

SANFORD LAW OFFICE, PLLC
Jo Anne Sanford, Attorney at Law

July 25, 2019

Ms. Shonta Dunston, Deputy Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Via Electronic Filing

Re: Carolina Water Service, Inc. of North Carolina (Emergency Operator of Riverbend Estates Water System)
Docket No. W-390, Sub 13
Filing of Quarterly Financial Reports (April - June 2019 Calendar Quarter)

Dear Ms. Dunston:

Pursuant to decretal paragraph number 4.a. of the Order Appointing Emergency Operator, Approving Increased Rates, and Requiring Customer Notice issued in Docket No. W-390, Sub 13 on May 16, 2017, Carolina Water Service, Inc. of North Carolina ("CWSNC" or "Company") hereby files certain quarterly financial reports for the April - June 2019 calendar quarter. The Company files these reports in its capacity as Emergency Operator of the water utility system which was formerly operated by Riverbend Estates Water System, Inc.

As always, thank you and your staff for your assistance; please feel free to contact me if there are any questions or suggestions.

Sincerely,

Electronically Submitted

/s/Jo Anne Sanford
Attorney for Carolina Water Service,
Inc. of North Carolina (Emergency
Operator)

cc: Parties of Record

Riverbend Estates Water System
 Carolina Water Service, Inc. of NC as EO
 Docket No. W-390, Sub 13
 Revenues, Expenses, and Reserve Balances
 For Q2 2019

Schedule 1

<u>Line No.</u>	<u>Item</u>	<u>Riverbend Estates</u> (a)
1	Revenues	<u>21,931.85</u> [1]
2	Expenses for a return	36,794.80 [2]
3	Regulatory fee (L1 x 0.14%)	30.70
4	Gross receipts tax (L1 x 0%)	0.00
5	Pre-tax return on expenses	<u>3,702.17</u> [3]
6	Total expenses and return (Sum of L2 thru L5)	<u>40,527.67</u>
7	Net activity for the month (L1 - L6)	<u><u>(\$18,595.82)</u></u>
8	Reserve balance prior quarter	(\$76,968.93)
9	Net activity for the month (L7)	<u>(18,595.82)</u>
10	Current Reserve balance (L8 + L9)	<u><u>(\$95,564.75)</u></u>

[1] Total revenues from Schedule 2.
 [2] Total expenses for return from Schedule 2.
 [3] Schedule 1(a), Line 5.

Riverbend Estates Water System

Schedule 1(a)

Carolina Water Service, Inc. of NC as EO
 Docket No. W-390, Sub 13
 Calculation of Pre-Tax Return
 For Q2 2019

Line		Riverbend
<u>No.</u>	<u>Item</u>	<u>Estates</u>
		(a)
	<u>Calculation of Pre-Tax Return</u>	
1	Expenses for return	\$36,794.80 [1]
2	Overall rate of return	7.75% [2]
3	Return on expenses (L1 x L2)	2,851.60
4	Retention factor for income taxes (L10)	0.770250
5	Pre-tax return on expenses (L3 / L4)	<u>\$3,702.17</u>
	 <u>Calculation of Retention Factor</u>	
6	Revenues	1.000000
7	Less: State income tax at 2.5%	0.025000
8	Federal taxable income	0.975000
9	Less: Federal income tax at 21%	0.204750
10	Retention factor for income taxes	<u>0.770250</u>

[1] Schedule 1, Line 2.

[2] Overall return authorized by Commission for CWSNC on February 21, 2019 in Docket No. W-354, Sub 360.

Riverbend Estates Water System

Schedule 2

Carolina Water Service, Inc. of NC as EO
Docket No. W-390, Sub 13
Revenues and Expenses
For Q2 2019

