



Control Number: 47012



Item Number: 1

Addendum StartPage: 0



## **Application for Sale, Transfer, or Merger of a Retail Public Utility**

Pursuant to Chapter 13.251 of the Texas Water Code

**Docket Number: 47012**

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, along with one copy of the portable electronic storage medium (such as CD or DVD) containing the GIS data shall be filed with

Public Utility Commission of Texas  
Attention: Filing Clerk  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

RECEIVED  
MAR 31 PM 1:35  
PUBLIC UTILITY COMMISSION  
FILING CLERK

No later than seven days after filing the application for the boundary change, provide a copy of each paper map and a portable electronic storage medium (such as CD, flash drive or DVD) containing complete and identical data to the portable electronic storage medium submitted above to

Texas Natural Resources Information System  
1700 N. Congress Ave, Room B40  
Austin, Texas 78701

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### Part A – General Information

\*RN# 102692175 \*CN# New, will file core data \* (PRIOR TCEQ ID numbers)

1. Proposed action of application (check all the boxes that apply):

<input checked="" type="checkbox"/> Sale of	<input checked="" type="checkbox"/> All <input type="checkbox"/> Portion	of the	<input checked="" type="checkbox"/> Water system(s) under CCN No.:	11427
<input type="checkbox"/> Acquisition			<input type="checkbox"/> Sewer system(s) under CCN No.:	
<input type="checkbox"/> Lease/Rental				

<input checked="" type="checkbox"/> Transfer of	<input checked="" type="checkbox"/> All <input type="checkbox"/> Portion	of the	<input checked="" type="checkbox"/> Certificated water service area – CCN No.:	11427
			<input type="checkbox"/> Certificated sewer service area – CCN No.:	

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

--

and to:

<input checked="" type="checkbox"/> Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN	
<input checked="" type="checkbox"/> Amend the transferee's CCN No.:	11427
<input type="checkbox"/> Merge or consolidate public utilities	
<input type="checkbox"/> Cancel CCN of the transferor (seller)	

2. Proposed effective date of this transaction: 8/30/2017

(Must be at least 120 days after proper notice is provided)

### Part B – Current Service Provider or Seller Information

Questions 3 through 5 apply to the transferor (current service provider or seller)

3. For the current CCN holder or service provider please indicate:

A. Name: Mountain City Oaks Water System

(Individual, Corporation or Other Legal Entity)

who is a(n):of ☐ Individual ☒ Corporation ☐ WSC ☐ HOA or POA ☐ Other

B. Utility Name (if different than above):

Address: 13314 Meadow Oaks Dr. Temple, TX 76502 2366 Telephone: (AC) (512) 567-4567

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name: John Anderson	Title: Owner
Address: 10383 Uhland, Tx 78640	Telephone: (AC) (512) 567-4579

Fax:

Email:

4. About the last rate increase for the system or facilities being transferred:

A. What was the effective date of the last rate increase?

B. Was notice of this increase provided to the Public Utility Commission of Texas (commission or PUC) or a predecessor regulatory authority?

☐ No ☒ Yes- Application/Docket Number:  Date

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
Tiffany Downey		\$ 150.00	\$ 0.00
Cindy Moffitt		\$ 100.00	\$ 0.00

### Part C – Purchaser or Transferee Information

Questions 6 through 16 refer to the transferee or purchaser.

6. For the person or entity acquiring the facilities and/or CCN:

Applicant:   
(Individual, Corporation, or Other Legal Entity)

Utility Name:   
(If different than above)

Utility Address:

Fax:  Email:  Telephone (AC):

CCN Numbers held prior to the filing of this application:

7. Check the appropriate box and provide information regarding the legal status of the transferee applicant:

☒ Individual  
☐ Home or Property Owners Association  
☐ Partnership; attach copy of partnership agreement  
☐ Corporation; provide charter number as recorded with the Office of the Secretary of State for Texas:   
☐ Non-profit, member owned, member-controlled Cooperative Corporation (Article 1434(a) Water Sewer Service Corporation); provide charter number:

<input checked="" type="checkbox"/>	Municipally-owned utility
<input type="checkbox"/>	District (MUD, SUD, WCID, etc.)
<input type="checkbox"/>	County
<input type="checkbox"/>	Other (please explain):

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:		Email	
Address			
Telephone (AC):		Fax (AC):	

9. If the applicant is other than an *Individual*, provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

•Name:	Phillip Taylor	Telephone (AC):	(512) 618-9932
Address:	204 Maple Dr, Mountain City, Tx, 78610		
Position:	Mayor	Ownership % (if applicable):	0.00%

•Name:	Ralph McClendon	Telephone (AC):	(512) 757-4787
Address:	317 Live Oak Dr, Mountain City, Tx, 78610		
Position:	Mayor-Protem	Ownership % (if applicable):	0.00%

•Name:	Cyndie Holmes	Telephone (AC):	(512) 262-2170
Address:	102 Poplar Dr, Mountain City, Tx, 78610		
Position:	Alderman	Ownership % (if applicable):	0.00%

•Name:	Ray Patterson	Telephone (AC):	(512) 217-2053
Address:	218 Maple Dr, Mountain City, Tx, 78610		
Position:	Alderman	Ownership % (if applicable):	0.00%

•Name:	Suzanne Hallman	Telephone (AC):	(512) 226-3298
Address:	215 Maple Dr, Mountain City, Tx, 78610		
Position:	Alderwoman	Ownership % (if applicable):	0.00%

•Name:	Lee Taylor	Telephone (AC):	(512) 431-4194
Address:	310 Juniper Dr, Mountain City, Tx, 78610		
Position:	Alderman	Ownership % (if applicable):	0.00%

- Attach additional sheet(s) if necessary -

- Important:** • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

Texas Comptroller of Public Accounts  
P. O. Box 13528, Capitol Station  
Austin, Texas 78711  
1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	Ralph McClendon	Title:	Alderman
Address:	317 Live Oak Dr, Mountain City, Tx 78610	Telephone (AC):	(512) 757-4787
Fax #		Email	Ralph.Mountaincity@gmail.com
Relationship to the applicant:	Mayor-Protem		

**IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY**

11. Please respond to each of the following questions. Attach additional sheets if necessary.

- A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

The City of Mountain City is a municipality. We have a city secretary, city treasurer, city council and mayor. The City has entered into contract negotiations with an appropriately licensed water operator. All contracts will be in place before the transfer of the system.

