Accounts Payable Coding Form

Vendor Heading: GREYSYS
Vendor Name: Greystone Systems, Inc.
New Vendor:
' address or change:
Phone #:
Fed I.D. # or S.S. #:

SENT TO
OCT 14 2011
HOME OFFICE

Company: DDU
Department: Utilities
Location: THE RETREAT

Return Check to: VENDOR
Date required:

| Invoice # | Invoice Date | Amount | Job # | Cost Code | Inter Co. | G/L Account # | G/L Acct. Description | Dept. | G/L Comment (20 Characters) | |
|---|---|---|---|---|---|---|---|---|---|---|
| 685 | 10/06/11 | $844.00 | | | | 8450-0000 | R&M -Water Plant | 6090 | Solinoid Auto Valve, Repair | $844.00 |
| | | | | | | | | | Kit and labor to repair | |
| | | | | | | | | | solenoid auto valve at ground | |
| | | | | | | | | | storage tank | |
| | Total | $ 844.00 | | | | | | | Total | $ 844.00 |

PO #5686
Description (include explanation of any variance to budget)

Prepared by: Kathy Graves
10/11/11
Date Prepared

Approved by: Burnie Western
Print Name
10/11
Signature

Field Batch #11-10

Accounting Use Only
Acct.. Approval: [illegible]
A/P Batch #: AP1-170

**Invoice**

GREYSTONE SYSTEMS, INC.

381 CASA LINDA PLAZA
PMB 274
DALLAS, TX 75218-3423

| DATE | INVOICE # |
|---|---|
| 10/6/2011 | 685 |

| BILL TO |
|---|
| THE RETREAT<br>ATTN: LANE<br>7725 FM 1434<br>CLEBURNE, TEXAS 76033 |

| P.O. NO. | TERMS | PROJECT |
|---|---|---|
| Lane | Due on receipt | |

| QUANTITY | DESCRIPTION | RATE | AMOUNT |
|---|---|---|---|
| 1 | CS3S Solenoid 120/60v Normally Open | 236.00 | 236.00 |
| 1 | 1/2" 120C Repair Kit | 233.00 | 233.00 |
| 1 | Inspect & Repair Pilot System - Cla-Val 6" 136EG-03ABC Solenoid Valve 120/60v | 375.00 | 375.00 |
| | Tag: Ground Storage Tank Fill & Level Control Valve | | |

OCT 07 2011

| | | |
|---|---|---|
| Thank you for your business.<br>Please remit to above address.<br>Tax ID# 75-2957960 | **Total** | $844.00 |

**The Retreat**
7725 FM 1434
Cleburne, TX 76031
(817) 556-2700

GREYSYS

PURCHASE ORDER
NO. 5686

Vendor GREYSTONE SYSTEMS INC.

Invoice #

DATE 10-06-11

COMPANY

DEPT. 6090

| QTY | ITEM DESCRIPTION | JOB # | COST CODE | COMP | GL ACCOUNT # | DEPT | EXTENDED PRICE |
|---|---|---|---|---|---|---|---|
| 1 | SOLENOID | 8450 | | | Raw Water | | |
| 1 | REPAIR KIT | 8450 | | | Plant | | |
| | LABOR | 8450 | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | Total Including Taxes | | | | | | $844.00 |

LEFT MESSAGE W/ROSE 10-10-11
Approved By

[signature]
Purchased By

To Be Used For: SOLENOID AUTO VALVE REPAIR @ GROUND STORAGE TANK

Accounts Payable Coding Form

Vendor Heading: GRAINGE
Vendor Name: Grainger
New Vendor:
address or change:
Phone #:
Fed I.D. # or S.S. #:

SENT TO
AUG 31 2012
HOME OFFICE

Company: DDU
Department: Utilities, POA
Location: THE RETREAT

Return Check to: VENDOR
Date required: REC'D SEP 04 2012

| Invoice # | Invoice Date | Amount | Job # | Cost Code | Inter Co. | G/L Account # | G/L Acct. Description | Dept. | G/L Comment (20 Characters) | |
|---|---|---|---|---|---|---|---|---|---|---|
| 9894905273 | 08/06/12 | $66.04 | | | RPO | 8005-0000 | Smallwares/Tools | 6065 | plier set - POA | $32.07 |
| | | | | | | 8005-0000 | Smallwares/Tools | 6090 | cable cutter | $24.80 |
| | | | | | | 8005-0000 | Smallwares/Tools | 6091 | cable cutter | $9.17 |
| | | | | | | | | | | |
| 9894905265 | 08/08/12 | $ 870.33 | | | | 8450-0000 | R&M Water Plant | 6090 | air compressor | $870.33 |
| | | | | | | | | | | |
| 9894905257 | 08/08/12 | $ 462.35 | | | | 8450-0000 | R&M Water Plant | 6090 | fltr,ck vlv,solenoid vlv | $462.35 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | Total | $ 1,398.72 | | | | | | | Total | $ 1,398.72 |

Description (include explanation of any variance to budget): Account# 875644767, PO #6484

Prepared by: Linda Brehm
08/27/12
Date Prepared

Approved by: Burke Western
Print Name
8-30
Signature

Field Batch #11-10

Accounting Use Only
Acct.. Approval:
A/P Batch #: AP1-231

**The Retreat**
7725 FM 1434
Cleburne, TX 76031
(817) 556-2700

**PURCHASE ORDER**
NO. 6484

Vendor Grainger

Invoice #

DATE 8-6-12

COMPANY DDU/RPD

DEPT.

| QTY | ITEM DESCRIPTION | JOB # | COST CODE | COMP | GL ACCOUNT # | DEPT | EXTENDED PRICE |
|---|---|---|---|---|---|---|---|
| 1 | Air Comp. 3hp 3ph | | R&M Water Plant | | | 6090 | 804.00 |
| 1 | Selenoid valve | | | | | | |
| 1 | air check valve | | | | | | 427.10 |
| 1 | water seperator | | | | | | |
| | | | | | | | |
| 1 | Klien plier set | | small wares & tools | | | 6065 | 29.55 |
| 1 | cable cutter | | | | | 6090 | 31.45 |
| | | | | | | 6091 | |
| | Total Including Taxes | | | | | tax | 106.62 |

1398.7

Approved By

B. Western
Purchased By

To Be Used For:

Accounts Payable Coding Form

Vendor Heading: WALLELE
Vendor Name: Wallace Control's & Electric, Inc
New Vendor:
address or change:
Phone #:
Fed I.D. # or S.S. #:

SENT TO
AUG 3 1 2012
HOME OFFICE

Company: DDU
Department: Utilities
Location: THE RETREAT

Return Check to: VENDOR
Date required:

| Invoice # | Invoice Date | Amount | Job # | Cost Code | Inter Co. | G/L Account # | G/L Acct. Description | Dept. | G/L Comment (20 Characters) | |
|---|---|---|---|---|---|---|---|---|---|---|
| 35976 | 08/22/12 | $968.50 | | | | 8450-0000 | R&M Water Plant | 6090 | elect.work on air compressor | $968.50 |
| | | | | | | | | | at well site | |
| | | | | | | | | | REC'D SEP 0 4 2012 | |
| Total | | $ 968.50 | | | | | | | Total | $ 968.50 |

PO# 6509

Description (include explanation of any variance to budget)

Prepared by: Linda Brehm
08/29/12
Date Prepared

Approved by: Burnie Western
Print Name
8-30
Signature

Field Batch #12-1

Accounting Use Only
Acct.. Approval: RE
A/P Batch #: ACL-231

**The Retreat**
7725 FM 1434
Cleburne, TX 76031
(817) 556-2700

**PURCHASE ORDER**
NO. 6509

Vendor WALLACE CONTROLS

DATE 08-29-12

Invoice #

COMPANY

DEPT. 6040

| QTY | ITEM DESCRIPTION | JOB # | COST CODE | COMP | GL ACCOUNT # | DEPT | EXTENDED PRICE |
|---|---|---|---|---|---|---|---|
| | ELECT-WORK ON | | 8450 | | | 6040 | |
| | AIR COMP. | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | Total Including Taxes | | | | | | 968.50 |

Approved By

Purchased By

To Be Used For: WATER PLANT

WALLACE CONTROL'S & ELECTRIC, INC

PO BOX 31/ 210 E. MORGAN
MERIDIAN, TX 76665
(254)435-2544/435-2524 FAX.

