

Received _____
Examined _____

SEWER UTILITIES

U# _____

2024 ANNUAL REPORT OF

MHC Acquisition One, LLC

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

Two North Riverside Plaza, Suite 800 Chicago, IL 60606

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2024

REPORT MUST BE FILED NO LATER THAN APRIL 30, 2025

PEASLEY, ALDINGER & O'BYMACHOW
AN ACCOUNTANCY CORPORATION

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ACCOUNTANT'S COMPILATION REPORT

May 29, 2025

MHC Acquisition One, LLC
Two North Riverside Plaza, Suite 800
Chicago, IL 60606

Management is responsible for the accompanying financial statements of MHC Acquisition One, LLC (Santa Cruz Utility Sewer system), which comprise the balance sheet as of December 31, 2024, and the related income statement included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Other Matter

The financial statements included in the accompanying prescribed form are intended to comply with the requirements of the Public Utilities Commission of the State of California, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

The supplementary information included in the prescribed form is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such information.

PEASLEY, ALDINGER, & O'BYMACHOW
AN ACCOUNTANCY CORPORATION



Christian L. Aldinger
Certified Public Accountant

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INSTRUCTIONS

1. One completed and signed electronic copy must be filed **NO LATER THAN APRIL 30, 2025** via email to: **Kevin Truong** at **vt4@cpuc.ca.gov** and **water.division@cpuc.ca.gov**
2. If an electronic copy cannot be filed, provide two signed hard copies by post to:
CALIFORNIA PUBLIC UTILITIES COMMISSION
WATER DIVISION
ATTN: KEVIN TRUONG
505 VAN NESS AVENUE, ROOM 3200
SAN FRANCISCO, CALIFORNIA 94102-3298
3. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.
4. The Declaration on Page 22 must be signed by an authorized officer, partner, or owner.
5. The report must be prepared in accordance with the CPUC Excel annual report template. The Excel file and a PDF of the file is to be submitted to the Commission.
6. The report must be filled in, and every question answered. **LEAVE NO SCHEDULE BLANK.** Insert the words "none" or "not applicable" or "n/a" when appropriate.
7. Certain balance sheet and income statement accounts refer to supplemental schedules. Complete the supplemental schedules **FIRST**. The balances in these schedules will then auto-fill the appropriate boxes in the balance sheet/income statement. Total and subtotal boxes are automatically summed in Excel. Auto-filled and summed boxes are Excel locked and identified by a light coloring of the box. Uncolored boxes can be manually filled. Complete the statements by filling in the uncolored boxes where appropriate.
8. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference, it should be explained by footnote.
9. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
10. This report must cover the calendar year from January 1, 2024 through December 31, 2024. Fiscal year reports will not be accepted.

SEWER UTILITIES

MHC Acquisition One, LLC

(Name under which corporation, partnership or individual is doing business)

Two North Riverside Plaza, Suite 800 Chicago IL, 60606

(Official mailing address, Phone Number, and Email)

Santa Cruz, Santa Cruz County

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

1 If a corporation show:

(A) Date of organization August 19, 1996 incorporated in the State of Delaware

(B) Names, titles and addresses of principal officers: Marguerite Nader, President and CEO; Paul Seavey, Executive VP, CFO & Treasurer; Roger Maynard, Executive VP - Asset Mgmt; Larisa Drake, Senior VP - Marketing; Ron Bruce, Senior VP - General Counsel & Secretary; Patrick Waite, Senior VP - Property Management; Walter Jaccard, Legal and Assist. Secretary.

2 If unincorporated give the name and address of owner or of each partner:

N/A

3 Name, email, and telephone number of:

(A) One person listed above to receive correspondence: Marguerite Nader (312) 279-1486

(B) Person responsible for operations and services: Jennifer McClellan (831) 423-8660

4 Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No)

If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged?

Equity Lifestyles Properties, Professional: \$12,000, account 682

5 State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent:

MHC Acquisition QRS, Inc.; MHC Operating Limited Partnership Equity Lifestyles, Inc.

