



Control Number: 43586



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B & D ENVIRONMENTAL, INC.

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February 5, 2016

Public Utility Commission
Central Records
1701 N. Congress P.O. Box 13326
Austin, Texas 78711-3326

2016 FEB 11 AM 9:24
PUBLIC UTILITY COMMISSION
FILING CLERK

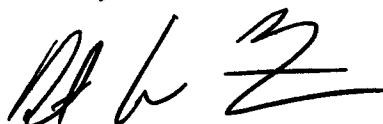
Re: Docket No. 43586 - Application of Trinity SO PTN, LP. To Obtain Water and Sewer Certificates of Convenience and Necessity (CCN) in Harris County

Enclosed please find the Applicant's revised response to the Commission Staff's first request for information based on the information supplied by Commission Staff during our meeting on January 26th.

Staff 1-5 Response: Debt to Equity Ratio for 2014 is 0.934. Debt Coverage Ratio for 2014 is 1.94.

Please see the attached letter from the Applicant's CPA for an explanation of these revisions. Should you have any further questions concerning these responses, please do not hesitate to contact me.

Sincerely,



Bret W. Fenner, P.E.
B & D Environmental, Inc.

Enclosures

Robert L. Brown
CERTIFIED PUBLIC ACCOUNTANT AND BUSINESS CONSULTANT

February 1, 2016

Public Utility Commission

To Whom it may concern:

This letter will set out certain financial ratios for the 2014 calendar year for Trinity SO PTN, LP for purposes of their application with the Public Utility Commission. The 2014 financial statements have been recast to present "Excess Revenue Over Expenses" (Net Income) before interest expense, depreciation and amortization. A copy of the recast 2014 financial statements accompany this letter.

Two ratios will be presented:

- Long-term debt to equity (assets), and
- Debt Service Ratio

Long-term Debt to Equity (Assets)

Long-term Debt = \$3,524,433.95

Equity (Assets) = \$3,291,312.86

$\$3,291,312.86 / \$3,524,433.95 = .934$

Debt Service Ratio

Excess revenue over expenses before interest expense, depreciation, and amortization = \$540,869.32

Interest expense = \$236,628.11

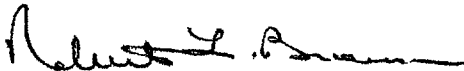
2014 Principal reduction = \$41,378.89

$\$540,869.32 / (\$236,628.11 + \$41,378.89)$

$\$540,869.32 / \$278,007.00 = 1.94$

I will be happy to discuss the foregoing or to answer any questions that may arise.

Sincerely,



Robert L. Brown, CPA

Enclosures

cc: Mr. Donald G. Clements

TRINTIY SO PTN, LP
STATEMENT OF ASSETS, LIABILITIES AND
PARTNERS' CAPITAL - INCOME TAX BASIS
DECEMBER 31, 2014

ASSETS

Current Assets		
Cash		\$ 68,431.65
Escrow - Tax and Insurance		13,373.51
Escrow - Reserve		<u>32,291.28</u>
Total Current Assets		114,096.44
Fixed Assets		
Land	\$ 437,669.00	
Equipment	8,859.22	
Mobile Homes	90,749.00	
Improvements	<u>1,623,487.00</u>	
	2,160,764.22	
Less: Accumulated Depreciation	<u>(832,726.00)</u>	1,328,038.22
Other Assets		
Goodwill	3,155,414.20	
Refinancing Costs	<u>36,350.00</u>	
	3,191,764.20	
Less: Accumulated Amortization	<u>(1,342,586.00)</u>	1,849,178.20
Total Assets		<u>\$ 3,291,312.86</u>

LIABILITIES AND PARTNERS' CAPITAL

Current Liabilities		
Security Deposits		\$ 17,400.00
Note Payable - Trinity RCT, LP		10,000.00
Note Payable - Trinity Parks I, Ltd.		6,816.86
Current Portion of Long-Term Debt		<u>42,878.89</u>
Total Current Liabilities		77,095.75
Long-Term Debt		
Mortgage Payable	\$ 3,524,433.95	
Less: Current Portion of Long-Term Debt	<u>(42,878.89)</u>	3,481,555.06
Partners' Capital		
Partners' Capital		<u>(267,337.95)</u>
Total Liabilities and Partners' Capital		<u>\$ 3,291,312.86</u>

See accountant's compilation report

TRINTY SO PTN, LP
STATEMENT OF REVENUE, EXPENSES AND
PARTNERS' CAPITAL - INCOME TAX BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Revenue	
Rental Income - Net	\$ 961,567.65
Expenses	
Accounting and Tax	4,650.00
Advertising	8,731.00
Automobile Expense	2,221.59
Bank and Credit Card Fees	9,683.03
Insurance	21,855.84
Internet	1,549.64
Laboratory Fees	670.72
Legal	11,587.40
Licenses, Permits, and Fees	3,825.00
Management Fees	67,930.00
Miscellaneous Expense	1,356.05
Office Expense	5,718.11
Personnel/Contract Labor Expense	79,127.94
Repairs and Maintenance	23,729.75
Taxes - Ad Valorem	42,856.24
Telephone	3,254.72
Utilities	113,804.13
Waste Removal	18,147.17
Total Expenses	420,698.33
Excess Revenue Over Expenses Before Interest Expense, Depreciation, and Amortization	540,869.32
Other Income and (Expense)	
Amortization	(213,996.00)
Depreciation	(99,145.00)
Interest Expense	(236,628.11)
Total Other Income and (Expense)	(549,769.11)
Excess Expenses Over Revenue	(8,899.79)
Partners' Capital - Beginning	(51,211.42)
Less: Partners' Distributions	(207,226.74)
Partners' Capital - Ending	\$ (267,337.95)

See accountant's compilation report