# Invoice

| Date | Invoice # |
|---|---|
| 8/22/2012 | 35976 |

| Bill To |
|---|
| RETREAT<br>7725 FM 1434<br>CLEBURNE, TX. 76033 |

| P.O. No. | Terms | Project |
|---|---|---|
| | | |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | CALLED BY LANE ON SUNDAY 8/5/12 TO CHECK COM0PRESSOR FAIL AT WELL SITE, TECH MADE (3) TRIPS CHECKING AND WIRING IN MOTOR | 0.00 | 0.00 |
| | LABOR | 895.00 | 895.00 |
| | TRAVEL | 73.50 | 73.50 |
| | STATE SALES TAX | 8.25% | 0.00 |

RECEIVED
AUG 29 2012
BY:

| | |
|---|---|
| **Total** | $968.50 |

Accounts Payable Coding Form

Vendor Heading: WALLELE
Vendor Name: Wallace Control's & Electric, Inc
New Vendor:
address or change:
Phone #:
Fed I.D. # or S.S. #:

SENT TO
NOV 30 2012
HOME OFFICE

Company: DDU
Department: Utilities
Location: THE RETREAT
Return Check to: VENDOR
Date required:

| Invoice # | Invoice Date | Amount | Job # | Cost Code | Inter Co. | G/L Account # | G/L Acct. Description | Dept. | G/L Comment (20 Characters) | |
|---|---|---|---|---|---|---|---|---|---|---|
| 36164 | 11/07/12 | $675.94 | | | | 8450-0000 | R&M Water Plant | 6090 | ~~repair to booster #1~~ replace starter coil for Booster pump | $675.94 |
| | | | | | | | | | RECD NOV 30 2012 | |
| Total | $ 675.94 | | | | | | | | Total | $ 675.94 |

PO# Burnie
Description (include explanation of any variance to budget)

Prepared by: Linde Brehm
11/26/12
Date Prepared

Approved by: Burnie Western
Print Name
11-28
Signature

Field Batch #12-1

Accounting Use Only
Acct.. Approval: BA
A/P Batch #: 001-246

WALLACE CONTROL'S & ELECTRIC, INC

PO BOX 31/ 210 E. MORGAN
MERIDIAN, TX 76665
(254)435-2544/435-2524 FAX.

# Invoice

| Date | Invoice # |
|---|---|
| 11/7/2012 | 36164 |

| Bill To |
|---|
| RETREAT<br>7725 FM 1434<br>CLEBURNE, TX. 76033 |

| P.O. No. | Terms | Project |
|---|---|---|
| | | |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | CALLED BY BERNIE ON 11/1/12 TO CHECK BOOSTER #1 NOT WORKING, TECH TROUBLESHOT AND ORDERED PARTS, RETURN TRIP TO INSTALL | 0.00 | 0.00 |
| | LABOR | 320.00 | 320.00 |
| | TRAVEL | 50.00 | 50.00 |
| | MATERIALS | 305.94 | 305.94 |
| | STATE SALES TAX | 8.25% | 0.00 |

PAM Watts.

NOV 20 2012

**Total** $675.94

Attachment 5

Double Diamond Utilities Co. / The Retreat
Application for a Rate / Tariff Change
Test Year Ended 12/31/2012
Double Diamond Delaware Capital Structure

| Line No. | Col (A) | (B) | (C) |
|---|---|---|---|
| | | Audited Values as of December 30, 2012 | |
| | | $ | % |
| 1 | Debt | | |
| 2 | Notes Payable to Affiliates | $ 6,956,908 | |
| 2 | Notes Payable | 151,453,588 | |
| 3 | Total Debt | $ 158,410,496 | 60.36% |
| 3 | | | |
| 4 | Equity | | |
| 4 | Total Shareholder's Equity | $ 104,053,709 | |
| 5 | Total Equity | $ 104,053,709 | 39.64% |
| 5 | | | |
| 6 | Total Debt and Equity | $ 262,464,205 | |

# DOUBLE DIAMOND-DELAWARE, INC.
# AND SUBSIDIARIES
## CONSOLIDATED FINANCIAL STATEMENTS
### December 30, 2012 and January 1, 2012

# DOUBLE DIAMOND-DELAWARE, INC.
# AND SUBSIDIARIES

## TABLE OF CONTENTS

Huselton, Morgan & Maultsby
A Professional Corporation

# INDEPENDENT AUDITORS' REPORT

Board of Directors
Double Diamond-Delaware, Inc.

We have audited the accompanying consolidated financial statements of Double Diamond-Delaware, Inc. (an S-corporation) and Subsidiaries (the "Company"), a Delaware corporation, which comprise the consolidated balance sheets as of December 30, 2012 and January 1, 2012, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 30, 2012 and January 1, 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Huselton, Morgan + Maultsby, P.C.

Dallas, Texas
April 30, 2013

# DOUBLE DIAMOND-DELAWARE, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

### December 30, 2012 and January 1, 2012

#### ASSETS

| | December 30, 2012 | January 1, 2012 |
|---|---|---|
| Cash and cash equivalents | $ 1,493,987 | $ 3,225,177 |
| Accounts receivable | 1,261,150 | 1,639,952 |
| Inventory | 47,149,186 | 45,714,500 |
| Prepaids and other assets | 4,182,211 | 4,772,492 |
| Restricted cash | 3,365,773 | 4,041,390 |
| Notes receivable, net | 179,125,347 | 173,503,735 |
| Advances to affiliates, net | 9,768,718 | 8,277,546 |
| Property and equipment, net | 25,672,713 | 26,663,199 |
| Deferred financing costs, net | 226,918 | 176,031 |
| Total assets | $ 272,246,003 | $ 268,014,022 |

#### LIABILITIES AND SHAREHOLDERS' EQUITY

| | December 30, 2012 | January 1, 2012 |
|---|---|---|
| Accounts payable | $ 6,585,126 | $ 5,916,281 |
| Accrued expenses | 2,729,519 | 4,032,364 |
| Notes payable to affiliates | 6,956,908 | 5,406,257 |
| Notes payable | 151,453,588 | 148,583,588 |
| Deferred tax liability | 467,153 | 594,256 |
| Total liabilities | 168,192,294 | 164,532,746 |
| Shareholders' equity | | |
| Common stock; $.01 par value; 100,000 authorized, issued and outstanding shares | 1,000 | 1,000 |
| Additional paid-in capital | 3,783,189 | 3,896,578 |
| Unearned ESOP shares | (2,100,211) | (2,232,319) |
| Retained earnings | 102,369,731 | 101,816,017 |
| Total shareholders' equity | 104,053,709 | 103,481,276 |
| Total liabilities and shareholders' equity | $ 272,246,003 | $ 268,014,022 |

**The accompanying notes are an integral part of these consolidated financial statements.**

# DOUBLE DIAMOND-DELAWARE, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

### For the Years Ended December 30, 2012 and January 1, 2012

| | December 30, 2012 | January 1, 2012 |
|---|---|---|
| Revenues | | |
| Land and condominium sales, net | $ 35,576,914 | $ 35,458,726 |
| Resort hospitality sales | 12,332,379 | 11,043,086 |
| Utility revenues | 1,811,774 | 2,074,862 |
| Other income | 3,239,782 | 6,166,871 |
| Total revenues | 52,960,849 | 54,743,545 |
| Cost of land and condominium sales | 8,527,718 | 9,837,137 |
| Cost of resort hospitality sales | 2,263,138 | 2,209,290 |
| Cost of utility revenues | 50,928 | 28,754 |
| Provision for repossessions | 3,649,668 | 5,204,550 |
| Total costs of revenues | 14,491,452 | 17,279,731 |
| Gross operating margin | 38,469,397 | 37,463,814 |
| Interest income | 13,148,107 | 13,375,374 |
| Operating income | 51,617,504 | 50,839,188 |
| Operating expenses | | |
| Selling, general, and administrative | 39,141,627 | 37,526,018 |
| Depreciation and amortization | 2,480,200 | 3,478,046 |
| Interest | 8,711,231 | 8,403,951 |
| Employee stock option plan | 18,719 | 468,477 |
| Total operating expenses | 50,351,777 | 49,876,492 |
| Income before provision for state tax | 1,265,727 | 962,696 |
| State tax expense | 255,868 | 240,091 |
| Income from continuing operations | 1,009,859 | 722,605 |
| Extraordinary item - insurance proceeds | - | 340,322 |
| Net income | 1,009,859 | 1,062,927 |
| Less: Net income attributable to non-controlling interest | (230) | (160) |
| Net income attributable to controlling interest | $ 1,009,629 | $ 1,062,767 |

**The accompanying notes are an integral part of these consolidated financial statements.**

# DOUBLE DIAMOND-DELAWARE, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

### For the Years Ended December 30, 2012 and January 1, 2012

| | Common Stock | Additional Paid-in Capital | Retained Earnings | Unearned ESOP Shares | Total Shareholder's Equity |
|---|---|---|---|---|---|
| Restated retained earnings December 26, 2010 | $ 1,000 | $ 3,986,034 | $ 101,358,172 | $ (2,790,252) | $ 102,554,954 |
| Distributions to shareholders | - | - | (607,500) | - | (607,500) |
| Non-controlling interest | | | | | |
| Net income | - | - | 160 | - | 160 |
| Equity | - | - | 2,418 | - | 2,418 |
| ESOP compensation expense | - | (89,456) | - | 557,933 | 468,477 |
| Net income | - | - | 1,062,767 | - | 1,062,767 |
| Balances at January 1, 2012 | 1,000 | 3,896,578 | 101,816,017 | (2,232,319) | 103,481,276 |
| Distributions to shareholders | - | - | (455,625) | - | (455,625) |
| Non-controlling interest | | | | | |
| Net income | - | - | 230 | - | 230 |
| Equity | - | - | (520) | - | (520) |
| ESOP compensation expense | - | (113,389) | - | 132,108 | 18,719 |
| Net income | - | - | 1,009,629 | - | 1,009,629 |
| Balances at December 30, 2012 | $ 1,000 | $ 3,783,189 | $ 102,369,731 | $ (2,100,211) | $ 104,053,709 |