6 This annual report was prepared by:

Name of firm or consultant: Peasley, Aldinger & O'Bymachow

Address of firm or consultant: 16882 Bolsa Chica Street, Suite 101
Huntington Beach, CA 92649

Email address of firm or consultant: chris@paocpas.com

Phone Number of firm or consultant: (714) 536-4418

PUBLIC HEALTH STATUS

7 Has state or local health department inspection been made during the year?

8 Are routine laboratory tests of sewer being made?

9 Has state health department sewer supply permit been obtained? (Indicate date)

10 If no permit has been obtained, state whether application has been made and when.

11 Show expiration date if state permit is temporary.

Yes	No	Latest Date
	x	N/A
	x	N/A
	x	N/A
	x	N/A
	x	N/A

12 List Name, Grade, and License Number of all Licensed Operators:

N/A

Excess Capacity and Non-Tariffed Services

NOTE: In D.00-07-018, D.03-04-028, and D. 04-12-023, the CPUC set forth rules and requirements regarding sewer utilities provision of non-tariffed services using excess capacity. These decisions require sewer utilities to: 1) file an advice letter requesting Commission approval of that service, 2) provide information regarding non-tariffed goods/services in each companies Annual Report to the Commission.

Based on the information and filings required in D.00-07-018, D.03-04-028, and D.04-12-023, provide the following information by each individual non-tariffed good and service provided in 2024:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											
Row Number	Description of Non-Tariffed Goods/Services	Active or Passive	Total Revenue Derived from Non-tariffed Goods/ Services (by account)	Revenue Account Number	Total Expenses Incurred to Provide Non-tariffed Goods/ Services (by account)	Expense Account Number	Advice Letter and/or Resolution Number Approving Non-tariffed Goods/ Services	Total Income Tax Liability Incurred Because of Non-tariffed Goods/ Services (by account)	Income Tax Liability Account Number	Gross Value of Regulated Assets Used in the Provision of a Non-tariffed Goods/ Services (by account)	Regulated Asset Account Number
1											
2	N/A										
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											

**SCHEDULE A
BALANCE SHEET
Assets and Other Debits**

Line No.	Acct. No.	Title of Account (a)	Schedule Number (b)	Balance End of Year (c)
1.1		UTILITY PLANT		
2.1	101	Sewer Plant in Service (Excluding SDWBA/SRF, Grant Funds)	A-1, A-1a	466,112
3.1	101.1	Sewer Plant in Service - SDWBA/SRF	A-1, A-1b	-
4.1	101.2	Sewer Plant in Service - Grant Funds	A-1, A-1c	-
5.1	101.3	Sewer Plant in Service - Other	A-1	-
6.1	103	Sewer Plant Held for Future Use	A-1	-
7.1	104	Sewer Plant Purchased or Sold	A-1	-
8.1	105	Construction Work in Progress - Sewer Plant	A-1	-
9.1	105.1	Construction Work in Progress - SDWBA/SRF	A-1	-
10.1	105.2	Construction Work in Progress - Grant Funds	A-1	-
11.1	105.3	Construction Work in Progress - Other	A-1	-
12.1	114	Sewer Plant Acquisition Adjustments	A-1	-
13.1		Total Utility Plant		\$ 466,112
14.1	108	Accumulated Depreciation of Sewer Plant	A-2	(382,766)
15.1	108.1	Accumulated Amortization of SDWBA/SRF loan	A-2	-
16.1	108.2	Accumulated Depreciation of Sewer Plant - Grant Funds	A-2	-
17.1	108.3	Accumulated Depreciation of Sewer Plant - Other	A-2	-
18.1		Total Accumulated Depreciation/Amortization		\$ (382,766)
19.1		Net Utility Plant		\$ 83,346
20.1				
21.1		INVESTMENTS		
22.1	121	Non-utility Property and Other Assets		-
23.1	122	Accumulated Depreciation of Non-Sewer Utility Property	A-2	-
24.1		Net non-utility property		\$ -
25.1	123	Investments in Affiliated Companies		-
26.1	124	Other Investments		-
27.1		Total Investments		\$ -
28.1				
29.1		CURRENT AND ACCRUED ASSETS		
30.1	131	Cash		56,839
31.1	132	Cash - Special Deposits		-
32.1	141	Accounts Receivable - Customers		118
33.1	142	Receivables from Affiliated Companies		-
34.1	143	Accumulated Provision for Uncollectible Accounts		-
35.1	151	Materials and Supplies		-
36.1	174	Other Current Assets		-
37.1		Total current and accrued assets		\$ 56,957
38.1				
39.1	180	Deferred Charges		-
40.1	181	Accumulated Deferred Income Tax Assets		-
41.1				
42.1		Total Assets and Other Debits		\$ 140,303