- B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the PUC, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? ☐ Yes ☒ No

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

--

- C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and PUC and ensure continuous and adequate service.

Revenue from operations, Certificates of Obligation and Taxing authority.

D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

Historically, the service previously provided by the investor owned utility operator has been excellent. The City has entered into contract negotiations with an appropriately licensed water operator. All contracts will be in place before the transfer of the system to maintain operations at the same level of service.

E. How will the transaction serve the public interest?

This transaction will protect the integrity and quality of the city's drinking water as well as maintain local control of our water supply and distribution system.

12. Please describe the nature of the proposed transaction:

The city will secure certificates of obligation to purchase the water system.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the PUC, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:

A.

- Total Purchase Price:
- Total Original Cost (as recorded on books of seller or merging entity):
- Accumulated Depreciation as of the proposed effective date of the transaction:
- Contributions in Aid of Construction:
  - Specific surcharges approved by TCEQ or PUC:
  - Revenues from explicit customer agreements:

- Developer Contributions (please explain):

N/A

- Other Contributions (please explain):

N/A

Total Contributions in Aid of Construction

- Net Book Value:

- ☐ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number:  Date:

- ☐ If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.

[attach additional sheet(s) if necessary]:

N/A

- C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	<input type="text"/>
Plant Acquisition Adjustment:	<input type="text"/>
Extraordinary Loss on Purchase:	<input type="text"/>
Accumulated Depreciation of Plant:	<input type="text"/>
Cash:	<input type="text"/>
Notes Payable:	<input type="text"/>
Mortgage Payable:	<input type="text"/>
Others (please list):	<input type="text" value="N/A"/>

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials:  Date:

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

☒ All the customers will be charged the same rates as they were charged before the transaction.  
☐ Some ☐ All customers will be charged different rates than they were charged before the transaction.



If rates are changing, please explain:

☐ Applicant is an IOU and intends to file with the commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

☒ Other. Please explain:

Applicant is a municipality.

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

City of Kyle, Texas CCN No. 11024  
AquaTexas CCN No. 11157  
Ruby Ranch WSC, CCN No. 12849  
Monarch Utilities, CCN No. 12983

16. Financial, Managerial and Technical information for the acquiring entity.

Please see Attachment A

# Part D – Historical Financial Information

<b>HISTORICAL BALANCE SHEETS</b>	<b>CURRENT YEAR (A)</b>	<b>A-1 YEAR</b>	<b>A-2 YEAR</b>	<b>A-3 YEAR</b>	<b>A-4 YEAR</b>	<b>A-5 YEAR</b>
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
<b>Total</b>						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
<b>Total</b>						
<b>TOTAL ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>TOTAL</b>						
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>TOTAL LIABILITIES</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES AND EQUITY</b>						
<b>WORKING CAPITAL</b>						
<b>CURRENT RATIO</b>						
<b>DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS</b>						

<b>HISTORICAL INCOME STATEMENT</b>	<b>CURRENT YEAR (A)</b>	<b>A-1 YEAR</b>	<b>A-2 YEAR</b>	<b>A-3 YEAR</b>	<b>A-4 YEAR</b>	<b>A-5 YEAR</b>
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps Per Year						
<b>Total Meters at Year End</b>						
<b>METER REVENUE</b>						
Fees Per Meter						
Cost Per Meter						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Fees						
Other						
<b>Gross Income</b>						
<b>OPERATING EXPENSES</b>						
General & Administrative						
Interest						
Other						
<b>NET INCOME</b>						

<b>HISTORICAL EXPENSE DETAIL</b>	<b>CURRENT YEAR (A)</b>	<b>A-1 YEAR</b>	<b>A-2 YEAR</b>	<b>A-3 YEAR</b>	<b>A-4 YEAR</b>	<b>A-5 YEAR</b>
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office Expense	575.00	2,086.24	1,057.42	8,143.46	953.88	1,640.66
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense	177.02	1,070.68	920.03	964.93	841.03	754.46
Utilities Expense						
Depreciation Expense						
Property Taxes	2,703.51		2,877.50	3,297.26		1,427.28
Professional Fees		1,350.00				
Other						
<b>Total</b>	<b>3,455.53</b>	<b>4,506.92</b>	<b>4,854.95</b>	<b>12,405.65</b>	<b>1,794.91</b>	<b>3,822.40</b>
<b>% Increase Per Year</b>		<b>-7.17</b>	<b>-60.87</b>	<b>591.16</b>	<b>-53.04</b>	<b>-33.87</b>
<b>OPERATIONAL EXPENSES</b>						
Salaries	8,400.00	50,400.00	50,400.00	46,200.00	46,500.00	35,600.00
Auto Expense						
Utilities Expense	572.39	6,065.02	6,130.88	7,282.28	6,377.50	8,813.18
Depreciation Expense						
Repair & Maintenance	7,454.12	3,994.29	2,825.54	10,276.63	52,905.10	6,575.12
Supplies	504.46	3,330.47	3,921.74	2,520.67	934.55	455.50
Other	2,470.10	10,744.04	8,883.85	10,226.64	8,879.27	9,544.84
<b>Total</b>	<b>15,941.24</b>	<b>77,993.65</b>	<b>72,162.01</b>	<b>76,506.22</b>	<b>115,596.42</b>	<b>60,988.64</b>
<b>% Increase Per Year</b>		<b>8.08</b>	<b>-5.68</b>	<b>-33.82</b>	<b>89.54</b>	<b>12.44</b>
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