**The accompanying notes are an integral part of these consolidated financial statements.**

# DOUBLE DIAMOND-DELAWARE, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

### For the Years Ended December 30, 2012 and January 1, 2012

| | December 30, 2012 | January 1, 2012 |
|---|---|---|
| Cash flows from operating activities | | |
| Net income attributable to controlling interest | $ 1,009,629 | $ 1,062,767 |
| Net income attributable to non-controlling interest | 230 | 160 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation | 2,298,078 | 3,279,874 |
| Amortization of financing costs | 182,122 | 198,172 |
| Provision for repossessions | 3,649,668 | 5,204,550 |
| (Gain) loss on sale of fixed assets | (132,232) | 58,900 |
| Deferred state taxes | (127,103) | 133,730 |
| Employee stock option plan | 18,719 | 468,477 |
| Prior period adjustment (inventory) | - | (16,207,827) |
| Minority equity interest | (520) | 2,578 |
| Changes in operating assets and liabilities | | |
| Decrease (increase) in restricted cash | 675,617 | (2,544,750) |
| Decrease (increase) in accounts receivable | 378,802 | (704,624) |
| (Increase) in advances to affiliates | (1,491,172) | (1,459,615) |
| (Increase) decrease in inventory | (1,434,686) | 13,589,079 |
| Decrease (increase) decrease in other assets | 357,272 | (407,372) |
| Increase in accounts payable | 668,845 | 1,415,339 |
| Decrease (increase) in accrued expenses | (1,302,845) | 94,750 |
| Net cash provided by operating activities | 4,750,424 | 4,184,188 |
| Cash flows from investing activities | | |
| Issuance of notes receivable | (30,352,800) | (29,048,043) |
| Repayments received from notes receivable | 21,081,520 | 21,261,003 |
| Additions to property and equipment | (1,350,860) | (748,964) |
| Net cash used in investing activities | (10,622,140) | (8,536,004) |
| Cash flows from financing activities | | |
| Proceeds from notes payable | 36,186,761 | 108,665,266 |
| Proceeds from notes payable to affiliates | 5,406,000 | 1,200,000 |
| Repayments of notes payable | (33,316,860) | (101,644,153) |
| Repayments of notes payable to affiliates | (3,855,250) | (1,824,298) |
| Financing costs | - | 161,842 |
| Distributions to shareholders | (455,625) | (607,500) |
| Proceeds on sale of assets | 175,500 | - |
| Net cash provided by financing activities | 4,140,526 | 5,951,157 |
| Net (decrease) increase in cash and cash equivalents | (1,731,190) | 1,599,341 |
| Cash and cash equivalents at beginning of year | 3,225,177 | 1,625,836 |
| Cash and cash equivalents at end of year | $ 1,493,987 | $ 3,225,177 |
| Supplemental disclosure of cash flow information | | |
| Cash paid for interest | $ 8,594,590 | $ 8,133,964 |
| Cash paid for state taxes | $ 270,743 | $ 183,428 |
| Non-cash transaction: | | |
| Transfers between inventory and fixed assets. See note 3. | $ - | $ 3,777,210 |

**The accompanying notes are an integral part of these consolidated financial statements.**

# DOUBLE DIAMOND-DELAWARE, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### December 30, 2012 and January 1, 2012

1. ORGANIZATION

Double Diamond-Delaware, Inc. (DDDI) (an S-corporation) and Subsidiaries (the "Company") is a Delaware investment holding company incorporated in 1996. On January 1, 1997, the shareholder of Double Diamond, Inc. (DDI) and certain affiliated entities exchanged his interests for comparable interests in the Company.

The Company owns properties in Texas, Pennsylvania, and New York. The operations of the Company are fully integrated, including the functions of property acquisition, master planning, subdivision platting, lot and condominium sales, design, construction, and operation of infrastructure and utilities (street, water, sewer) and amenities (golf courses, hotels, marinas, ski area, restaurants, condominiums, and conference facilities). The operations of the Company also include marketing, sales, finance, legal administration, and mortgage loan servicing. The fiscal year consists of the four-four-five quarterly reporting method. The 2012 and 2011 fiscal years ended on December 30, 2012 and January 1, 2012, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

*Principles of Presentation*

The consolidated financial statements include the accounts of DDDI and its majority-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

*Use of Estimates*

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation of loan loss reserves, direct marketing costs, and related amortization. Actual results could differ from those estimates.

*Reclassifications*

Certain accounts in the 2011 financial statements have been reclassified for comparative purposes to correspond to the presentation in the current year financial statements. Total equity and net income are unchanged due to these reclassifications.

*Lot Inventory and Revenue Recognition*

Lot inventory is valued at the lower of original land cost or fair value. Costs are allocated to individual lot sales using the relative sales price method. Any revisions to estimated costs will be reflected in lot inventory and cost of future lot sales. Undeveloped land is recorded at cost and is evaluated for impairment when events and circumstances indicate the land may be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets.

The Company recognizes revenue on its retail and land sales, net of sales discounts and trade-ins, using the full accrual method after cash payments of at least ten percent of the contract sales price are received.

Generally accepted accounting principles require that cash payments on land sales equal ten percent or more of the sales price in order to record the sale on the full accrual method. If less than ten percent is received, the Company records all payments received from the buyer (including principal and interest) as deposit liabilities. Once the total cash exceeds ten percent of the sales price, the sale is recorded under the full accrual method. Direct selling costs related to lot sales recorded under the deposit method are deferred until the sale is recognized.

The Company accrues interest income on notes receivable on a constant yield basis ratably over the terms of the notes.

The Company recognizes revenue for room sales and revenues from guest services whenever rooms are occupied and services have been rendered. Revenue from restaurant operations, golf courses, marinas and other amenities is recognized when the services have been rendered.

*Cash and Cash Equivalents*

The Company considers all demand and money market accounts and certificates of deposit with maturities of three months or less when purchased to be cash equivalents.

The Company maintains cash and cash equivalents at several financial institutions, which exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on such accounts.

*Advertising Costs*

The Company expenses all advertising and marketing costs as incurred. The Company incurred marketing costs totaling $8,468,705 and $7,952,292 in 2012 and 2011, respectively.

*Deferred Financing Costs*

Financing costs have been deferred and are amortized over the estimated debt terms. Financing costs are amortized using the straight-line method which approximates the effective interest method. Amortization of deferred financing costs is included in interest expense.

*Property and Equipment*

Property and equipment are stated at cost. Depreciation is computed using the straight-line method, with useful lives ranging from 5 to 31.5 years.

*Concentration of Credit Risk*

The Company sells real estate lots in Texas and Pennsylvania. The Company performs credit evaluations of its customers' financial condition and retains a security interest in lots sold. The Company's notes receivable are spread among many customers, with no material balances due from any one customer. Repossessed lots are added to inventory.

The notes receivable are generally due within 20 years. Credit losses from customers have been within management's expectations, and management believes the allowance for repossessions adequately provides for any losses.

*Income Taxes*

Under existing provisions of the Internal Revenue Code, the income or loss of a Subchapter S corporation is recognized by the individual members for income tax purposes. Accordingly, no provision for income tax has been provided for in the accompanying consolidated financial statements. However, the Company is subject to Texas Margin Tax. Accrued Texas Margin Tax totals $740,870 and $751,043 at December 30, 2012 and January 1, 2012, respectively. Additionally, Texas Margin tax expense for the years ended December 30, 2012 and January 1, 2012 totals $255,868 and $240,091, respectively.

Deferred tax liabilities and assets reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for state tax purposes. Significant components of the Company's deferred tax liabilities and assets relate principally to the installment method of reporting sales, allowance for unsellable lot inventory, and depreciation expense. In 2006, the Texas Legislature passed House Bill (HB) 3, which amended the Texas Tax Code to revise the existing franchise tax. As a result, the Company adjusted its deferred tax rate consistent with the new Texas Margin Tax to reflect the effect of such timing differences in future tax years. In 2012, the Company made cash tax payments totaling $270,743 for state tax. The current portion of state taxes payable for 2012 and 2011 totals $273,717 and $288,592, respectively.

The Company has adopted the provisions of FASB ASC 740, *Accounting for Uncertainty in Income Taxes,* and has evaluated its uncertain tax positions and has not identified any material uncertain tax positions that would not be sustained in a federal or state income tax examination.

Accordingly, no provision for uncertainties in income taxes has been made in the accompanying financial statements. The Company is no longer subject to state income tax examination by tax authorities for years before 2009.

*Fair Value of Financial Instruments*

The carrying values of accounts receivable; advances to affiliates, net; accounts payable; and accrued expenses are reasonable estimates of their fair values because of the short maturities of these instruments. Notes receivable have aggregate carrying values which approximate their estimated fair values based upon the current interest rates. Notes payable and notes payable to affiliates have aggregate carrying values which approximate their estimated fair values based upon the current interest rates for debt with similar terms and remaining maturities, without considering the adequacy of the underlying collateral. Disclosure about fair value of financial instruments is based on pertinent information available to management as of December 30, 2012 and January 1, 2012.