**SCHEDULE A
BALANCE SHEET
Liabilities and Other Credits**

Line No.	Acct. No.	Title of Account (a)	Schedule Number (b)	Balance End of Year (c)
1.2		CORPORATE CAPITAL AND RETAINED EARNINGS		
2.2	201	Common Stock	A-3	-
3.2	204	Preferred Stock	A-4	-
4.2	206	Subchapter S Corporation Accumulated Adjustments Account	A-6	-
5.2	211	Other Paid-in Capital	A-7	-
6.2	215	Retained Earnings	A-8	-
7.2		Total corporate capital and retained earnings		\$ -
8.2				
9.2		PROPRIETARY CAPITAL		
10.2	218	Proprietary Capital	A-9	(1,351,848)
11.2				
12.2		LONG TERM DEBT		
13.2	224	Long-term Debt	A-10	-
14.2				
15.2		CURRENT AND ACCRUED LIABILITIES		
16.2	230	Payables to Affiliated Companies		1,438,362
17.2	231	Accounts Payable		7,139
18.2	232	Short-term Notes Payable		-
19.2	233	Customer Deposits		-
20.2	236	Taxes Accrued		-
21.2	237	Interest Accrued		-
22.2	241	Other Current Liabilities		45,300
23.2		Total current and accrued liabilities		\$ 1,490,801
24.2				
25.2		DEFERRED CREDITS		
26.2	252	Advances for Construction	F	-
27.2	253	Other Credits		1,350
28.2	255	Accumulated Deferred Investment Tax - Credits		-
29.2	282	Accumulated Deferred Income Taxes - Accel. Tax Depreciation		-
30.2	283	Accumulated Deferred Income Tax Liabilities		-
31.2		Total deferred credits		\$ 1,350
32.2				
33.2		CONTRIBUTIONS IN AID OF CONSTRUCTION		
34.2	265	Contributions in Aid of Construction		-
35.2	272	Accumulated Amortization of Contributions (negative number)		-
36.2		Net Contributions in Aid of Construction		\$ -
37.2		Total Liabilities and Other Credits		\$ 140,303

**SCHEDULE A-1
SEWER UTILITY PLANT**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plant Additions During year (c)	Plant (Retirements) During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Sewer Plant in Service (Sch A-1a)	450,272	15,840	-	-	\$ 466,112
2	101.1	Sewer Plant In Service - SDWBA/SRF (Sch A-1b)	-	-	-	-	\$ -
3	101.2	Sewer Plant In Service - Grant Funds (Sch A-1c)	-	-	-	-	\$ -
4	101.3	Sewer Plant In Service - Other	-	-	-	-	\$ -
5	103	Sewer Plant Held for Future Use	-	-	-	-	\$ -
6	104	Sewer Plant Purchased or Sold	-	-	-	-	\$ -
7	105	Construction Work in Progress - Sewer Plant	-	-	-	-	\$ -
8	105.1	Construction Work in Progress - SDWBA/SRF	-	-	-	-	\$ -
9	105.2	Construction Work in Progress - Grant Funds	-	-	-	-	\$ -
10	105.3	Construction Work in Progress - Other	-	-	-	-	\$ -
11	114	Sewer Plant Acquisition Adjustments	-	-	-	-	\$ -
12		Total utility plant	\$ 450,272	\$ 15,840	\$ -	\$ -	\$ 466,112