## Part E – Projected Information

### PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
<b>Total</b>						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
<b>Total</b>						
<b>TOTAL ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>Total</b>						
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>TOTAL LIABILITIES</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES AND EQUITY</b>						
<b>WORKING CAPITAL</b>						
<b>CURRENT RATIO</b>						
<b>DEBT TO EQUITY RATIO</b>						
<b>EQUITY TO TOTAL ASSETS</b>						

**PROJECTED INCOME STATEMENT**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps Per Year						
<b>Total Meters at Year End</b>						
<b>METER REVENUE</b>						
Fees Per Meter						
Cost Per Meter						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Fees						
Other						
<b>Gross Income</b>						
<b>OPERATING EXPENSES</b>						
General & Administrative						
Interest						
Other						
<b>NET INCOME</b>						

**PROJECTED EXPENSE DETAIL**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
<b>Total</b>						
<b>% Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
<b>Total</b>						
<b>% Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

**PROJECTED SOURCES AND USES OF CASH STATEMENTS**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>SOURCES OF CASH</b>						
Net Income						
Depreciation (If Funded)						
Loan Proceeds						
Other						
<b>Total Sources</b>						
<b>USES OF CASH</b>						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
<b>Total Uses</b>						
<b>NET CASH FLOW</b>						
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt						
<b>SERVICE (CADS)</b>						
Net Income (Loss)						
Depreciation, or Reserve Interest						
<b>Total</b>						
<b>REQUIRED DEBT SERVICE (RDS)</b>						
Principle Plus Interest						
<b>DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by RDS						



## Part F – TCEQ Public Water or Sewer System Information

- Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems. TCEQ Public Water System Identification Number:

1	0	5	0	0	6	2
---	---	---	---	---	---	---

Date of last inspection:

5/24/2016

B. For Wastewater Systems:

-TCEQ Discharge Permit Number:

W Q

--	--	--	--	--	--

--	--	--

-Name of Permittee:

--

-Date of application to transfer Discharge Permit submitted:

--

-Date of application to transfer Discharge Permit approved by TCEQ:

--

18. A. Are any improvements required to meet TCEQ or PUC standards?

☐

Yes

☒

No. If yes, please explain:

--

B. Is there a moratorium on new connections?

☐

Yes

☒

No. If yes, please explain:

--

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? ☒ Yes ☐ No

If yes, indicate the number of customers within the city limits or district boundaries:

237 Water Sewer

- Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? ☒ Yes ☐ No  
☐ Water ☐ Sewer Purchased on a ☐ Regular ☐ Seasonal ☒ Emergency Basis

• Source:  % of total supply:

21. List the number of existing connections to be effected by this transaction.

Water				Sewer	
	-Non Metered		-2" meter	-Residential Connection	
236	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
1	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
Total Water Connections:			237	Total Sewer Connections	

20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? ☐ Yes ☒ No  
If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
Operations Agreement under negotiation, will be provided upon completion		

24. Attach the following maps with each copy of the application:

- One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN. Please see Exhibit 1
- One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
  - A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county. Please see Exhibit 2
  - A map showing only the proposed area by:
    - metes and bounds survey certified by a licensed state or registered professional land surveyor; or
    - projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or Please see enclosed CD
    - following verifiable natural and man-made landmarks, or
    - a copy of recorded plat map with metes and bounds.
  - A written description of the proposed service area.

**Part G Oaths and Notices**

**OATH FOR SELLER OR FORMER SERVICE PROVIDER**

STATE OF Texas

COUNTY OF Hays

I, John Anderson, being duly sworn, file this application for sale, lease, rental or merger or consolidation as Owner (*indicate relationship to applicant*) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(i) and copies of any outstanding Orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, or Attorney General and have also complied with the notice requirements in Section 13.301(k) of the Texas Water Code.

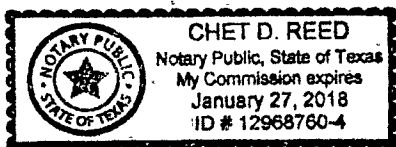
  
AFFIANT  
(Utility's Authorized Representative)

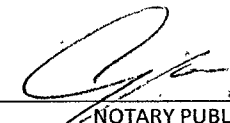
If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, this

day Thurs, of MARCH, 20 17.

30th  
SEAL



  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Chet Reed  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

1/27/18

One copy of this page must be submitted for each utility involved in this transaction.

**OATH FOR PURCHASER OR ACQUIRING ENTITY**

STATE OF Texas

COUNTY OF Hays

I, Ralph McClendon, being duly sworn, file this application for

sale, lease, rental or merger or consolidation as Mayor-Protem  
(indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

Ralph McClendon  
AFFIANT

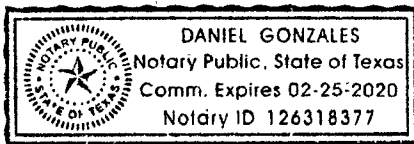
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, this  
day 29 of March, 20 17.

SÉAL



[Signature]  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Daniel Gonzales  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

2-25-2020

One copy of this page must be submitted for each utility involved in this transaction.