<u>Account Number</u>	<u>Account Description</u>	<u>Riverbend Estates (BU 196100)</u> (a)
5025	WATER REVENUE-RESIDENTIAL	(19,734.16)
5030	WATER REVENUE-ACCRUALS	(2,136.41)
5265	FORFEITED DISCOUNTS	(36.28)
5270	MISC SERVICE REVENUE	-
5285	OTHER W/S REVENUES	(25.00)
5405	REV FROM MGMT SERVICES	-
	Total Revenues	<u>(21,931.85)</u>
5435	PURCHASED WATER-WATER S	19,186.24
5465	ELEC PWR - WATER SYSTEM	-
5495	METER READING	-
5505	AGENCY EXPENSE	2.00
5510	UNCOLLECTIBLE ACCOUNTS	(29.76)
5515	UNCOLL ACCOUNTS ACCRUAL	8.00
5525	BILL STOCK	-
5530	BILLING COMPUTER SUPPLI	0.14
5535	BILLING ENVELOPES	-
5540	BILLING POSTAGE	18.90
5545	CUSTOMER SERVICE PRINTING	129.62
5580	NON-REGULATED COGS B	-
5625	401K/ESOP CONTRIBUTIONS	137.74
5630	HEALTH & DENTAL PREMIUMS	115.93
5635	DENTAL INS REIMBURSEMENTS	24.68
5645	EMPLOYEE INS DEDUCTIONS	(182.54)
5650	HEALTH COSTS & OTHER	0.30
5655	HEALTH INS REIMBURSEMENTS	676.96
5660	OTHER EMP PENSION/BENEFITS	5.54
5665	PENSION CONTRIBUTIONS	113.60
5670	TERM LIFE INS	50.81
5675	TERM LIFE INS-OPT	(10.47)
5680	DEPEND LIFE INS-OPT	(5.08)
5690	TUITION	4.21
5705	INSURANCE-GEN LIAB	319.73
5715	INSURANCE-OTHER	85.71
5735	COMPUTER MAINTENANCE	166.59
5740	COMPUTER SUPPLIES	0.16
5745	COMPUTER AMORT & PROG COST	-
5750	INTERNET SUPPLIER	34.94
5785	ADVERTISING/MARKETING	-
5790	BANK SERVICE CHARGE	12.36
5805	LICENSE FEES	2.10
5810	MEMBERSHIPS	12.48
5820	TRAINING EXPENSE	10.81
5825	OTHER MISC EXPENSE	5.84
5855	ANSWERING SERVICE	4.88
5860	CLEANING SUPPLIES	0.12
5865	COPY MACHINE	1.65
5875	KITCHEN SUPPLIES	0.88
5880	OFFICE SUPPLY STORES	3.38

Riverbend Estates Water System
 Carolina Water Service, Inc. of NC as EO
 Docket No. W-390, Sub 13
 Revenues and Expenses
 For Q2 2019

Schedule 2

<u>Account Number</u>	<u>Account Description</u>	<u>Riverbend Estates (BU 196100)</u> (a)
5885	PRINTING/BLUEPRINTS	2.11
5890	PUBL SUBSCRIPTIONS/TAPES	-
5895	SHIPPING CHARGES	10.08
5900	OTHER OFFICE EXPENSES	3.64
5930	OFFICE ELECTRIC	1.54
5935	OFFICE GAS	0.51
5940	OFFICE WATER	0.18
5945	OFFICE TELECOM	166.22
5950	OFFICE GARBAGE REMOVAL	1.42
5955	OFFICE LANDSCAPE / MOW / PLOW	-
5960	OFFICE ALARM SYS PHONE EXP	4.60
5965	OFFICE MAINTENANCE	0.78
5970	OFFICE CLEANING SERVICE	2.37
5975	OFFICE MACHINE/HEAT&COOL	0.38
5980	OTHER OFFICE UTILITIES	0.06
5985	TELEMETERING PHONE EXPENSE	6.62
6010	AUDIT FEES	51.79
6015	EMPLOY FINDER FEES	0.47
6020	ENGINEERING FEES	-
6025	LEGAL FEES	1,527.35
6030	MANAGEMENT FEES	585.06
6035	PAYROLL SERVICES	20.05
6040	TAX RETURN REVIEW	25.72
6045	TEMP EMPLOY - CLERICAL	-
6050	OTHER OUTSIDE SERVICES	77.65
6065	RATE CASE AMORT EXPENSE	48.47
6070	MISC REG MATTERS COMM EXP	6,596.57
6090	RENT	202.93
6110	SALARIES-ACCTG/FINANCE	149.03
6115	SALARIES-ADMIN	37.15
6120	SALARIES-OFFICERS/STKHLDR	248.78
6125	SALARIES-HR	43.56
6130	SALARIES-MIS	85.46
6135	SALARIES-LEADERSHIP OPS	394.16
6140	SALARIES-REGULATORY	30.50
6145	SALARIES-CUSTOMER SERVICE	171.62
6146	SALARIES-BILLING	82.24
6147	SALARIES-CORP SERVICE A	23.91
6150	SALARIES-OPERATIONS FIELD	105.82
6155	SALARIES-OPERATIONS OFFICE	20.65
6165	CAPITALIZED TIME ADJUSTMENT	(120.91)
6185	TRAVEL LODGING	60.78
6190	TRAVEL AIRFARE	23.03
6195	TRAVEL TRANSPORTATION	8.56
6200	TRAVEL MEALS	19.64
6205	TRAVEL ENTERTAINMENT	2.42
6207	TRAVEL OTHER	2.94
6215	FUEL	197.96
6220	AUTO REPAIR/TIRES	97.78
6225	AUTO LICENSES	13.35

CERTIFICATE OF SERVICE

On behalf of Carolina Water Service, Inc. of North Carolina (Emergency Operator of Riverbend Estates Water System), I hereby certify that I have served a copy of the foregoing Quarterly Financial Reports for the Riverbend Estates Water System (April - June 2019 Calendar Quarter) in Docket No. W-390, Sub 13 on all parties of record in this proceeding, in accordance with North Carolina Utilities Commission Rule R1-39, either by United States mail, first class postage pre-paid; by hand delivery; or by means of electronic delivery upon agreement of the receiving party.

This the 25th day of July 2019.

Electronically Submitted
/s/Jo Anne Sanford
State Bar No. 6831

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