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

**SCHEDULE A-1a
Account 101 - Sewer Plant in Service (Excluding SDWBA/SRF, Grant Funds)**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plant Additions During year (c)	Plant (Retirements) During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible Plant	10,000	-	-	-	\$ 10,000
3	303	Land	-	-	-	-	\$ -
4		Total non-depreciable plant	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
5							
6		DEPRECIABLE PLANT					
7	304	Structures	-	-	-	-	\$ -
8	307	Wells	-	-	-	-	\$ -
9	311	Pumping Equipment	193,506	15,840	-	-	\$ 209,346
10	317	Other Sewer Source Plant	-	-	-	-	\$ -
11	320	Sewer Treatment Plant	-	-	-	-	\$ -
12	330	Reservoirs, Tanks and Standpipes	-	-	-	-	\$ -
13	331	Sewer Mains	144,126	-	-	-	\$ 144,126
14	333	Services and Meter Installations	63,479	-	-	-	\$ 63,479
15	334	Meters	-	-	-	-	\$ -
16	335	Hydrants	-	-	-	-	\$ -
17	339	Other Equipment	39,161	-	-	-	\$ 39,161
18	340	Office Furniture and Equipment	-	-	-	-	\$ -
19	341	Transportation Equipment	-	-	-	-	\$ -
20		Total depreciable plant	\$ 440,272	\$ 15,840	\$ -	\$ -	\$ 456,112
21		Total sewer plant in service	\$ 450,272	\$ 15,840	\$ -	\$ -	\$ 466,112

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

SCHEDULE A-1b
Account 101.1 - Sewer Plant in Service - SDWBA/SRF

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plant Additions During year (c)	Plant (Retirements) During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible Plant	-	-	-	-	\$ -
3	303	Land	-	-	-	-	\$ -
4		Total non-depreciable plant	\$ -	\$ -	\$ -	\$ -	\$ -
5							
6		DEPRECIABLE PLANT					
7	304	Structures	-	-	-	-	\$ -
8	307	Wells	-	-	-	-	\$ -
9	311	Pumping Equipment	-	-	-	-	\$ -
10	317	Other Sewer Source Plant	-	-	-	-	\$ -
11	320	Sewer Treatment Plant	-	-	-	-	\$ -
12	330	Reservoirs, Tanks and Sandpipes	-	-	-	-	\$ -
13	331	Sewer Mains	-	-	-	-	\$ -
14	333	Services and Meter Installations	-	-	-	-	\$ -
15	334	Meters	-	-	-	-	\$ -
16	335	Hydrants	-	-	-	-	\$ -
17	339	Other Equipment	-	-	-	-	\$ -
18	340	Office Furniture and Equipment	-	-	-	-	\$ -
19	341	Transportation Equipment	-	-	-	-	\$ -
20		Total depreciable plant	\$ -	\$ -	\$ -	\$ -	\$ -
21		Total sewer plant in service	\$ -	\$ -	\$ -	\$ -	\$ -

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

SCHEDULE A-1c
Account 101.2 - Sewer Plant in Service - Grant Funds

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plant Additions During year (c)	Plant (Retirements) During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible Plant	-	-	-	-	\$ -
3	303	Land	-	-	-	-	\$ -
4		Total non-depreciable plant	\$ -	\$ -	\$ -	\$ -	\$ -
5							
6		DEPRECIABLE PLANT					
7	304	Structures	-	-	-	-	\$ -
8	307	Wells	-	-	-	-	\$ -
9	311	Pumping Equipment	-	-	-	-	\$ -
10	317	Other Sewer Source Plant	-	-	-	-	\$ -
11	320	Sewer Treatment Plant	-	-	-	-	\$ -
12	330	Reservoirs, Tanks and Sandpipes	-	-	-	-	\$ -
13	331	Sewer Mains	-	-	-	-	\$ -
14	333	Services and Meter Installations	-	-	-	-	\$ -
15	334	Meters	-	-	-	-	\$ -
16	335	Hydrants	-	-	-	-	\$ -
17	339	Other Equipment	-	-	-	-	\$ -
18	340	Office Furniture and Equipment	-	-	-	-	\$ -
19	341	Transportation Equipment	-	-	-	-	\$ -
20		Total depreciable plant	\$ -	\$ -	\$ -	\$ -	\$ -
21		Total sewer plant in service	\$ -	\$ -	\$ -	\$ -	\$ -