**Notice to Current Customers, Neighboring Systems and Cities**

Mountain City Oaks Water System 'S  
(Seller's or Transferor's Name)

**NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND**

**NECESSITY (CCN) NO** 11427 **TO** City of Mountain City  
(Purchaser's or Transferee's Name)

**IN** Hays **COUNTY, TEXAS**

**To:**   **Date Notice Mailed**  , 20 17  
(Name of Customer, Neighboring System or City)

   
(Address)

   
City State Zip

Mountain Oaks Water System	3314 MEADOW OAKS DR.	TEMPLE, TX	76052
Sellers or Transferors' Name	Address	City/State/Zip Code	

has submitted an application with the Public Utility Commission of Texas to sell facilities and transfer water or sewer (please select) CCN No. 11427 in Hays [County Name]

County to:

City of Mountain City	101 Mountain City Dr.	Mountain City, Texas	78610
Purchasers or Transferee's Name	Address	City/State/Zip Code	

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN include the following subdivision(s):

City of Mountain City as a whole

The area subject to this transaction is located approximately 0 miles   [direction] of downtown Mountain City, [City or Town] Texas, and is **generally** bounded on the north by

Mariettas Way ; on the east by Jack C. Hays Trail  
; on the south by Jack C. Hays High School ; and on the west by a line ~600 feet west of Maple Dr.

The total area being requested includes approximately 211.4 acres and serves 237 current customers.

This transaction will have the following effect on the current customer's rates and services:

Rates will remain the same. Service will transfer to a contracted licensed water operator to maintain the same level of service.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) include the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Commission will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Commission may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

**Se desea informacion en Espanol, puede llamar al  
1-888-782-8477**

Mr. John Anderson

Utility Representative

Mountain City Oaks Water System

Utility Name

**Notice to Current Customers, Neighboring Systems, Landowner and Cities**

Mountain City Oaks Water System 'S NOTICE OF INTENT TO SELL FACILITIES TO  
(Seller's or Transferor's Name)

City of Mountain City, Texas AND FOR City of Mountain City, Texas  
(Purchaser's or Transferee's Name) Purchaser's or Transferee's Name)

TO OBTAIN OR AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN  
Hays COUNTY, TEXAS

To:   Date Notice Mailed  , 20 17  
(Name of Customer, Neighboring System, Landowner or City)

   
(Address)  
   
City State Zip

Mountain Oaks Water System	3314 Meadow Oaks Drive	Temple, Texas 76052
Sellers or Transferors' Name	Address	City/State/Zip Code

has submitted an application with the Public Utility Commission of Texas to sell water or sewer (please select) Facilities in Hays [County Name] County to:

City of Mountain City, Texas	101 Mountain City Drive	Mountain City, Texas 78610
Purchasers or Transferee's Name	Address	City/State/Zip Code

The transferee has also requested to obtain/amend a CCN in this application. The sale is scheduled to take place as approved by the Commission (Texas Water Code §13.301). The transaction and the proposed service area include the following subdivision(s):

City of Mountain City

The area subject to this transaction is located approximately 0 miles   [direction] of downtown Mountain City, [City or Town] Texas, and is **generally** bounded on the north by

Mariettas Way ; on the east by Jack C. Hays Trail  
; on the south by Jack C. Hays High School ; and on the west by a line 600 feet west of Maple Drive

The total area being requested includes approximately 211.4 acres and serves 237 current customers.

This transaction will have the following effect on the current customer's rates and services:

Rates will remain the same. Service will transfer to a contracted licensed water operator to maintain the same level of service.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) include the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Commission will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no

protests or requests for hearing are filed during the comment period, the Commission may issue the CCN 30 days after publication of this notice.

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Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

