

FINANCIAL STATEMENT

1. Will a separate set of books be maintained for the utility business?
Yes _____
2. Will a separate bank account be maintained for the utility business?
No _____
3. Are the revenues and expenses listed below based on past operations or are they estimated for future operations?
(actual or estimated) Past Operations _____

REVENUES AND EXPENSES

For 12 Months Ended 12/31/2022 (Date)

<u>Revenues</u>	<u>Water</u>	<u>Sewer</u>
4. Residential service (flat rate)	\$ _____	\$ 295,016.07
5. Residential service (metered rate)	\$ _____	\$ 0
6. Nonresidential service (flat rate)	\$ _____	\$ 0
7. Nonresidential service (metered rate)	\$ _____	\$ 0
8. Other revenues (describe in remarks below)	\$ _____	\$ 0
9. Total Revenues (Lines 4 thru 8)	\$ _____	\$ 295,016.07
10. Total salaries (except owner)	\$ _____	\$ 0
11. Salaries paid to owner	\$ _____	\$ 0
12. Administrative and office expense (except salaries)	\$ _____	\$ 3,206.42
13. Maintenance and repair expense (except salaries)	\$ _____	\$ 5,921.82
14. Transportation expenses	\$ _____	\$ 0
15. Electric power for pumping	\$ _____	\$ 37,939.29
16. Chemicals for treatment	\$ _____	\$ 0
17. Testing fees	\$ _____	\$ 0
18. Permit fees	\$ _____	\$ 0
19. Purchased water/sewer treatment	\$ _____	\$ 220,678.52
20. Annual depreciation	\$ _____	\$ 0
21. Taxes: State income taxes	\$ _____	\$ 0
22. Federal income taxes	\$ _____	\$ 0
23. Gross receipts (or franchise tax)	\$ _____	\$ 199.27
24. Property taxes	\$ _____	\$ 500
25. Payroll taxes	\$ _____	\$ 0
26. Other taxes	\$ _____	\$ 0
27. Interest on debt during year	\$ _____	\$ 0
28. Other expenses (describe in remarks below)	\$ _____	\$ 13,350.50
29. Total Expenses (Lines 10 thru 28)	\$ _____	\$ 281,795.82
30. Net Income (Line 9 minus Line 29)	\$ _____	\$ 13,220.25

Remarks

31. Line 28 consists of office supplies, bank fees, bond fees, insurance fees, subcontractor collection/credit card fees
32. _____
33. _____
34. _____
35. _____

NUMBER OF CUSTOMERS SERVED

	<u>Water</u>		<u>Sewer</u>	
	<u>Flat Rate</u>	<u>Metered</u>	<u>Flat Rate</u>	<u>Metered</u>
36. Customers at beginning of year	_____	_____	_____	_____
37. Customers at end of year	_____	_____	_____	_____
38. Average gallons used per customer				_____ per month

PURCHASER'S COST OF UTILITY SYSTEM

1. List Purchaser's cost of utility systems:

Water: _____
 Sewer: See Attachment G _____

ORIGINAL COST OF UTILITY SYSTEM

As of Year Ended 12/31/2022 (Date)

Note: List the total original cost to construct and establish the system, whether or not paid for by the Seller.

	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
<u>Utility Property in Service</u>		
2. Land and rights-of-way	\$ _____	\$ 75,000
3. Structures and site improvement	\$ _____	\$ 300,000
4. Wells	\$ _____	\$ 0
5. Pumping equipment	\$ _____	\$ 300,000
6. Treatment equipment	\$ _____	\$ 0
7. Storage tanks	\$ _____	\$ _____
8. Mains (excluding service connections)	\$ _____	\$ 4,000,000
9. Service connections	\$ _____	\$ 1,050,000
10. Meters (including spare meters)	\$ _____	\$ 0
11. Office furniture and equipment	\$ _____	\$ 0
12. Transportation equipment	\$ _____	\$ 0
13. Other utility property in service (describe in remarks below)	\$ _____	\$ 0
14. Total utility property in service (Lines 2 thru 13)	\$ _____	\$ 5,725,000
15. Less: acquisition adjustments (difference between original cost above and cost to Seller)	\$ _____	\$ _____
16. Less: Seller's accumulated depreciation	\$ _____	\$ _____
17. Less: Seller's accumulated tap fees and other contributions in aid of construction	\$ _____	\$ 5,725,000
18. Seller's net investment in utility property (Line 14 minus 15, 16, & 17)	\$ _____	\$ 0

	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
<u>Utility Property Not in Service</u>		
19. Construction work in progress	\$ _____	\$ 300,000
20. Property held for future use	\$ _____	\$ 0
21. Other (describe in remarks below)	\$ _____	\$ 0

Remarks

22. It is the Company's understanding that the developers expensed the cost of the system into the cost basis for each of the 740 residential lots.
 23. As such, all of the value is offset by CIAC and there is no depreciation to report.
 24. _____
 25. _____

ANNUAL DEPRECIATION

26. If annual depreciation is claimed using a composite rate for the entire system, show rate of depreciation used:
 Water: _____
 Sewer: N/A See Remarks Above _____
27. If annual depreciation is claimed using individual rates for each type of equipment, show rates of depreciation used: N/A See Remarks Above