*Subsequent Events*

In accordance with FASB ASC 855, *Subsequent Events*, management has reviewed subsequent events through April 30, 2013, the date the report was available to be issued.

## 3. CHANGE IN ACCOUNTING ESTIMATE

In prior years, cost for common area assets for each development have been allocated 80 percent to land inventory and 20 percent to fixed assets. In 2011, the Company's management re-evaluated this method and determined that a better approach was to look at the development's stage of life. Management has determined that a more appropriate allocation for substantially completed developments is to allocate 50 percent of the cost to land inventory and 50 percent to fixed assets. Due to this change in estimate, $3,777,210 was reclassified on the balance sheet from inventory to fixed assets in 2011. These common area assets were in the process of being built between 2006 and 2011 and not completed until 2012. As such, there was no prior year depreciation.

## 4. INVENTORY

The components of inventory at December 30, 2012 and January 1, 2012 are as follows:

| | December 30, 2012 | January 1, 2012 |
|---|---|---|
| Lot inventory held for sale | $ 35,059,751 | $ 33,003,283 |
| Undeveloped land | 11,059,000 | 11,059,000 |
| Condos held for sale | 1,030,435 | 1,652,217 |
| Total | $ 47,149,186 | $ 45,714,500 |

The Company estimates that it will incur approximately $36,448,399 of costs to complete development of and improvements to its lot inventory held for sale at December 30, 2012.

## 5. NOTES RECEIVABLE

The Company generally receives mortgage notes from purchasers of lots. Notes receivable are reported net of an allowance for repossessions, which is determined on the basis of historical experience. The activity in the allowance for repossessions for the years ended December 30, 2012 and January 1, 2012, is as follows:

| | December 30, 2012 | January 1, 2012 |
|---|---|---|
| Beginning balance | $ 3,831,669 | $ 5,172,362 |
| Provision for repossessions | 3,649,668 | 5,204,550 |
| Notes foreclosed or defaulted | (5,075,289) | (9,305,482) |
| Original cost basis of lots returned to inventory | 1,655,104 | 2,760,239 |
| Ending balance | $ 4,061,152 | $ 3,831,669 |

Mortgage notes receivable of approximately $5,650,954 and $5,244,158 were delinquent at December 30, 2012 and January 1, 2012, respectively. The Company determines a note to be delinquent when any payment is 30 days past due. Repossessed lots are recorded based on the original cost basis.

The aggregate maturities of notes receivable for the next five years and thereafter, as of December 30, 2012, are as follows:

| | | |
|---|---|---|
| 2013 | $ | 8,221,135 |
| 2014 | | 8,388,158 |
| 2015 | | 8,756,587 |
| 2016 | | 9,265,863 |
| 2017 and Therafter | | 148,554,756 |
| | | 183,186,499 |
| Less: allowance for repossessions | | (4,061,152) |
| | $ | 179,125,347 |

The range of stated interest rates on notes receivable is 5 percent to 12 percent with a weighted average interest rate at December 30, 2012 of 7.53 percent. The carrying value of notes receivable in the aggregate was assumed to approximate fair value based on effective borrowing rates for debt instruments with similar terms.

6. AGE AND INTEREST ACCRUAL STATUS OF FINANCING RECEIVABLES

The following table presents informative data by class of financing receivable regarding their age and interest accrual status at December 30, 2012:

| | | Past Due | | | | | Status of Interest Accruals |
|---|---|---|---|---|---|---|---|
| December 30, 2012 | Current | 30 Days | 60 Days | ≥ 90 Days | Total Past Due | Total Financing Receivables | Financing Receivables Past Due ≥ 90 Days and Still Accruing Interest |
| Real Estate Notes | $ 177,535,545 | $ 3,467,246 | $ 926,065 | $ 1,257,643 | $ 5,650,954 | $ 183,186,499 | $ 1,257,643 |

7. RESTRICTED CASH

Cash payments on lot sales are included in restricted cash. The cash payments are released when the purchaser has been issued a warranty deed (with vendor's lien retained). These funds are normally released within 60 days of the sale date.

In 2012, the Company was required by one of their lenders to maintain a reserve fund. For the years ended December 30, 2012 and January 1, 2012, the reserve totals $2,450,687 and $2,403,382, respectively.

8. PROPERTY AND EQUIPMENT

Property and equipment at December 30, 2012 January 1, 2012 are composed of the following:

| | December 30, 2012 | January 1, 2012 |
|---|---|---|
| Land and land improvements, including golf courses | $ 12,123,648 | $ 11,276,049 |
| Vehicles and construction equipment | 5,239,271 | 4,868,391 |
| Furniture, fixtures, and equipment | 12,268,886 | 12,352,321 |
| Buildings | 24,224,740 | 23,507,402 |
| Water/wastewater systems | 4,663,773 | 4,473,547 |
| Equipment | 244,160 | 244,160 |
| Construction-in-progress | 258,970 | 1,233,968 |
| Leasehold improvements | 212,052 | 212,052 |
| | 59,235,500 | 58,167,890 |
| Less: accumulated depreciation | (33,562,787) | (31,504,691) |
| Total | $ 25,672,713 | $ 26,663,199 |

Depreciation expense for the years ended December 30, 2012 and January 1, 2012, totals $2,298,078 and $3,279,874, respectively.

9. INTANGIBLE ASSETS

Amortization of deferred financing costs is based on the life of the related loans using the straight line method.

Intangible assets, net, consist of the following at December 30, 2012 and January 1, 2012:

| | December 30, 2012 | January 1, 2012 |
|---|---|---|
| Loan fees | $ 418,774 | $ 306,698 |
| Less: accumulated amortization | (191,856) | (130,667) |
| Intangible assets, net | $ 226,918 | $ 176,031 |

Amortization expense for the years ended December 30, 2012 and January 1, 2012 is $182,122 and $198,172, respectively.

Expected amortization expense over the next five years is as follows:

| | Estimated Amortization Expense |
|---|---|
| 2013 | $ 89,208 |
| 2014 | 61,189 |
| 2015 | 31,920 |
| 2016 | 28,170 |
| 2017 and thereafter | 16,431 |
| Total | $ 226,918 |

10. NOTES PAYABLE

Notes payable at December 30, 2012 and January 1, 2012 consist of the following:

| | December 30, 2012 | January 1, 2012 |
|---|---|---|
| Note payable to First Financial Bank, due on July 18, 2016, which provided a maximum credit of $1,760,000 for the construction of interval ownership condominium buildings and a hotel building, with interest at prime (3.25% and 3.25% at December 30, 2012 and January 1, 2012, respectively) plus 0.5% payable in 59 monthly installments of $12,065 of principal plus accrued interest with the balance due at maturity. This note is secured by the hotel building and underlying land at one of the Company's resorts. | $ 530,875 | $ 663,594 |
| Note payable to First Financial Bank, due on October 9, 2014, which provided a maximum credit of $756,000 for the construction of an office building at one of the Company's developments, with interest at prime (3.25% and 3.25% at December 30, 2012 and January 1, 2012, respectively) plus 1%, with a floor rate of 5.50%, payable monthly plus 59 equal monthly installments of principal of $4,200 until maturity. This note is secured by the office building and the underlying land. | 348,600 | 399,000 |
| Note payable to Compass Bank, due on January 1, 2017, which provided a maximum credit of $19,800,000 for the financing of Company notes receivable, with interest at prime (3.25% and 3.25% at December 30, 2012 and January 1, 2012, respectively). Monthly installments vary depending on interest rate. Installments are due each month until the maturity date when the entire unpaid principal balance is due. An additional monthly payment is required if the loan to collateral ratio is not maintained as stated in the loan agreement. The note is collateralized by mortgage notes receivable. | 4,798,649 | 6,008,959 |

(Note 10 Continued)

| | | |
|---|---|---|
| Note payable to Compass Bank, due on May 1, 2022, which provided a maximum credit of $2,167,500 for the construction of a clubhouse at one of the Company's developments with interest payable at prime (3.25% and 3.25% at December 30, 2012 and January 1, 2012, respectively) plus 1% with a 5% floor, payable in 180 monthly installments of $12,042 plus accrued interest. This note is secured by the club house, restaurant and underlying land at one of the Company's resorts. | 1,360,658 | 1,505,158 |
| Note payable to First National Community Bank, due June 9, 2026, which provided a maximum credit of $2,200,000, monthly payments of $14,998 which include interest at prime (3.25% and 3.25% at December 30, 2012 and January 1, 2012, respectively) plus 0.5% payable through the adjustment date of June 9, 2011, and each 5th anniversary of that date thereafter at which time the monthly payment will be adjusted for the ensuing 60 months. This note is secured by one of the Company's hotel buildings and a fitness center at one of the Company's resorts. | 1,651,639 | 1,730,214 |
| Note payable to First National Community Bank which provided a maximum credit line of $5,000,000, monthly payments of accrued interest on the outstanding principal balance are made at prime (3.25% and 3.25% at December 30, 2012 and January 1, 2012, respectively) plus 0.5% through March 31, 2012 when the entire unpaid principal balance is due. This note is secured by a golf course, clubhouse, restaurant, pro shop, equestrian center, administrative and sales building at one of the Company's resorts. | - | 3,881,450 |
| Note payable to Compass Bank, due on July 1, 2017, which provides a maximum credit of $20,000,000 for the construction of improvements at one of the Company's developments with interest payable monthly at prime (3.25% and 3.25% at December 30, 2012 and January 1, 2012, respectively) plus 1%, together with monthly principal payments equal to the greater of 10% of the sales prices of lots sold from within the property secured by the note or $300,000 quarterly ($250,000 quarterly starting in August 2012.) This note is secured by the undeveloped land and future customer mortgage notes at one of the Company's developments. | 17,789,339 | 17,755,807 |
| Note payable to First Financial Bank, due on December 18, 2017, which provided a maximum credit of $1,087,760 for the construction of several employee housing units at one of the Company's developments with interest payable at prime (3.25% and 3.25% at December 30, 2012 and January 1, 2012, respectively) plus 0.5%, payable in 59 monthly installments of $7,628 plus accrued interest. The note is secured by land. | 707,044 | 761,432 |