**Se desea informacion en Espanol, puede llamar al  
1-888-782-8477**

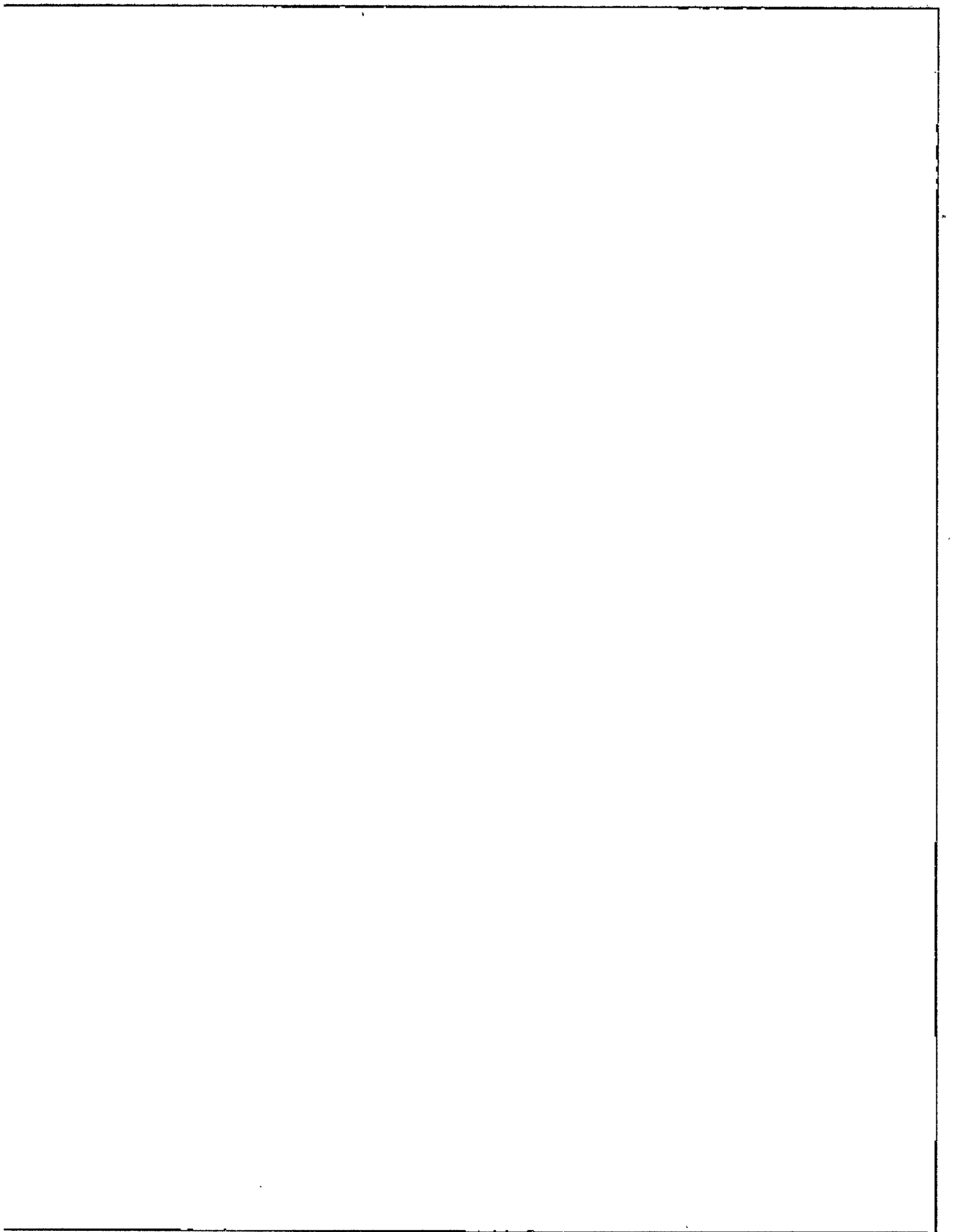
Mr. John Anderson

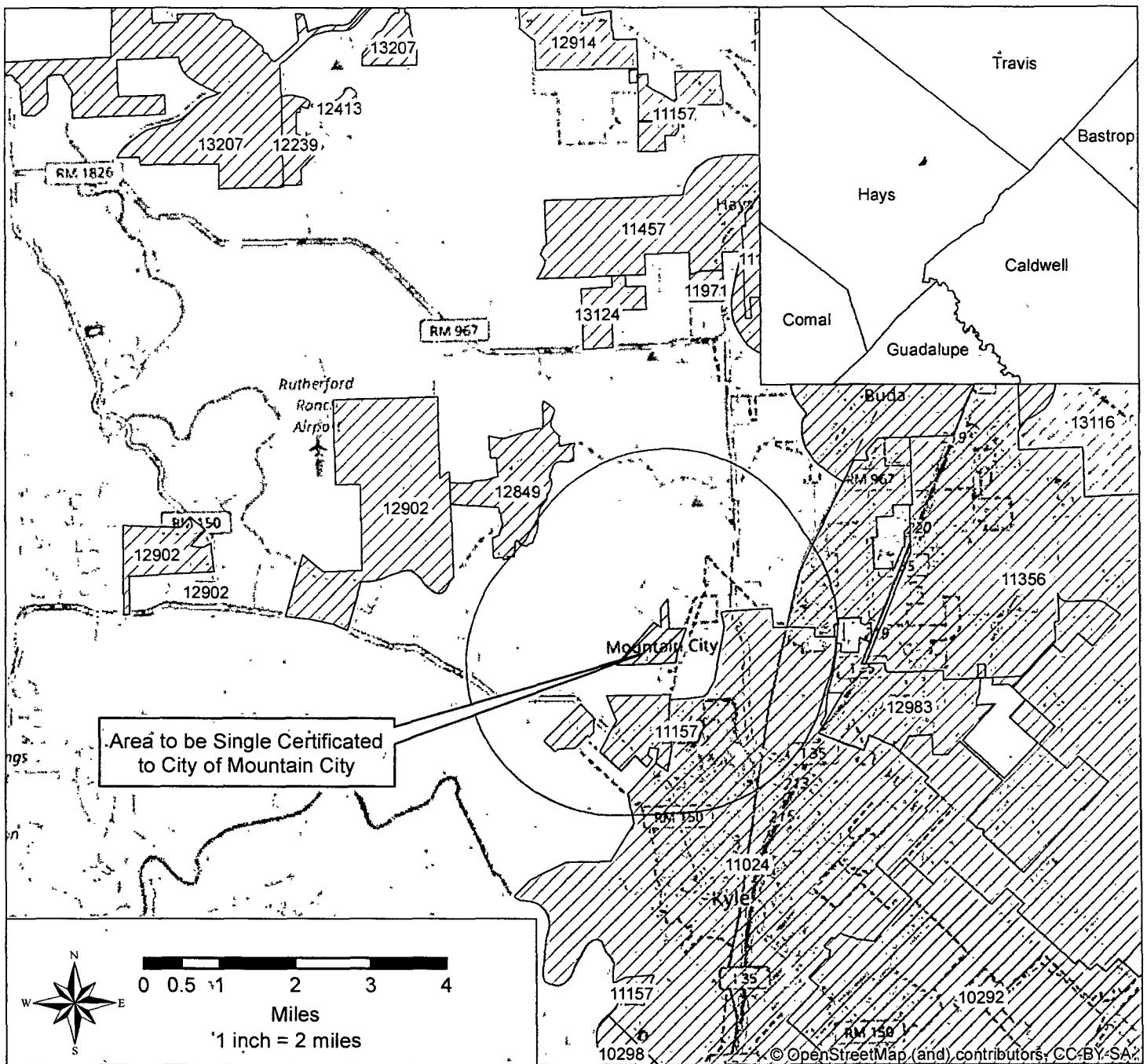
Utility Representative

Mountain City Oaks Water System

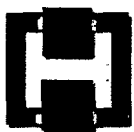
Utility Name







2-mile Buffer	CITY OF KYLE (11024)	MYSTIC OAK WATER SUPPLY INC (12409)
Area to Transfer	CITY OF SAN MARCOS (10298)	OAK FOREST WSC (13124)
<b>Description</b>	COUNTY LINE WSC (10292)	RADIANCE WSC (12413)
AQUA TEXAS INC (11157)	CREEDMOOR MAHA WSC (11029)	ROCKET WATER CO INC (12776)
AQUA TEXAS INC (12902)	FOREST OAKS MOBILE HOMES LLC (12086)	RUBY RANCH WSC (12849)
ARROYO DOBLE WATER SUPPLY INC (11117)	GOFORTH SUD (11356)	SLAUGHTER CREEK ACRES WSC (11725)
CIMARRON PARK WATER CO (12140)	GOLDENWOOD WEST WSC (12239)	SUNFIELD MUD 4 (13116)
CITY OF AUSTIN (11322)	HUNTINGTON UTILITY CO LLC (11971)	TWIN CREEK PARK WATER SYSTEM (11341)
CITY OF BUDA (11953)	MID-TEX UTILITIES INC (12914)	WEST TRAVIS COUNTY PUBLIC UTILITY (13207)
CITY OF HAYS (11457)	MONARCH UTILITIES I LP (12983)	WOODS OF BEAR CREEK WATER (11907)

