bond (CD, Letter of Credit, or Surety)	Issuer of Surety	Amount of Bond	Is the Bond Still in Effect?	Date of Next Renewal
1.	Letter of Credit	CoBank	20,000	Yes	12/23/2023
2.	Letter of Credit	CoBank	10,000	Yes	3/27/2024
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					

Signature and Title: Wayne OwensDate: 5-26-23**NOTARIZATION**Sworn to and subscribed to me
this the 26th day of May 2023Leanna McGee

Notary Public

Leanna McGee, Notary Public #151313

THIS DOCUMENT NOT
PREPARED BY THE UNDERSIGNED NOTARY
ATTESTING TO SIGNATURES ONLYMy Commission expires: At Death

IMPORTANT: Rule R7-37(g) and Rule R10-24(g) require water and sewer companies to attach a separate statement to its Annual Report stating the amount of each bond, whether the bond is still in effect, and the date of next renewal. Completion of the above meets this requirement.

OFFICIAL COPY

JUN 08 2023

Jun 08 2023

Jun 08 2023

Jun 08 2023

REGULATORY ENFORCEMENT REPORT

List any notice of violation during the reporting year from any regulatory agency (County Health Department, DWQ, DEH, EPA, etc.) Use additional pages, if necessary

WATER OPERATIONS

System ID No.	System Name	Date of Notice	Type of Violation	Resolved? (Y/N)
NC0235108	Lake Royale	6/29/2022	DBP Monitoring/Reporting Violation	Y
NC0235108	Lake Royale	6/29/2022	Total Coliform & Disinfectant Residual	
			Monitoring Violation	Y

SEWER OPERATIONS

NPDES or Nondischarge Permit No.	System Name	Date of Notice	Type of Violation	Resolved? (Y/N)
N/A				

Jun 08 2023

Jun 08 2023

Jun 08 2023

DESCRIPTION OF SEWER COLLECTION PROPERTY IN SERVICE BY SYSTEM

Provide the following information for each sewer system listed in alphabetical order by system name. Please repeat the system name on each line, as needed.

[illegible]

VERIFICATION UNDER OATH REGARDING ACCURACY OF REPORT

(NOTE: THIS VERIFICATION SHALL BE COMPLETED BY EITHER THE CHIEF EXECUTIVE OFFICER, A SENIOR LEVEL FINANCIAL OFFICER, OR THE RESPONSIBLE ACCOUNTING OFFICER.)

I, Wayne Owens, state and attest that the attached Annual Report to the North Carolina Utilities Commission is filed on behalf of Total Environmental Solutions, Inc. as required by the North Carolina Utilities Commission; that I have reviewed said Report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information provided therein; and that, to the best of my knowledge, information, and belief, all of the information contained therein is accurate and true, no material information or fact has been knowingly omitted or misstated therein, and all of the information contained in said Report has been prepared and presented in accordance with all applicable North Carolina General Statutes, Commission Rules, and Commission Orders.

Signature of Person Making Verification

CEO

Job Title

Date

NOTARIZATION

Sworn to and subscribed to me
this the _____ day of _____

Notary Public

My Commission expires: _____

VERIFICATION UNDER OATH REGARDING ACCURACY OF REPORT

(NOTE: THIS VERIFICATION SHALL BE COMPLETED BY EITHER THE CHIEF EXECUTIVE OFFICER, A SENIOR LEVEL FINANCIAL OFFICER, OR THE RESPONSIBLE ACCOUNTING OFFICER.)

I, ^{Philip} Wayne Owens, state and attest that the attached Annual Report to the North Carolina Utilities Commission is filed on behalf of Total Environmental Solutions, Inc. as required by the North Carolina Utilities Commission; that I have reviewed said Report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information provided therein; and that, to the best of my knowledge, information, and belief, all of the information contained therein is accurate and true, no material information or fact has been knowingly omitted or misstated therein, and all of the information contained in said Report has been prepared and presented in accordance with all applicable North Carolina General Statutes, Commission Rules, and Commission Orders.

Wayne Owens
Signature of Person Making Verification

CEO

Job Title

26th May 2023
Date

NOTARIZATION

Sworn to and subscribed to me

this the 26th day of May 2023

Leanna McGee
Notary Public

My Commission expires: At Death

Leanna McGee, Notary Public #151313

THIS DOCUMENT NOT
PREPARED BY THE UNDERSIGNED NOTARY
ATTESTING TO SIGNATURES ONLY