(Note 10 Continued)

| | | |
|---|---|---|
| Note payable to PNC Bank for $5,500,000 for the purchase of a Company aircraft, with interest payable at prime 3.25% plus 3% at December 30,2012 (6.2% fixed at January 1, 2012). The note is secured by the aircraft. The due date for this note was extended to June 1, 2013. | 3,836,923 | 4,778,115 |
| Note payable to First National Community Bank, originally due on March 31, 2012, which provided a maximum credit of $7,000,000 for the purchase of undeveloped land in New York state, monthly payments of accrued interest on the outstanding principal balance are made at prime (3.25% and 3.25% at December 30, 2012 and January 1, 2012, respectively) plus 0.5% through May 31, 2012 (plus 1% as of June 1, 2012), with a floor rate of 5% together with monthly principal payments equal to 15% of the sales price of the lots sold from within the property. The note is secured by undeveloped land. The due date for this note has been extended to June 15, 2015. | 6,000,000 | 7,000,000 |
| Note payable to First National Community Bank, due on March 31, 2012, which provided a maximum credit of $4,000,000 for the purchase of undeveloped land in New York state, monthly payments of accrued interest on the outstanding principal balance are made at prime (3.25% and 3.25% at December 30, 2012 and January 1, 2012, respectively) plus 0.5% through March 31, 2012 when the entire unpaid balance is due. This note is secured by the undeveloped land. | - | 3,700,000 |
| Note payable to Plains Capital Bank under a $10,000,000 credit facility; monthly payments equal to 100% of the funds collected on pledged notes receivable and are applied to the principal balance. Accrued interest at prime (3.25% and 3.25% at December 30, 2012 and January 1, 2012, respectively) plus 1.0%, with a floor rate of 6.0% is paid separately on a monthly basis. An additional monthly payment is required if the loan to collateral ratio is not maintained as stated in the loan agreement. The note is payable in full on September 28, 2015. The note is collateralized by mortgage notes. | 6,127,587 | 8,067,723 |
| Note payable to Green Bank under a $15,000,000 revolving credit facility; monthly payments equal to 100% of the funds collected on pledged notes receivable and are applied to the principal balance. Accrued interest at Green Bank prime of 5.00% plus 1.0% with a floor rate of 6.0% is paid separately on a monthly basis. An additional monthly payment is required if the loan to collateral ratio is not maintained as stated in the loan agreement. The note is payable in full on August 1, 2013. The note is collateralized by mortgage notes. | 14,591,854 | 4,559,825 |

(Note 10 Continued)

| | | |
|---|---|---|
| Notes payable to Shareplus, due on various dates, which provides a maximum credit of $3,000,000, with fixed interest of 6.5%, payable in various monthly installments including accrued interest until maturities. The note is collateralized by mortgage notes. | 2,783,829 | 1,339,021 |
| Note payable to Plains Capital under a $750,000 credit facility; monthly payments equal to 100% of the funds collected on pledged notes receivable and are applied to the principal balance. Accrued interest at prime (3.25% and 3.25% at December 30, 2012 and January 1, 2012, respectively) plus 1.0% with a floor rate of 6.0% is paid separately on a monthly basis. An additional monthly payment is required if loan to collateral ratio is not maintained as stated in the loan agreement. The note is payable in full on June 28, 2013. The note is collateralized by mortgage notes. | 632,312 | 722,293 |
| Note payable to Plains Capital under a $10,000,000 revolving credit facility; monthly payments equal to 100% of the funds collected on pledged notes receivable are applied to the principal balance. Accrued interest at prime (3.25% and 3.25% at December 30, 2012 and January 1, 2012, respectively) plus 1.0% with a floor rate of 6.0% is paid separately on a monthly basis. An additional monthly payment is required if the loan to collateral ratio is not maintained as stated in the loan agreement. The note is payable in full on August 2, 2017. The note is collateralized by mortgage notes. | 8,771,854 | 6,236,581 |
| Note payable to Plains Capital Bank under a $5,000,000 credit facility; monthly payments equal to 100% of the funds collected on pledged notes receivable are applied to the principal balance. Accrued interest at prime (3.25% and 3.25% at December 30, 2012 and January 1, 2012, respectively) plus 1.0%, with a floor rate of 6.0% is paid separately on a monthly basis. An additional monthly payment is required if the loan to collateral ratio is not maintained as stated in the loan agreement. The note is payable in full on October 4, 2013. The note is collateralized by mortgage notes. | 3,021,304 | - |
| Note payable to Veritex Community Bank, due June 20, 2017 which provided a maximum credit of $6,000,000 for the financing of Company notes receivable, with interest at prime (3.25% at December 30, 2012) plus 1% with a floor rate of 5.5%. Monthly payments equal to 100% of the funds collected on pledged notes receivable to pay accrued interest, with remaining funds after payment of interest being applied to the principal balances. An additional monthly payment is required if the loan to collateral ratio is not maintained as stated in the loan agreement. | 6,000,000 | - |

(Note 10 Continued)

| | | |
|---|---|---|
| Note payable to First National Community Bank, due June 15, 2014 which provided a maximum credit of $4,600,000, semi-annual payments of $165,000, with monthly payments of accrued interest at prime (3.25% at December 30, 2012) plus 0.75% with a floor rate of 4.5 plus 0.5% payable through June 15, 2014 when the entire unpaid principal balance is due. This note is secured by various amenities at one of the Company's resorts. | 4,600,000 | - |
| Note payable to First National Community Bank, due June 15, 2014 which provided a maximum credit of $2,900,000, semi-annual payments of $165,000, with monthly payments of accrued interest at prime (3.25% at December 30, 2012) plus 0.75% with a floor rate of 4.5% plus 0.5% payable through June 15, 2014 when the entire unpaid principal balance is due. An additional monthly payment is required if the loan to collateral ratio is not maintained as stated in the loan agreement. This note is collateralized by mortgage notes. | 2,893,525 | - |
| Note payable with an original balance of $90,948,946 payable to AIG; monthly payments equal to 100% of the funds collected on pledged notes receivable to pay accrued interest with a fixed rate of 6.06%, with remaining funds after payment of interest and fees being applied to the principal balance. The loan to collateral ratio is calculated each month and could require an additional payment or a refund to the borrower. The note is collateralized by mortgage notes. | 64,299,408 | 78,475,954 |
| Other notes payable secured primarily by the Company's unsold condominium units, certain vehicles, and construction equipment. The interest rate on the various notes range from 2.0% to 10.95% with various maturity dates through July 2016. | 708,188 | 998,462 |
| Total notes payable | $ 151,453,588 | $ 148,583,588 |

Carrying amounts for assets pledged as collateral totaled $239,982,473 and $219,956,337 at December 30, 2012 and January 1, 2012, respectively.

Scheduled maturities of notes payable as of December 30, 2012 are as follows:

| | Notes payable | Due to affiliates | Total |
|---|---|---|---|
| 2013 | $ 32,825,212 | $ 3,443,161 | $ 36,268,373 |
| 2014 | 17,397,934 | 722,045 | 18,119,979 |
| 2015 | 19,582,682 | 781,975 | 20,364,657 |
| 2016 | 11,040,191 | 846,878 | 11,887,069 |
| 2017 and thereafter | 70,607,569 | 1,162,849 | 71,770,418 |
| | $ 151,453,588 | $ 6,956,908 | $ 158,410,496 |

The Company made cash interest payments on the above notes of $8,594,590 and $8,133,964 in 2012 and 2011, respectively. The Company capitalized interest of $106,642 and $167,936 in 2012 and 2011, respectively.

Because the majority of the Company's debt bears interest at floating rates or approximates current market rates, there is not a significant difference between the carrying amount of the debt and its fair value.

## 11. RELATED PARTY TRANSACTIONS

The advances to affiliates (primarily property owners' associations) do not bear interest and were net of an allowance for bad debts of $1,443,576 and $1,443,576 at December 30, 2012 and January 1, 2012, respectively.