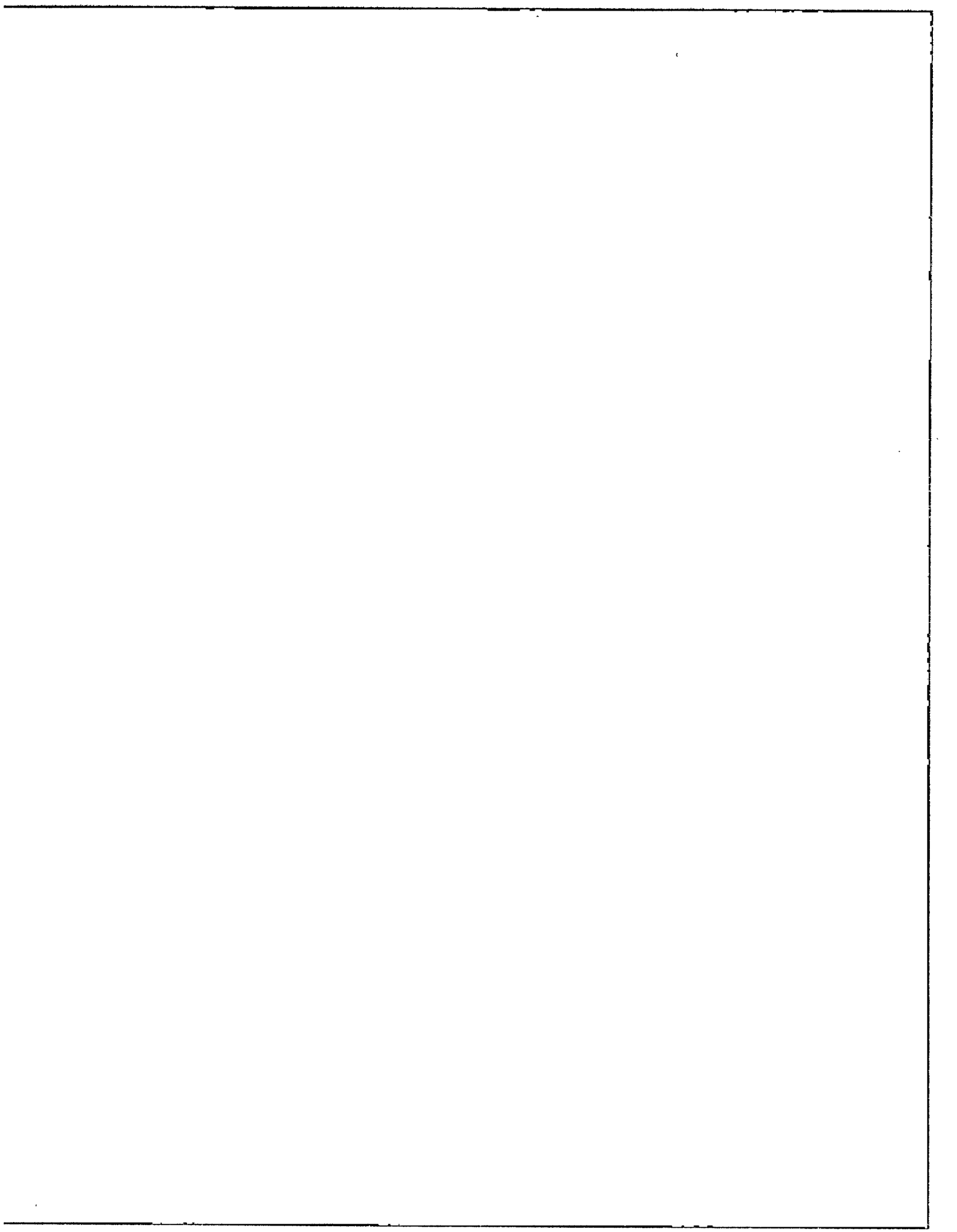


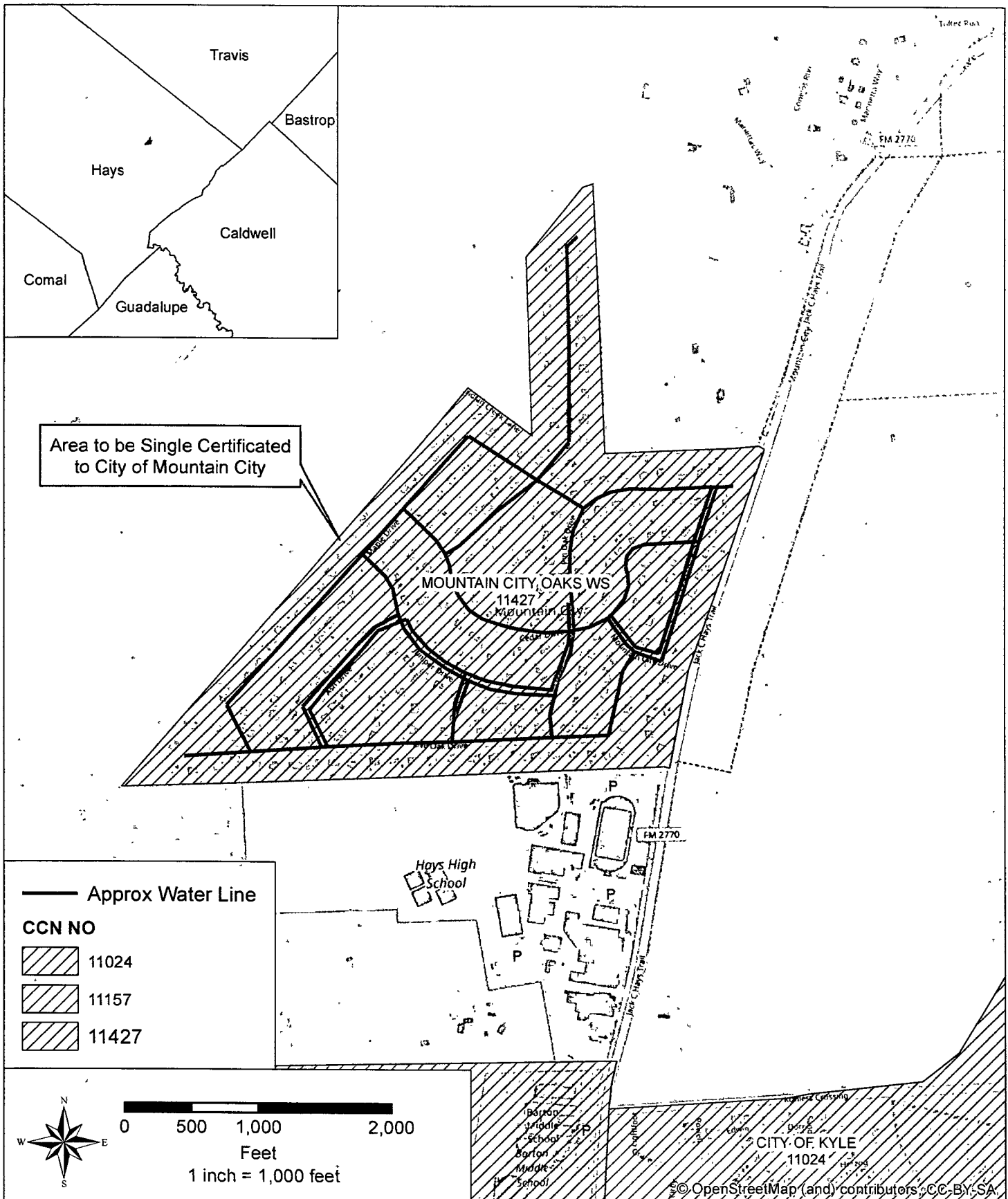
**Harkins  
Engineering,  
Inc.**

**carollo**  
Engineers...Working Wonders With Water®

**Exhibit 1**  
**CCN Transfer**  
Mountain City  
Hays County, Texas

March 2017





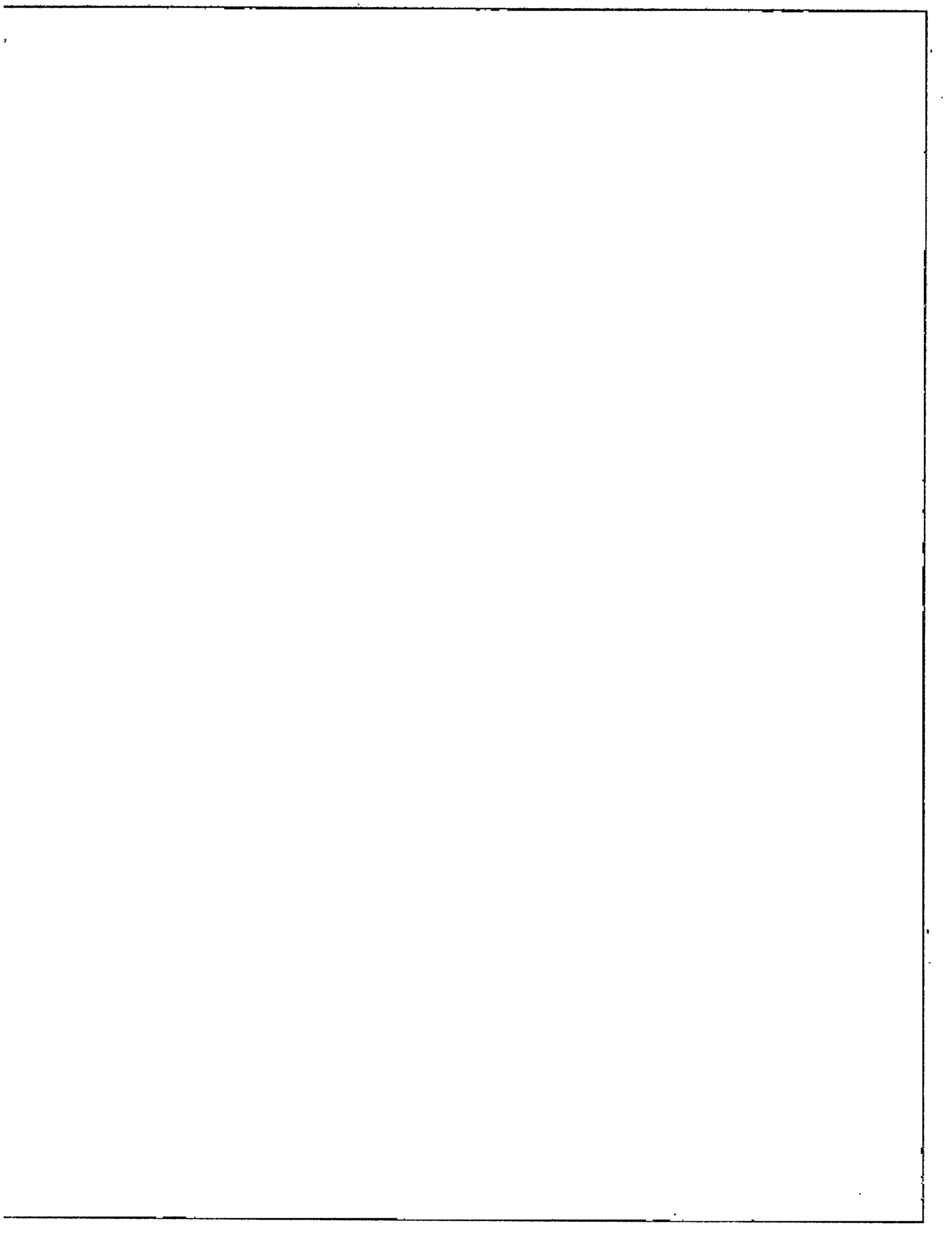
**Harkins  
Engineering,  
Inc.**

**carollo**  
Engineers.. Working Wonders With Water®

## Exhibit 2

**CCN Transfer**  
Mountain City  
Hays County, Texas

March 2017



Communication to the Aldermen

Mountain City

Fiscal Year 2016

# JANSEN AND GREGORCZYK

Certified Public Accountants  
P.O. Box 1778 Kyle, TX 78640  
(512) 268-2749

February 28, 2017

To the Board of Aldermen  
Mountain City

We have audited the financial statements of Mountain City ("The City") for the year ended September 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 19, 2017. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting The City's financial statements was:

Management's estimate of the depreciation expense and related accumulated depreciation is based on the useful lives of fixed assets. We evaluated the key factors and assumptions used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 28, 2017.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Aldermen and management of The City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Jansen and Gregorczyk



**JANSEN AND GREGORCZYK**

**Certified Public Accountants**

**P.O. Box 1778**

**Kyle, TX 78640**

**(512)268-2749**

**Accountant's Compilation Report**

To the Board of Aldermen  
