

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

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	Adjustments (d)	Adjusted Year End Balance (e)
<b>UTILITY PLANT</b>				
1	Utility Plant (101-106)	\$ 16,328,565		\$ 16,328,565
2	Less: Accumulated Depr. and Amort. (108-110)	5,662,313		5,662,313
3	Net Plant	\$ 10,666,252	\$ -	\$ 10,666,252
4	Utility Plant Acquisition Adj. (Net) (114-115)			
5	Total Net Utility Plant	\$ 10,666,252	\$ -	\$ 10,666,252
<b>OTHER PROPERTY AND INVESTMENTS</b>				
6	Nonutility Property (121)			
7	Less: Accumulated Depr. and Amort. (122)			
8	Net Nonutility Property			
9	Investment in Associated Companies (123)			
11	Utility Investments (124)			
12	Other Investments			
13	Special Funds(126-128)			
14	Total Other Property & Investments			
<b>CURRENT AND ACCRUED ASSETS</b>				
16	Cash (131)	\$ 323,094	\$ (51,521)	\$ 271,573
17	Special Deposits (132)			
18	Other Special Deposits (133)			
19	Working Funds (134)			
20	Temporary Cash Investments (135)			
21	Accounts and Notes Receivable-Net (141-144)	273,160		273,160
22	Accounts Receivable from Assoc. Co. (145)			
23	Notes Receivable from Assoc. Co. (146)			
24	Materials and Supplies (151-153)	22,767		22,767
25	Stores Expense (161)			
26	Prepayments-Other (162)	12,537		12,537
27	Prepaid Taxes (163)	39,879		39,879
28	Interest and Dividends Receivable (171)			
29	Rents Receivable (172)			
30	Accrued Utility Revenues (173)	112,109		112,109
31	Misc. Current and Accrued Assets (174)			
32	Total Current and Accrued Assets	\$ 783,546	\$ (51,521)	\$ 732,025
<b>DEFERRED DEBITS</b>				
32	Unamortized Debt Discount & Expense (181)	\$ 45,474	\$ 10,816	\$ 56,290
33	Extraordinary Property Losses (182)			
34	Prelim. Survey & Investigation Charges (183)			
35	Clearing Accounts (184)			
36	Temporary Facilities (185)			
37	Miscellaneous Deferred Debits (186)	84,461		84,461
38	Research & Development Expenditures (187)			
39	Accumulated Deferred Income Taxes (190)	15,883		15,883
40	Total Deferred Debits	\$ 145,818	\$ 10,816	\$ 156,634
<b>TOTAL ASSETS AND OTHER DEBITS</b>		\$ 11,595,616	\$ (40,705)	\$ 11,554,911