As of December 30, 2012 the Company had a note payable to the major shareholder for $4,180,456 with a fixed interest rate of 8 percent due and payable on September 1, 2017. Monthly principal and interest payments of $84,699 are made until the maturity date. The note was issued in connection with the Employee Stock Option Plan ("ESOP") that was established in 2007. See Note 13.

Also, as of December 30, 2012 and January 1, 2012, the Company had four related party notes payable outstanding to the majority shareholder totaling $2,776,452 and $733,844, respectively.

## 12. COMMITMENTS AND CONTINGENCIES

The Company is obligated under certain noncancelable operating leases for facilities and equipment. Total rental expense under these leases was $1,492,447 in 2012 and $1,624,824 in 2011. Future annual minimum lease payments under these leases at January 1, 2012, are as follows:

| | |
|---|---|
| 2013 | $ 1,048,728 |
| 2014 | 715,028 |
| 2015 | 294,056 |
| 2016 | - |
| 2017 and thereafter | - |
| | $ 2,057,812 |

Included above is a lease the Company has with a related party for a building. Rental expenses related to this related party lease were approximately $9,600 in 2012 and 2011. There are no future minimum lease payments under these related party leases.

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business. While the resolution of these matters cannot be predicted with certainty, management believes that the final outcome of such matters will not have a material adverse effect on the consolidated financial position or results of operations of the Company.

One of the Company's subsidiaries is in dispute over an office lease agreement. Legal counsel has advised that the total exposure to the Company would not exceed $50,000. Accordingly, the Company has accrued this amount in accrued expenses.

13. RETIREMENT PLANS

The Company has a 401(k) plan that covers substantially all employees who have completed at least nine months of service. The Company's funding policy is to match 50 percent of the employees' contributions, up to 2.5 percent of participating employees' salaries. Employees vest in Company contributions over a six year period. The Company contributed $132,145 and $124,742 to the plan for the years ended December 30, 2012 and January 1, 2012, respectively.

In 2007, the Company established an Employee Stock Option Plan ("ESOP") for the purpose of rewarding eligible employees for their loyalty and faithful service to the Company and providing eligible employees with an opportunity to share in the ownership and profitability of the Company.

Each employee becomes eligible to participate in the ESOP, coincident or immediately following the date on which they attain age 21 and complete 1 year of service. The ESOP does not permit participants to make contributions. The Company makes discretionary contributions to the ESOP.

Employees vest in the Company contributions as follows:

| Years of Service with the Company | % of Vesting |
|---|---|
| Less than 2 years | 0% |
| 2 years but less than 3 | 20% |
| 3 years but less than 4 | 40% |
| 4 years but less than 5 | 60% |
| 5 years but less than 6 | 80% |
| 6 or more years | 100% |

In September 2007, the ESOP purchased 518,519 shares valued at $13.50 per share for a total price of $7,000,000 from the sole shareholder of the Company through a note payable to the shareholder. On January 29, 2008 the Company affected a 100 for 1 reverse stock split of the authorized and outstanding shares of the common stock. The post-stock spilt equivalent of these shares is 5,185.19 shares valued at $1,350 per share. The Company assumed this note payable in exchange for a note receivable from the ESOP. The note receivable has been recorded in equity ("Unearned ESOP shares") in accordance with FASB ASC 718-40, *Employee Stock Ownership Plans.*

ESOP compensation expense is recognized when shares are committed to be released in accordance with the ESOP pledge agreement. The compensation expense recognized represents the fair value of the shares committed to be released as of the date such shares are committed to be released. The Company recognized compensation expense totaling $132,108 and $557,993 in 2012 and 2011, respectively.

The Company is required to repurchase shares held by participants upon reaching retirement age, termination of service, or the participants' death. As of December 30, 2012, the number of shares subject to repurchase in future years was approximately 840 with a fair value of approximately $873,600. The number of shares committed to be released total 398 and 398 in 2012 and 2011, respectively.

14. EXTRAORDINARY INCOME

In 2011, wildfires damaged a Texas property's land and buildings affecting the golf course, spa, restaurants, ship store, and hotel. The Company received insurance proceeds for loss of business income totaling $340,322.

Attachment 6

Double Diamond Utilities Co. / The Retreat
Application for a Rate / Tariff Change
Test Year Ended 12/31/2012
Rate of Return on Equity Worksheet

## RATE OF RETURN WORKSHEET

| Step | | | % |
|---|---|---|---|
| A | Most current Baa Public Utility Bond average. (Call TCEQ staff at 512/239-4691 to get this number.) [1] | | 4.86% |
| B | Add 2% - for utilities (include affiliates) with 0-200 **OR** | | 0.00% |
| | Add 1.5% - for utilities (include affiliates) with 201-500 connections **OR** | | 0.00% |
| | Add 1.0% - for utilities (include affiliates) with 501-1,000 connections | | 0.00% |
| C | Add 1% if the utility can demonstrate that it has both: | | 0.00% |
| | 1 | Debt/equity ratio is greater than 50% (**Table IV. D. - Box 2 ÷ Box 3)** | |
| | 2 | No affiliated companies with access to revenues or other funds to support | |
| D | Add 1% if the utility can demonstrate that it has at least 1 of the following 3 conditions: | | 0.00% |
| | 1 | unstable population - Weekender/seasonal population:<br>a. >25% of total customers; **OR**<br>b. >10% of total customers and do not use seasonal reconnect fee; | |
| | 2 | low growth<br>a. less than 5% customer growth over the last three years; **OR**<br>b. documentation of potential anticipated future customer growth of less than 5% over a three year period; declining population | |
| | 3 | aging system<br>a. 50% or more depreciated; **OR**<br>b. low rate base (<$500/customer) | |
| E | Add 1% if the utility is a stand alone sewer system with no agreement for: billing and collection **OR** discontinuance for nonpayment with the water supplier. | | 0.00% |
| F | Add 1% if the utility can demonstrate that it has at least 3 of the 4 following conditions: | | 1.00% |
| | 1 | Number of complaints<br>2 complaints or less per year to TCEQ for every 200 connections served by system | |
| | 2 | No major deficiencies in the most recent PWS inspection report | |
| | 3 | No current or prior enforcement actions under current management within a three year period including the test year | |
| | 4 | Good faith efforts to solve any current problems | |

# RATE OF RETURN WORKSHEET

| Step | | | % |
|---|---|---|---|
| G | Add 1% if the utility can demonstrate that it has at least 3 of the following 5 conditions: | | 1.00% |
| | 1 | well-maintained, up-to-date books and records | |
| | 2 | Effective communications and good customer relations (ex: evidence of a community outreach plan funded without utility revenues from customers; program which includes information about utility policies; evidence reflecting cooperation and service within the community AND/OR a semi-annual newsletter.) | |
| | 3 | Consistent and timely in meeting reporting requirements (ex: annual reports for last 3 years) and payment of fees | |
| | 4 | exhibit fiscal responsibility with respect to rate filings, including completeness, accuracy and frequency | |
| | 5 | Less than 15% line loss - (Section VIII of the Application - Page 16 of 41) | |
| H | Add 1% if the utility can demonstrate that it has at least 4 of the following 5 conditions: | | 1.00% |
| | 1 | rate structure - any two of the following<br>a. zero gallons included in minimum bill<br>b. gallonage rate set high enough to encourage conservation (> $2.00/1000 gal.)<br>c. use of inclining blocks, (i.e. with at least $1.00 between rate tiers which meets other regulatory requirements for inclining block structures) | |
| | 2 | drought contingency plan included in tariff with written evidence of use in years required | |
| | 3 | conservation plan including encouragement of the use of water conserving devices, efficient lawn watering, or xeriscaping | |
| | 4 | program to educate the customers about the nature of the system, its production and distribution ability, PWS standards, and the need for water conservation | |
| | 5 | Line Loss<br>a. less than or equal to 15% and<br>b. successful program to reduce losses (ex., leak detection & repair) (within a three year period reflecting a 25% or more reduction in line loss since program implementation) | |
| I | Total Rate of Return % | | 7.86% |

Notes:

(1) Per phone conversation with Elizabeth Flores, 3/1/2013

Attachment 7

Double Diamond Utilities Co. / The Retreat
Application for a Rate / Tariff Change
Test Year Ended 12/31/2012
Rate of Return

| Line No. | Col (A) | (B) | (C) | (D) | (E) |
|---|---|---|---|---|---|
| | | Capital Structure | | Interest Rate / | Weighted |
| | | $ | % | Return on Equity | Average |
| 1 | Debt | $ 158,410,496 | 60.36% | 5.58% | 3.37% |
| 2 | Equity | 104,053,709 | 39.64% | 7.86% | 3.12% |
| 3 | Total | $ 262,464,205 | 100.00% | | 6.49% |