Mountain City

We have compiled the accompanying balance sheet of Mountain City as of September 30, 2013, and the related statements of income, retained earnings, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Jansen and Gregorczyk  
February 28, 2017

**Mountain City**  
**Balance Sheet**  
As of September 30, 2013

---

	<u>Sep 30, 13</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Wells Fargo Checking	1,893.85
Wells Fargo Savings	148,984.22
Total Checking/Savings	<u>150,878.07</u>
Total Current Assets	150,878.07
Fixed Assets	
Accumulated Depreciation	-18,261.00
Buildings	182,608.00
Land	2,500.00
Total Fixed Assets	<u>166,847.00</u>
<b>TOTAL ASSETS</b>	<u><u>317,725.07</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Long Term Liabilities	
Note Payable - Wells Fargo	73,042.70
Total Long Term Liabilities	<u>73,042.70</u>
Total Liabilities	73,042.70
Equity	
Opening Balance Equity	208,622.91
Net Income	36,059.46
Total Equity	<u>244,682.37</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>317,725.07</u></u>

See accountant's compilation report

**Mountain City**  
**Profit & Loss**  
October 2012 through September 2013

---

	<u>Oct '12 - Sep 13</u>
<b>Income</b>	
Ad Valorem Tax Revenue	50,707.98
Interest Income	163.53
Other Income	20,887.03
Sales Tax Revenue	<u>7,233.02</u>
<b>Total Income</b>	78,991.56
<b>Expense</b>	
Advertising	459.86
Appraisal Fees	596.03
City Services	14,032.58
Cleaning	640.00
Depreciation Expense	6,087.00
Fees	536.00
Insurance	2,041.50