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

SCHEDULE A-2
Accounts 108, 108.1, 108.2, 108.3, 122 - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 108 Accumulated Depreciation of Sewer Plant (b)	Account 108.1 Accumulated Amortization of SDWBA/SRF (c)	Account 108.2 Accumulated Depreciation of Sewer Plant - Grant Funds (d)	Account 108.3 Accumulated Depreciation of Sewer Plant - Other (e)	Account 122 Accumulated Depreciation of Non-Sewer Utility Property (f)
1	Balance in reserves at beginning of year	387,525				
2	Add: Credits to reserves during year					
3	(a) Charged to Account 272	-				
4	(b) Charged to Account 403	4,538				
5	(c) Charged to Account 407	-				
6	(d) Charged to Account 426	-				
7	(e) Charged to clearing accounts.	-				
8	(f) Salvage recovered	-				
9	(g) All other credits	-				
10	Total Credits	\$ 4,538	\$ -	\$ -	\$ -	\$ -
11	Less: Debits to reserves during year					
12	(a) Book cost of property retired	-				
13	(b) Cost of removal	-				
14	(c) All other debits	(9,297)				
15	Total debits	\$ (9,297)	\$ -	\$ -	\$ -	\$ -
16	Balance in reserve at end of year	\$ 382,766	\$ -	\$ -	\$ -	\$ -
17						
18	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE %			3.58%		
19	(2) CPUC Authorization for Composite Depreciation Rate (CPUC Decision, Resolution, or Advice Letter):					
20						
21	(3) EXPLANATION OF ALL OTHER CREDITS:					
22	N/A					
23						
24						
25						
26	(4) EXPLANATION OF ALL OTHER DEBITS:					
27	over depreciation in prior year					
28						
29						
30						
31						
32	(5) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION					
33	(a) Straight line	x				
34	(b) Liberalized					
35	(1) Sum of the years digits					
36	(2) Double declining balance					
37	(3) Other					
38	(c) Both straight line and liberalized					

SCHEDULE A-3
Account 201 - Common Stock

Line No.	Class of Stock (a)	Number of Shares Authorized by Articles of Incorporation (b)	Par Value of Stock Authorized by Articles of Incorporation (c)	Number of Shares Outstanding ¹ (d)	Balance End of Year (e)	Dividends Declared During Year	
						Rate (f)	Amount (g)
1					\$ -		\$ -
2	N/A				\$ -		\$ -
3					\$ -		\$ -
4					\$ -		\$ -
5					\$ -		\$ -
6	Total				\$ -		\$ -

¹ After deduction for amount of reacquired stock held by or for the respondent.

SCHEDULE A-4
Account 204 - Preferred Stock

Line No.	Class of Stock (a)	Number of Shares Authorized by Articles of Incorporation (b)	Par Value of Stock Authorized by Articles of Incorporation (c)	Number of Shares Outstanding ¹ (d)	Balance End of Year (e)	Dividends Declared During Year	
						Rate (f)	Amount (g)
1							
2	N/A						
3							
4							
5							
6	Total				\$ -		\$ -

¹ After deduction for amount of reacquired stock held by or for the respondent.