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

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	Adjustments (d)	Adjusted Year End Balance (e)
<b>EQUITY CAPITAL</b>				
1	Common Stock Issued (201)	\$ 16,767		\$ 16,767
2	Preferred Stock Issued (204)			
3	Capital Stock Subscribed (202,205)			
4	Stock Liability for Conversion (203, 206)			
5	Premium on Capital Stock (207)			
6	Installments Received On Capital Stock (208)			
7	Other Paid-In Capital (209,211)	2,254,354		2,254,354
8	Discount on Capital Stock (212)			
9	Capital Stock Expense (213)			
10	Retained Earnings (214-215)	(814,242)	17,210	(797,032)
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 1,456,879	\$ 17,210	\$ 1,474,089
<b>LONG TERM DEBT</b>				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	\$ 4,345,587	\$ (57,915)	\$ 4,287,672
17	Total Long-Term Debt	\$ 4,345,587	\$ (57,915)	\$ 4,287,672
<b>CURRENT AND ACCRUED LIABILITIES</b>				
18	Accounts Payable (231)	\$ 10,411		\$ 10,411
19	Notes Payable (232)			
20	Accounts Payable to Associated Co. (233)	20,903		20,903
21	Notes Payable to Associated Co. (234)			
22	Customer Deposits (235)	9,090		9,090
23	Accrued Taxes (236)	5,836		5,836
24	Accrued Interest (237)			
25	Accrued Dividends (238)			
26	Matured Long-Term Debt (239)			
27	Matured Interest (240)			
28	Misc. Current and Accrued Liabilities (241)	24,800		24,800
29	Total Current and Accrued Liabilities	\$ 71,040	\$ -	\$ 71,040
<b>DEFERRED CREDITS</b>				
30	Unamortized Premium on Debt (251)			
31	Advances for Construction (252)			
32	Other Deferred Credits (253)			
33	Accumulated Deferred Investment Tax Credits (255)			
34	<b>Accumulated Deferred Income Taxes:</b>			
35	Accelerated Amortization (281)			
36	Liberalized Depreciation (282)	31,534		31,534
37	Other (283)			
38	Total Deferred Credits	\$ 31,534		\$ 31,534
<b>OPERATING RESERVES</b>				
39	Property Insurance Reserve (261)			
40	Injuries and Damages Reserve (262)			
41	Pensions and Benefits Reserves (263)			
42	Miscellaneous Operating Reserves (265)			
43	Total Operating Reserves	\$ -	\$ -	\$ -
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
44	Contributions In Aid of Construction (271)	\$ 8,794,493		\$ 8,794,493
45	Accumulated Amortization of C.I.A.C. (272)	3,103,917		3,103,917
46	Total Net C.I.A.C.	\$ 5,690,576	\$ -	\$ 5,690,576
46	<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>	\$ 11,595,616	\$ (40,705)	\$ 11,554,911

## F-2 STATEMENT OF INCOME

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	Adjustments (d)	Adjusted Year End Balance (e)
	<b>UTILITY OPERATING INCOME</b>			
1	Operating Revenues(400)	\$ 1,843,983	\$ -	\$ 1,843,983
2	Operating Expenses:			
3	Operating and Maintenance Expense (401)	1,054,823		1,054,823
4	Depreciation Expense (403)	507,364		507,364
5	Amortization of Contribution in Aid of Construction (405)	(220,643)		(220,643)
6	Amortization of Utility Plant Acquisition Adjustment (406)			
7	Amortization Expense-Other (407)	1,193		1,193
8	Taxes Other Than Income (408.1-408.13)	216,796		216,796
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	11,485		11,485
10	<b>Total Operating Expenses</b>	\$ 1,571,018	\$ -	\$ 1,571,018
11	<b>Net Operating Income (Loss)</b>	\$ 272,965	\$ -	\$ 272,965
12	Income From Utility Plant Leased to Others (413)			
13	Gains(Losses) From Disposition of Utility Property (414)			
14	<b>Net Water Utility Operating Income</b>	\$ 272,965	\$ -	\$ 272,965
	<b>OTHER INCOME AND DEDUCTIONS</b>			
15	Revenues From Merchandising, Jobbing and Contract Work (415)			
16	Costs and Expenses of Merchandising, Jobbing and Contract Work (416)			
17	Equity in Earnings of Subsidiary Companies (418)			
18	Interest and Dividend Income (419)			
19	Allow. for funds Used During Construction (420)			
20	Nonutility Income (421)			
21	Gains (Losses) Form Disposition Nonutility Property (422)			
22	Miscellaneous Nonutility Expenses (426)			
23	<b>Total Other Income and Deductions</b>	\$ -	\$ -	-
	<b>TAXES APPLICABLE TO OTHER INCOME</b>			
24	Taxes Other Than Income (408.2)			
25	Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)			
26	<b>Total Taxes Applicable To Other Income</b>			
	<b>INTEREST EXPENSE</b>			
27	Interest Expense (427)	\$ 169,637	\$ (26,394)	\$ 143,243
28	Amortization of Debt Discount & Expense (428)	15,087	9,184	24,271
29	Amortization of Premium on Debt (429)			
30	<b>Total Interest Expense</b>	\$ 184,724	\$ (17,210)	\$ 167,514
31	<b>Income Before Extraordinary Items</b>	\$ 88,241	\$ 17,210	\$ 105,451
	<b>EXTRAORDINARY ITEMS</b>			
32	Extraordinary Income (433)			
33	Extraordinary Deductions (434)			
34	Income Taxes, Extraordinary Items (409.3)			
35	<b>Net Extraordinary Items</b>			
	<b>NET INCOME (LOSS)</b>	\$ 88,241	\$ 17,210	\$ 105,451

