

SCHEDULE A - BALANCE SHEET (AS OF DECEMBER 31, 2011)

| Line | Acct. | Assets | Balance | Acct. | Equity and Liabilities | Balance |
|------|-------|---|--------------|-------|---|--------------|
| 1 | 101 | Water plant in service | \$ 661,115 | 201 | Common Stock (Corporations only) | \$ 250,000 |
| 2 | 101.1 | SDWA Plant | \$ 240,000 | 211 | Other paid-in capital (Corporations only) | \$ 176,543 |
| 3 | 103 | Water plant held for future use | | 215 | Retained earnings | \$ (499,117) |
| 4 | 104 | Water plant purchased or sold | | 218 | Proprietary capital | |
| 5 | 105 | Water plant construction work in progress | | 224 | Long term debt | \$ 267,000 |
| 6 | 108 | Accumulated depreciation of water plant | \$ (389,409) | | Current Liabilities | \$ 33,500 |
| 7 | 114 | Water plant acquisition adjustments | | 252 | Advances for construction | \$ 7,763 |
| 8 | 124 | Other investments | | 253 | Other deferred credits | \$ 14,456 |
| 9 | 131 | Cash | \$ 785 | 255 | Accumulated deferred investment tax credits | |
| 10 | 141 | Accounts receivable - customers | \$ 8,550 | 282 | Accumulated deferred income taxes - ACRS | |
| 11 | 142 | Receivables from associated companies | | | Customer Deposits | |
| 12 | 151 | Materials and supplies | \$ 1,800 | 283 | Accumulated deferred income taxes - other | \$ 6,000 |
| 13 | 174 | Other current assets (Developer Deposit) | | 271 | Contributions in aid of construction | \$ 369,907 |
| 14 | 180 | Deferred charges | | 272 | Accumulated amortization of contributions | \$ (103,210) |
| 15 | | Total Assets | \$ 522,841 | | Total Equity and Liabilities | \$ 522,841 |

SCHEDULE B - WATER PLANT IN SERVICE

| Line | Acct | Title of Account | Balance Beg of Year | Plt Additions During year | Plt Retirements During year | Other Debits or (Credits) | Balance End of year |
|------|------|----------------------------------|---------------------|---------------------------|-----------------------------|---------------------------|---------------------|
| 1 | 301 | Intangible plant | \$ 2,800 | | | | \$ 2,800 |
| 2 | 303 | Land | \$ 31,080 | | | | \$ 31,080 |
| 3 | 304 | Structures | \$ 30,279 | \$ 1,500 | | | \$ 31,779 |
| 4 | 307 | Wells | \$ 294,636 | | | | \$ 294,636 |
| 5 | 317 | Other water source plant | \$ 93 | | | | \$ 93 |
| 6 | 311 | Pumping equipment | \$ 93,264 | | | | \$ 93,264 |
| 7 | 320 | Water treatment plant | \$ 4,173 | | | | \$ 4,173 |
| 8 | 330 | Reservoirs tanks and sandpipes | \$ 33,934 | | | | \$ 33,934 |
| 9 | 331 | Water mains | \$ 336,607 | | | | \$ 336,607 |
| 10 | 333 | Services and meter installations | \$ 37,833 | | | | \$ 37,833 |
| 11 | 334 | Meters | \$ 9,367 | | | | \$ 9,367 |
| 12 | 335 | Hydrants | \$ 11,299 | | | | \$ 11,299 |
| 13 | 339 | Other equipment | \$ 8,950 | | | | \$ 8,950 |
| 14 | 340 | Office furniture and equipment | \$ 3,200 | | | | \$ 3,200 |
| 15 | 341 | Transportation equipment | \$ 2,100 | | | | \$ 2,100 |
| 16 | | Total water plant in service | \$ 899,615 | \$ 1,500 | | | \$ 901,115 |

* Debit or credit entries should be explained by footnotes or supplementary schedules

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

| Line | Item | Account 106 Water Plant | Account 106.1 SDWBA Loans | |
|------|--|-------------------------|---------------------------|--|
| 1 | Balance in reserves at beginning of year | \$ 325,747 | \$ 42,000 | A. Method used to compute depreciation |
| 2 | Add: Credits to reserves during year | | | expense (Acct. 403) and rate. |
| 3 | (a) Charged to Account No. 272* | \$ 3,585 | \$ 6,000 | Straightline depreciation. Depreciation rate = 2.5% |
| 4 | (b) Charged to Account No. 403 | \$ 12,077 | | |
| 5 | (c) Charged to Account No. 407 | | | B. Amount of depreciation expense claimed |
| 6 | (d) Salvage recovered | | | or to be claimed on utility property in |
| 7 | (e) All other credits | | | your federal income tax return for the year |
| 8 | Total credits | \$ 15,662 | \$ 6,000 | covered by this report \$ |
| 9 | Deduct: Debits to reserves during year | | | |
| 10 | (a) Book cost of property retired | | | |
| 11 | (b) Cost of removal | | | C. State method used to compute tax |
| 12 | (c) All other debits | | | depreciation. |
| 13 | Total debits | | | |
| 14 | Balance in reserve at end of year | \$ 341,409 | \$ 48,000 | |
| 15 | (1) Explanation of all other credits | | | |
| 16 | (2) Explanation of all other debits | | | |

* Account 106 Water Plant includes Advances for Construction annual amortization \$337.50.