SCHEDULE A-5
Record of Stockholders at End of Year

Line No.	COMMON STOCK Name (a)	Number Shares (b)	PREFERRED STOCK Name (c)	Number Shares (d)
1				
2	N/A			
3				
4				
5				
6				
7				
8				
9	Total number of shares	-	Total number of shares	-

SCHEDULE A-6 Account 206 - Subchapter S Corporation Accumulated Adjustments Account		
Line No.	N/A Description of Items (a)	Amount (b)
1	Balance beginning of year	
2	Credit:	
3	Net Income	
4	Accounting Adjustments	
5	Total Credits	\$ -
6	Debit:	
7	Net Loss	
8	Accounting Adjustments	
9	Dividends	
10	Total Debits	\$ -
11	Balance end of year	\$ -

SCHEDULE A-7 Account 211 - Other Paid in Capital (Corporations only)		
Line No.	N/A Description of Items (a)	Balance End of Year (b)
1		
2		
3		
4		
5	Total	\$ -

SCHEDULE A-8 Account 215 - Retained Earnings (Corporations Only)		
Line No.	N/A Item (a)	Amount (b)
1	Balance beginning of year	
2	Add: Credits	
3	Net income	
4	Prior period adjustments	
5	Other credits (detail)	
6	Total Credits	\$ -
7		
8	Less: Debits	
9	Net losses	
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13	Other debits (detail)	
14	Total Debits	-
15	Balance end of year	\$ -

SCHEDULE A-9
Account 218 - Proprietary Capital
(Sole Proprietor or Partnership)

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	(1,282,370)
2	Add: Credits	
3	Net income	-
4	Additional investments during year	-
5	Other credits (detail) over depreciation in prior year	9,297
6	Total Credits	\$ 9,297
7	Less: Debits	
8	Net losses	(78,775)
9	218.1 Proprietary Drawings	-
10	Other debits (detail):	-
11		
12		
13	Total Debits	\$ (78,775)
14	Balance end of year	\$ (1,351,848)

SCHEDULE A-10
Account 224 - Long-Term Debt

Line No.	Lender, CPUC Order No. (a)	Date of Issue (b)	Date of Maturity (c)	Balance End of Year (d)	Rate of Interest (e)	Interest Accrued During Year (f)	Interest Paid During Year (g)
1							
2	N/A						
3							
4							
5							
6							
7							
8	Total			\$ -		\$ -	\$ -

**SCHEDULE B
INCOME STATEMENT**

Line No.	Acct. No.	Account (a)	Schedule Number (b)	Amount (c)
1		UTILITY OPERATING INCOME		
2	400	Operating Revenues	B-1	79,801
3				
4		OPERATING REVENUE DEDUCTIONS		
5	401	Operating Expenses	B-2	151,822
6	403	Depreciation Expense	A-2	4,538
7	407	SDWBA/SRF Loan Amortization Expense	A-2	-
8	408	Taxes Other Than Income Taxes	B-3	2,216
9	409	State Corporate Income Tax Expense	B-3	-
10	410	Federal Corporate Income Tax Expense	B-3	-
11		Total operating revenue deductions		\$ 158,576
12		Total utility operating income		\$ (78,775)
13				
14		OTHER INCOME AND DEDUCTIONS		
15	421	Non-Utility Income	B-4	-
16	426	Miscellaneous Non-Utility Expense	B-4	-
17	427	Interest Expense (excluding SDWBA)	B-5	-
18	427	Interest Expense (SDWBA)	B-5	-
19		Total other income and deductions		\$ -
20		Net income / <Loss>		\$ (78,775)

SCHEDULE B-1
Account 400 - Operating Revenues

Line No.	Acct. No.	Account (a)	Amount Current Year (b)
1		SEWER SERVICE REVENUES	
2	460	Unmetered sewer revenue	
3		460.1 Residential, Single-family, Multiple Dwelling Units	79,801
4		460.2 Commercial and Miscellaneous	-
5		460.3 Large Sewer Users	-
6		460.4 Safe Drinking Water Bond/SRF Surcharge	-
7		460.5 Other Unmetered Revenue	-
8		Subtotal	\$ 79,801
9			
10	462	Fire protection and hydrant revenue	
11		462.1 Public Fire Protection	-
12		462.2 Private Fire Protection	-
13		Subtotal	\$ -
14			
15	465	Irrigation revenue	-
16			
17	470	Metered sewer revenue	
18		470.1 Residential, Single-family, Multiple Dwelling Units	-
19		470.2 Commercial and Multi-residential Master Metered	-
20		470.3 Large Sewer Users	-
21		470.4 Safe Drinking Water Bond Surcharge	-
22		470.5 Other Metered Revenues	-
23		Subtotal	\$ -
24		Total sewer service revenues	\$ 79,801
25			
26	480	Other sewer revenue	
27		Total Operating Revenues	\$ 79,801