Double Diamond Utilities Co. / The Retreat

Application for a Rate / Tariff Change

Test Year Ended 12/31/2012

Rate of Return on Debt Capital

| Line No. | Col (A) Financial Institution / Entity | (B) Outstanding Principal | (C) Interest Rate | (D) Weighted Average |
|---|---|---|---|---|
| 1 | First Financial Bank | $ 530,875 | 3.75% | 0.01% |
| 2 | First Financial Bank | 348,600 | 5.50% | 0.01% |
| 2 | Compass Bank | 4,798,649 | 3.25% | 0.10% |
| 3 | Compass Bank | 1,360,658 | 5.00% | 0.04% |
| 3 | First National Community Bank | 1,651,639 | 3.75% | 0.04% |
| 4 | Compass Bank | 17,789,339 | 4.25% | 0.50% |
| 4 | First Financial Bank | 707,044 | 3.75% | 0.02% |
| 5 | PNC Bank | 3,836,923 | 6.20% | 0.16% |
| 5 | First National Community Bank | 6,000,000 | 5.00% | 0.20% |
| 6 | Plains Capital Bank | 6,127,587 | 6.00% | 0.24% |
| 6 | Green Bank | 14,591,854 | 6.00% | 0.58% |
| 7 | Shareplus | 2,783,829 | 6.50% | 0.12% |
| 7 | Plains Capital | 632,312 | 6.00% | 0.03% |
| 8 | Plains Capital Bank | 8,771,854 | 6.00% | 0.35% |
| 8 | Plains Capital Bank | 3,021,304 | 6.00% | 0.12% |
| 9 | Veritex Community Bank | 6,000,000 | 5.50% | 0.22% |
| 9 | First National Community Bank | 4,600,000 | 5.00% | 0.15% |
| 10 | First National Community Bank | 2,893,525 | 5.00% | 0.10% |
| 10 | AIG | 64,299,408 | 6.06% | 2.57% |
| 11 | Other Notes | 708,188 | 4.48% | 0.02% |
| 11 | Total | $ 151,453,588 | | 5.58% |

Attachment 8

Double Diamond Utilities Co. / The Retreat
Application for a Rate / Tariff Change
Test Year Ended 12/31/2012
Total Revenue Requirement - Water

| Line No. | Col (A) | (B) | (C) | (D) | (E) | (F) | (G) |
|---|---|---|---|---|---|---|---|
| | Item | 12 Month "Test Year" per books | Known and Measureable Changes | Revenue Requirement | Fixed Cost % | Fixed Expenses | Variable Expenses |
| 1 | Salaries and Wages | $ 51,101 | $ 7,610 | $ 58,712 | 50% | $ 29,356 | $ 29,356 |
| 2 | Contract Labor | 1,030 | - | 1,030 | 90% | 927 | 103 |
| 3 | Purchased Water Service | - | - | - | 0% | - | - |
| 4 | Chemicals for Treatment | 1,950 | - | 1,950 | 0% | - | 1,950 |
| 5 | Utilities | 26,754 | - | 26,754 | 0% | - | 26,754 |
| 6 | Repairs / Maintenance / Supplies | 10,928 | (2,515) | 8,413 | 50% | 4,206 | 4,206 |
| 7 | Office Expenses | 1,539 | - | 1,539 | 50% | 770 | 770 |
| 8 | Accounting & Legal Fees | | | | 100% | - | - |
| 9 | Insurance | 6,632 | - | 6,632 | 100% | 6,632 | - |
| 10 | Rate Case Expense | | | | 100% | - | - |
| 11 | Miscellaneous | 24,474 | (1,088) | 23,386 | 50% | 11,693 | 11,693 |
| 12 | Subtotal | $ 124,408 | $ 4,008 | $ 128,416 | | $ 53,584 | $ 74,832 |
| 13 | Payroll Taxes | 4,248 | 942 | 5,190 | 50% | $ 2,595 | $ 2,595 |
| 14 | Property and other Taxes | 989 | - | 989 | 100% | 989 | - |
| 15 | Annual Depreciation and Amortization | | 51,021 | 51,021 | 100% | 51,021 | - |
| 16 | Income Taxes | [redacted] | 2,338 | 2,338 | 100% | 2,338 | - |
| 17 | Return | | 27,276 | 27,276 | 100% | 27,276 | - |
| 18 | Subtotal | $ 129,645 | $ 85,584 | $ 215,229 | | $ 137,802 | $ 77,427 |
| 19 | Other Revenue | (4,563) | 3,941 | (622) | 100% | $ (622) | $ - |
| 20 | Subtotal | $ 125,082 | $ 89,525 | $ 214,607 | | $ 137,180 | $ 77,427 |
| 21 | Alternate Allocation | | | | 67% | 143,787 | 70,820 |

Double Diamond Utilities Co. / The Retreat
Application for a Rate / Tariff Change
Test Year Ended 12/31/2012
Total Revenue Requirement - Sewer

| Line No. | Col (A) | (B) | (C) | (D) | (E) | (F) | (G) |
|---|---|---|---|---|---|---|---|
| | Item | 12 Month "Test Year" per books | Known and Measureable Changes | Revenue Requirement | Fixed Cost % | Fixed Expenses | Variable Expenses |
| 1 | | | | | | | |
| 2 | Salaries and Wages | $ 51,151 | $ 11,833 | $ 62,984 | 50% | $ 31,492 | $ 31,492 |
| 3 | Contract Labor | 12 | - | 12 | 90% | 11 | 1 |
| 4 | Purchased Sewer Service | | | | 0% | - | - |
| 5 | Chemicals for Treatment | 1,855 | - | 1,855 | 0% | - | 1,855 |
| 6 | Utilities | 2,433 | - | 2,433 | 0% | - | 2,433 |
| 7 | Repairs / Maintenance / Supplies | 16,516 | (6,743) | 9,773 | 50% | 4,887 | 4,887 |
| 8 | Office Expenses | 1,585 | - | 1,585 | 50% | 792 | 792 |
| 9 | Accounting & Legal Fees | 2,970 | - | 2,970 | 100% | 2,970 | - |
| 10 | Insurance | 6,066 | - | 6,066 | 100% | 6,066 | - |
| 11 | Rate Case Expense | | | | 100% | - | - |
| 12 | Miscellaneous | 31,408 | (5,053) | 26,355 | 50% | 13,178 | 13,178 |
| 13 | Subtotal | $ 113,996 | $ 37 | $ 114,033 | | $ 59,396 | $ 54,638 |
| 14 | Payroll Taxes | $ 6,235 | $ 1,383 | $ 7,619 | 50% | $ 3,809 | $ 3,809 |
| 15 | Property and other Taxes | 945 | - | 945 | 100% | 945 | - |
| 16 | Annual Depreciation and Amortization | [redacted] | 27,890 | 27,890 | 100% | 27,890 | - |
| 17 | Income Taxes | | 1,191 | 1,191 | 100% | 1,191 | - |
| 18 | Return | | 13,900 | 13,900 | 100% | 13,900 | - |
| 19 | Subtotal | $ 121,177 | $ 44,402 | $ 165,579 | | $ 107,132 | $ 58,447 |
| 20 | Other Revenue | $ (4,205) | $ 3,626 | $ (578) | 100% | $ (578) | $ - |
| 21 | Subtotal | $ 116,972 | $ 48,028 | $ 165,000 | | $ 106,553 | $ 58,447 |
| 22 | Alternate Allocation | | | | 67% | 110,550 | 54,450 |

Double Diamond Utilities Co. / The Retreat
Application for a Rate / Tariff Change
Test Year Ended 12/31/2012
Total Revenue Requirement (Total Utility)

| Line No. | Col (A) | (B) | (C) | (D) | (E) | (F) | (G) |
|---|---|---|---|---|---|---|---|
| | Item | 12 Month "Test Year" per books | Known and Measureable Changes | Revenue Requirement | Fixed Cost % | Fixed Expenses | Variable Expenses |
| 1 | Salaries and Wages | $ 102,252 | $ 19,444 | $ 121,696 | 50% | $ 60,848 | $ 60,848 |
| 2 | Contract Labor | 1,043 | - | 1,043 | 90% | 938 | 104 |
| 3 | Purchased Sewer Service | - | - | - | 0% | - | - |
| 4 | Chemicals for Treatment | 3,805 | - | 3,805 | 0% | - | 3,805 |
| 5 | Utilities | 29,187 | - | 29,187 | 0% | - | 29,187 |
| 6 | Repairs / Maintenance / Supplies | 27,444 | (9,258) | 18,186 | 50% | 9,093 | 9,093 |
| 7 | Office Expenses | 3,124 | - | 3,124 | 50% | 1,562 | 1,562 |
| 8 | Accounting & Legal Fees | 2,970 | - | 2,970 | 100% | 2,970 | - |
| 9 | Insurance | 12,698 | - | 12,698 | 100% | 12,698 | - |
| 10 | Rate Case Expense | - | - | - | 100% | - | - |
| 11 | Miscellaneous | 55,883 | (6,141) | 49,741 | 50% | 24,871 | 24,871 |
| 12 | Subtotal | $ 238,405 | $ 4,044 | $ 242,449 | | $ 112,980 | $ 129,469 |
| 13 | Payroll Taxes | $ 10,483 | $ 2,326 | $ 12,809 | 50% | $ 6,404 | $ 6,404 |
| 14 | Property and other Taxes | 1,934 | - | 1,934 | 100% | 1,934 | - |
| 15 | Annual Depreciation and Amortization | | 78,911 | 78,911 | 100% | 78,911 | - |
| 16 | Income Taxes | [redacted] | 3,529 | 3,529 | 100% | 3,529 | - |
| 17 | Return | | | 41,176 | 100% | 41,176 | - |
| 18 | Subtotal | $ 250,821 | $ 88,810 | $ 380,807 | | $ 244,934 | $ 135,874 |
| 19 | Other Revenue | (8,768) | 7,568 | $ (1,200) | 100% | $ (1,200) | $ - |
| 20 | Subtotal | $ 242,054 | $ 96,378 | $ 379,607 | | $ 243,734 | $ 135,874 |
| 21 | Alternate Allocation | | | | 67% | 254,337 | 125,270 |