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

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	Adjustments (d)	Adjusted Year End Balance (e)
<b>EQUITY CAPITAL</b>				
1	Common Stock Issued (201)	\$ 16,767		\$ 16,767
2	Other Paid-In Capital (209,211)	2,104,354	-	2,104,354
3	Retained Earnings (214-215)	(1,259,624)	17,210	(1,242,414)
4	Total Equity Capital	\$ 861,497	\$ 17,210	\$ 878,707
<b>LONG TERM DEBT</b>				
5	Other Long-Term Debt (224)	\$ 4,539,302	\$ (57,915)	\$ 4,481,387
6	Total Long-Term Debt	\$ 4,539,302	\$ (57,915)	\$ 4,481,387
7	Total Capital Structure	\$ 5,400,799	\$ (40,705)	\$ 5,360,094

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	Adjustments (d)	Adjusted Year End Balance (e)
<b>EQUITY CAPITAL</b>				
1	Common Stock Issued (201)	0.31%	0.00%	0.31%
2	Other Paid-In Capital (209,211)	38.96%	0.00%	39.26%
3	Retained Earnings (214-215)	-23.32%	-42.28%	-23.18%
4	Total Equity Capital	15.95%	-42.28%	16.39%
<b>LONG TERM DEBT</b>				
5	Other Long-Term Debt (224)	84.05%	142.28%	83.61%
6	Total Long-Term Debt	84.05%	142.28%	83.61%
7	Total Capital Structure	100.00%	100.00%	100.00%

SPSt. Cyr  
5/31/2016

**Hampstead Area Water Company**  
**Journal Entries**

**SPS-4**

						Impact on Net Income
1	Dr.	181	Unamortized Debt Expense	20,000		
	Cr.	131	Cash		20,000	
	To record estimated debt expense associated with 2016 SRF Financing					
2	Dr.	131	Cash	2,125,929		
	Cr.	224	Other Long Term Debt		2,125,929	
	To record receipt of cash and related long term debt associated with Pentucket loan					
3	Dr.	232.10	TD Bank loan	1,163,814		
	Dr.	232.15	TD Bank loan	1,020,030		
	Cr.	131	Cash		2,183,844	
	To record payment of TD Bank loans					
4	Dr.	428	Amortization of Debt Expense	6,435		(6,435)
	Dr.	428	Amortization of Debt Expense	1,416		(1,416)
	Cr.	181	Unamortized Debt Expense		7,851	
	To record the unamortized debt expense associated with the TD Bank loans					
5	Dr.	427	Interest Expense	67,437		(67,437)
	Cr.	427	Interest Expense		93,831	93,831
	Dr.	131	Cash	26,394		
	To record the projected 1st year difference in interest expense					
6	Dr.	428	Amortization of Debt Expense	1,333		(1,333)
	Cr.	181	Unamortized Debt Expense		1,333	17,210
	To record annual amortization of debt expense					
	Impact on Cash			2,152,323	2,203,844	
	Net Impact on Cash				(51,521)	

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5/31/2016

**Hampstead Area Water Company**  
**Source and Use of Funds**

**SPS-5**

Source of Funds

2016

Pentucket Bank	\$ 2,125,929
Total Source of Funds	<u>\$ 2,125,929</u>

Use of Funds

Refinancing of TD Bank loans:	
2011 TD Bank loan - Original Note Amount - \$1,369,153	\$ 1,110,315
2011 TD Bank loan - Original Note Amount - \$1,200,000	<u>1,015,614</u>
Total Use of Funds	<u>\$ 2,125,929</u>

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5/31/2016

**Hampstead Area Water Company**  
**Estimated Cost of Financing**

**SPS-6**

2016 Financing Costs

Pentucket Bank	\$ 10,000
St. Cyr & Associates	3,500
Lewis Builders Development	<u>6,500</u>
Total Estimated Financing Costs	<u>\$ 20,000</u>

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5/31/2016