

P/L Statements

Entire Water System

Total Ordinary Income	\$ 24,824
Total Ordinary Expenses	\$ <u>46,149</u>
Net Ordinary Income	\$(21,325)
Other Expenses (Amort-Rate Case Exp)	\$ <u>2,500</u>
Net Total Income	\$(23,825)

[Depreciation = \$27,815 Amortization AIAC = \$ -10,077]

[December, 2010: Total Ord. Income = \$25,964 Total Ord. Expenses = \$49,947
 Net Ord. Income = \$(23,983) Note: Developer's AIAC subtracted from Expenses]

	ICR Water System	TRR Water system
Total Ordinary Income	\$ 9,931	\$14,893
Total Ordinary Expenses	\$ <u>6,712</u>	\$ <u>39,437</u>
Net Ordinary Income	\$ 3,219	\$(24,544)
Other Expenses	\$ <u>500</u>	\$ <u>2,000</u>
Net Total Income	\$ 2,719	\$(26,544)

December Expenses of Note TRR		ICR System	Ratio
Depreciation:	\$20,588	\$7,227	2.85:1.0
Amortization CIAC	\$ -6,904	\$ -3,173	2.18:1.0
aQuality Contract	\$5,600	\$1,400	4.00:1.0
aQuality Extras	\$2,561	\$ 711	3.60:1.0
Accounting Contract+Nonroutine	\$ 791	\$ 1,187	0.67:1.0
Electric Power	\$4,881	\$ 1,336	3.65:1.0
Repair/Maint/Materials	13,374	\$ 68	-----
Other Vendors/Outside Serv.	-1,988	\$-2,954	0.67/10

Balance Sheet Statement

Total Current Assets	\$302,045
Accounts Receivable	\$ <u>25,471</u>
Net Current Assets	\$327,516
Total Current Liabilities	\$ <u>26,556</u>
Current Assets Exceed Liabilities	\$300,960

Cash Flow

Total Deposits	\$38,740
Total Disbursements	\$ <u>18,456</u>
Cash Surplus for Oct.	\$20,284

December 2011 Financial Notes

December Revenues	<u>Dec. 2011</u>	<u>Dec. 2010</u>
Residential	\$14,576	\$16,167
Commercial	\$ 2,350	\$ 1,938
Lake Fill	<u>\$ 7,676</u>	<u>\$ 7,600</u>
Total	\$24,602	\$25,705

Residential water revenue for December of this year is \$1,591 lower than for last year. Commercial and Lake-Fill revenues are similar for December of both years.

December Expenses

	<u>December 2011</u>	<u>December 2010</u>
aQuality total expenses	\$10,272	\$7,125
Accounting total:	\$1,978	\$1,538
Electric Power total:	\$6,217	\$6,783

Our operating expenses increased 44% compared to December last year. This is largely explained by aQuality extra expenses of \$3,272 for Dec. 2011 vs \$0 for Dec. 2010. Nevertheless, a 12% year-to-year increase for aQuality expenses is more typical.

December Net Income	<u>December 2011</u>	<u>December 2010</u>
Net Ordinary Income	\$(21,325)	\$(23,983)
Net Total Income	\$(23,825)	\$(26,483)

December 2011 showed a \$2,658 improvement in Net Ordinary Income (NOI) vs December of 2010. We booked a \$13,374 check from Harvard LLC for replacement of TRR well #1 pump. This was entered as an expense under 62000-T Repairs/Maintenance/ Materials/ Supplies. December 2010 saw expenses under this category of \$8,175. Totals for revenues and expenses were closely matched for December of 2010 and 2011

Balance Sheet

There was a \$11,324 increase in our current assets minus current liabilities position from from November to December, 2011. About \$16K of assets will disappear when we purchase and install well #1 pump. Accounts receivable decreased by \$2,370 and free (available) cash increased by \$20,500 for the month.

Cash Flow

December's positive cash flow amounted to \$20,284 continuing a eight-month positive cash-flow trend.