Double Diamond Utilities Co. / The Retreat
Application for a Rate / Tariff Change
Test Year Ended 12/31/2012
The Retreat Statement of Operations (Water)

| Line No. | Col (A) | (B) | (C) | (D) | (E) | (F) |
|---|---|---|---|---|---|---|
| | Account No. | | TCEQ Category | FY 2012 | Adj | Total |
| 1 | | **Salaries and Wages** | | | | |
| 2 | 6001 | Employee Compensation | Salaries and Wages | $ 12,751 | $ 2,874 | $ 15,625 |
| 3 | 6050 | Hourly Wages | Salaries and Wages | 12,528 | 4,736 | 17,264 |
| 4 | 6100 | Labor Transfers | Salaries and Wages | 25,823 | - | 25,823 |
| 5 | | **Total Salaries and Wages** | | $ 51,101 | $ 7,610 | $ 58,712 |
| 6 | | **Contract Labor** | | | | |
| 7 | 8190 | Other Contract Services | Contract Labor | $ 1,030 | $ - | $ 1,030 |
| 8 | | **Total Contract Labor** | | $ 1,030 | $ - | $ 1,030 |
| 9 | | **Purchased Water Service** | | | | |
| 10 | | **Purchased Sewer Service** | | | | |
| 11 | | **Chemicals for Treatment** | | | | |
| 12 | 8421 | R&M Chemicals | Chemicals for Treatment | $ 1,950 | $ - | $ 1,950 |
| 13 | | **Total Chemicals for Treatment** | | $ 1,950 | $ - | $ 1,950 |
| 14 | | **Utilities** | | | | |
| 15 | 7010 | Electricity | Utilities | $ 26,638 | $ - | $ 26,638 |
| 16 | 7030 | Water / Sewer | Utilities | - | - | - |
| 17 | 7040 | Trash Removal | Utilities | 116 | - | 116 |
| 18 | | **Total Trash Removal** | | $ 26,754 | $ - | $ 26,754 |
| 19 | | **Repairs / Maintenance / Supplies** | | | | |
| 20 | 8001 | Cleaning Supplies | Repairs / Maintenance / Supplies | $ 411 | $ - | $ 411 |
| 21 | 8005 | Smallwares / Tools | Repairs / Maintenance / Supplies | 874 | - | 874 |
| 22 | 8018 | Safety Supplies | Repairs / Maintenance / Supplies | 203 | - | 203 |
| 23 | 8020 | Other Supplies | Repairs / Maintenance / Supplies | 106 | - | 106 |
| 24 | 8400 | R&M Building | Repairs / Maintenance / Supplies | 26 | - | 26 |
| 25 | 8410 | R&M Equipment | Repairs / Maintenance / Supplies | 2,595 | - | 2,595 |
| 26 | 8450 | R&M Water Plant | Repairs / Maintenance / Supplies | 5,919 | (2,515) | 3,404 |
| 27 | 8455 | R&M Sewer Plant | Repairs / Maintenance / Supplies | - | - | - |
| 28 | 8460 | R&M Distribution Lines | Repairs / Maintenance / Supplies | 795 | - | 795 |
| 29 | 8465 | R&M Collection Lines | Repairs / Maintenance / Supplies | - | - | - |

Double Diamond Utilities Co. / The Retreat
Application for a Rate / Tariff Change
Test Year Ended 12/31/2012
The Retreat Statement of Operations (Water)

| Line No. | Col (A) | (B) | (C) | (D) | (E) | (F) |
|---|---|---|---|---|---|---|
| | Account No. | | TCEQ Category | FY 2012 | Adj | Total |
| 30 | | **Total Repairs / Maintenance / Supplies** | | $ 10,928 | $ (2,515) | $ 8,413 |
| 31 | | **Office Expenses** | | | | |
| 32 | 8015 | Office Supplies | Office Expenses | $ 125 | $ - | $ 125 |
| 33 | 8025 | Printing | Office Expenses | 26 | - | 26 |
| 34 | 8030 | Computer Expense | Office Expenses | 223 | - | 223 |
| 35 | 8035 | Postage & Delivery | Office Expenses | 182 | - | 182 |
| 36 | 8040 | Telephone | Office Expenses | 621 | - | 621 |
| 37 | 8045 | Mobile Phones / Pagers | Office Expenses | 363 | - | 363 |
| 38 | | **Total Office Expenses** | | $ 1,539 | $ - | $ 1,539 |
| 39 | | **Accounting & Legal Fees** | | | | |
| 40 | 8250 | Professional Fees | Accounting & Legal Fees | $ - | $ - | $ - |
| 41 | | **Total Accounting & Legal Fees** | | $ - | $ - | $ - |
| 42 | | **Insurance** | | | | |
| 43 | 8260 | Insurance Expense | Insurance | $ 6,632 | $ - | $ 6,632 |
| 44 | | **Total Insurance** | | $ 6,632 | $ - | $ 6,632 |
| 45 | | **Rate Case Expense** | | | | |
| 46 | | **Miscellaneous** | | | | |
| 47 | 8010 | Uniforms | Miscellaneous | $ 657 | $ - | $ 657 |
| 48 | 8060 | Refreshments | Miscellaneous | 58 | - | 58 |
| 49 | 8065 | Vehicle Expense | Miscellaneous | 2,047 | - | 2,047 |
| 50 | 8070 | Vehicle Fuel Expense | Miscellaneous | 8,121 | - | 8,121 |
| 51 | 8100 | Pest Control | Miscellaneous | 100 | - | 100 |
| 52 | 8120 | Equipment Lease Payment | Miscellaneous | 363 | - | 363 |
| 53 | 8200 | Dues & Subscriptions | Miscellaneous | 111 | - | 111 |
| 54 | 8210 | Training & Education | Miscellaneous | 567 | - | 567 |
| 55 | 8305 | Bank Charges | Miscellaneous | 1,135 | - | 1,135 |
| 56 | 8310 | Credit Card Fees | Miscellaneous | 554 | - | 554 |
| 57 | 8500 | Water Tests | Miscellaneous | 1,029 | - | 1,029 |
| 58 | 8510 | Water Tap Expense | Miscellaneous | 1,088 | (1,088) | - |
| 59 | 8512 | Regulatory Water Fees | Miscellaneous | - | - | - |

Double Diamond Utilities Co. / The Retreat
Application for a Rate / Tariff Change
Test Year Ended 12/31/2012
The Retreat Statement of Operations (Water)

| Line No. | Col (A) | (B) | (C) | (D) | (E) | (F) |
|---|---|---|---|---|---|---|
| | Account No. | | TCEQ Category | FY 2012 | Adj | Total |
| 60 | 8515 | Sewer Tests | Miscellaneous | - | - | - |
| 61 | 8520 | Sewer Tap Expense | Miscellaneous | - | - | - |
| 62 | 8522 | Regulatory Sewer Fees | Miscellaneous | - | - | - |
| 63 | 8950 | Allocated Resort Overhead | Miscellaneous | 8,644 | - | 8,644 |
| 64 | | **Total Miscellaneous** | | $ 24,474 | $ (1,088) | $ 23,386 |
| 65 | | **Payroll Taxes** | | | | |
| 66 | 6200 | Payroll Burden | Payroll Taxes | $ 4,248 | $ 942 | $ 5,190 |
| 67 | | **Total Payroll Taxes** | | $ 4,248 | $ 942 | $ 5,190 |
| 68 | | **Property and other Taxes** | | | | |
| 69 | 8220 | Taxes & Licenses | Property and other Taxes | $ 741 | $ - | $ 741 |
| 70 | 8230 | Property Taxes | Property and other Taxes | 248 | - | 248 |
| 71 | | **Total Property and other Taxes** | | $ 989 | - | $ 989 |
| 72 | | **Total Expense** | | 129,645 | 4,950 | 134,594 |
| 73 | | **Other Revenue** | | | | |
| 74 | 4510 | Sewer Tap | Other Revenue | - | - | - |
| 75 | 4530 | Water Tap | Other Revenue | (5,327) | 5,327 | - |
| 76 | 4540 | Reconnect / Transfer Utilities | Other Revenue | (148) | - | (148) |
| 77 | 4680 | Customer Credits | Other Revenue | 1,386 | (1,386) | - |
| 78 | 5840 | Late Charges | Other Revenue | (474) | - | (474) |
| 79 | | **Total Other Revenue** | | $ (4,563) | $ 3,941 | $ (622) |
| 80 | | **Total** | | $ 125,082 | $ 8,891 | $ 133,973 |