SCHEDULE B-2
Account 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)
1		PLANT OPERATION AND MAINTENANCE EXPENSES	
2		VOLUME RELATED EXPENSES	
3	610	Purchased Sewer	-
4	615	Power	-
5	618	Other Volume Related Expenses	-
6		Total volume related expenses	\$ -
7			
8		NON-VOLUME RELATED EXPENSES	
9	630	Employee Labor	-
10	640	Materials	-
11	650	Contract Work	142,824
12	660	Transportation Expense	-
13	664	Other Plant Maintenance Expenses	-
14		Total non-volume related expenses	\$ 142,824
15		Total plant operation and maintenance exp.	\$ 142,824
16			
17		ADMINISTRATIVE AND GENERAL EXPENSES	
18	670	Office Salaries	-
19	671	Management Salaries	-
20	674	Employee Pensions and Benefits	-
21	676	Uncollectible Accounts Expense	-
22	678	Office Services and Rentals	-
23	681	Office Supplies and Expenses	-
24	682	Professional Services	7,500
25	684	Insurance	301
26	688	Regulatory Compliance Expense	1,197
27	689	General Expenses	-
28		Total administrative and general expenses	\$ 8,998
29	800	Expenses Capitalized - Credit (Optional)	-
30	900	Clearing Accounts (Optional)	-
31		Net administrative and general expense	\$ 8,998
32		Total Operating Expenses	\$ 151,822

SCHEDULE B-3
Accounts 408, 409, 410 - Taxes Charged During the Year

Line No.	Type of Tax (a)	Distribution of Taxes Charged		Total Taxes Charged During Year (d)
		Sewer (b)	Nonutility (c)	
1	408 Taxes other than income taxes:			
2	408.1 Property taxes	2,216	-	\$ 2,216
3	408.2 Payroll taxes	-	-	\$ -
4	408.3 Other taxes and licenses	-	-	\$ -
5	Total taxes other than income taxes	\$ 2,216	\$ -	\$ 2,216
6				
7	409 State corporate income tax	-	-	\$ -
8	410 Federal corporate income tax	-	-	\$ -
9	Total income taxes	\$ -	\$ -	\$ -
10				
11	Total	\$ 2,216	\$ -	\$ 2,216

SCHEDULE B-4
Accounts 421, 426 - Income and Expense from Non-Utility Operations

Line No.	Description (a)	Non-Utility Income Acct. 421 (b)	Miscellaneous Non-Utility Expense Acct. 426 (c)
1			
2	N/A		
3			
4			
5		\$ -	\$ -

SCHEDULE B-5
Account 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Interest on SDWBA loan	-
2	Interest on other (give details below):	-
3		
4		
5		
6		
7		
8		
9		
10		\$ -

SCHEDULE C - SOURCES OF SUPPLY AND SEWER DEVELOPED WELLS					
Location	No.	Diam. Inch	Depth to Sewer Feet	Pumping Capacity (g.p.m.)	Annual Quantities Pumped
N/A					
OTHER					
Streams or Springs Location of Diversion Point	Flow in Priority Right		(Unit) Diversion		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit
N/A					
Purchased sewer (unit)				Annual Quantity	
Supplier:					

SCHEDULE D - SEWER DELIVERED TO METERED CUSTOMERS (If figures are available) (specify unit)			
Classification of Service	Month of Year		Total for Year
	Maximum	Minimum	
Residential			
Commercial	N/A		
Industrial			
Fire Protection			
Irrigation			
Other (specify)			
Total	-	-	-

SCHEDULE E - EMPLOYEES AND THEIR COMPENSATION						
Line	Acct	Account	Number at End of Year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
1	630	Employee Labor	N/A			\$ -
2	670	Office salaries	N/A			\$ -
3	671	Management salaries	N/A			\$ -
4		Total	-	\$ -	\$ -	\$ -

SCHEDULE F - ADVANCES FOR CONSTRUCTION		
Balance beginning of year		
Additions during year	N/A	
Subtotal - Beginning balance plus additions during year		\$ -
Refunds		
Transfers to Acct. 271 - Contributions in Aid of Construction		
Balance end of year		\$ -

SCHEDULE G - TOTAL METERS AND SERVICES (Active and Inactive)		
Size	Meters	Services
5/8 x 3/4-in		
3/4-in	N/A	
1-in		
-in		
-in		
-in		
Total	-	-

SCHEDULE H - METER TESTING DATA	
Number of meters tested during year	
1 Used, before repair	
2 Used, after repair	
3 Fast, requiring refund	
Numbers of meters in service requiring test per General Order No. 103	N/A

SCHEDULE I - SERVICE CONNECTIONS AT END OF YEAR								
Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	198		198			-	198	-
Industrial/Commercial			-			-	-	-
Irrigation			-			-	-	-
Fire Protection (public)			-			-	-	-
Fire Protection (private)			-			-	-	-
Other (specify)			-			-	-	-
Park Facilities	4		4			-	4	-
Total	202	-	202	-	-	-	202	-

NOTE: Total connections (metered plus flat) should agree with total services in Schedule G.

SCHEDULE J - STORAGE FACILITIES			SCHEDULE K - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)					
Description	No.	Combined capacity in gallons	Description	2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	Totals
Concrete			Cast Iron					-
Earth	N/A		Welded steel		N/A			-
Wood			Standard screw					-
Steel			Cement-asbestos					-
Other			Plastic					-
			Other (specify)					-
								-
								-
Total	-	-	Total	-	-	-	-	-

SCHEDULE L
FOR ALL SEWER COMPANIES
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) or Safe Drinking Water State Revolving Fund (SRF) loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent: **N/A**

Name: _____
 Address: _____
 Phone Number: _____
 Account Number: _____
 Date Hired: _____

2. Total surcharge collected from customers during the 12 month reporting period:

\$ _____

Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
5/8 X 3/4 inch		
3/4 inch		
1 inch		
1 1/2 inch		
2 inch		
3 inch		
4 inch		
6 inch		
Number of Flat Rate Customers		
Total	-	

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ _____
Add: Surcharge collections	_____
Interest earned	_____
Other deposits	_____
Less: Loan payments	_____
Bank charges	_____
Other withdrawals	_____
Balance at end of year	\$ _____ -

4. Reason for other deposits/withdrawals

5. Total Accumulated Reserve \$ _____

See Accompanying Accountant's Compilation Report
 20 of 22

**SCHEDULE M
FACILITY FEES DATA**

Please provide the following information relating to Facility Fees collected for the calendar year, pursuant to Resolution No. W-4110.

1. Trust Account Information: **N/A**

Bank Name: _____
 Address: _____
 Account Number: _____
 Date Opened: _____

2. Facilities Fees collected for new connections during the calendar year:

A. Commercial

<u>NAME</u>	<u>AMOUNT</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

B. Residential

<u>NAME</u>	<u>AMOUNT</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

3. Summary of the bank account activities showing:

	<u>AMOUNT</u>
Balance at beginning of year	_____
Deposits during the year	_____
Interest earned for calendar year	_____
Withdrawals from this account	_____
Balance at end of year	_____ -

4. Reason or Purpose of Withdrawal from this bank account:

DECLARATION

(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)

I, the undersigned Ronald Bunce
Officer, Partner, or Owner (Please Print)

of MHC Acquisition One, LLC (Santa Cruz Sewer Utility)
Name of Utility

under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period of January 1, 2024 through December 31, 2024.

Senior Vice President
Title (Please Print)
312-279-1486
480-225-4241 Cell
Telephone Number

Ronald Bunce
Signature
5/29/25
Date