Interest Expense	4,730.63
IT Expenses	867.23
Legal Fees	2,382.85
Mowing	2,260.00
Office Supplies	266.19
Payroll Taxes	702.40
Postage	170.60
Repairs and Maintenance	233.60
Salary Expense	4,457.20
Telephone	532.26
Utilities	
Electricity	1,097.19
Propane	531.00
Water	<u>307.98</u>
<b>Total Utilities</b>	<u>1,936.17</u>
<b>Total Expense</b>	<u>42,932.10</u>
<b>Net Income</b>	<u><u>36,059.46</u></u>

See accountant's compilation report

**Mountain City**  
**Statement of Cash Flows**  
October 2012 through September 2013

---

	Oct '12 - Sep 13
<b>OPERATING ACTIVITIES</b>	
Net Income	36,059.46
Net cash provided by Operating Activities	36,059.46
<b>INVESTING ACTIVITIES</b>	
Accumulated Depreciation	18,261.00
Buildings	-182,608.00
Land	-2,500.00
Net cash provided by Investing Activities	-166,847.00
<b>FINANCING ACTIVITIES</b>	
Note Payable - Wells Fargo	73,042.70
Opening Balance Equity	208,622.91
Net cash provided by Financing Activities	281,665.61
Net cash increase for period	150,878.07
Cash at end of period	150,878.07

See accountant's compilation report

**JANSEN AND GREGORCZYK**

Certified Public Accountants

P.O. Box 1778

Kyle, TX 78640

(512)268-2749

**Accountant's Compilation Report**

To the Board of Aldermen  
Mountain City

We have compiled the accompanying balance sheet of Mountain City as of September 30, 2014, and the related statements of income, retained earnings, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Jansen and Gregorczyk  
February 28, 2017

**Mountain City**  
**Balance Sheet**  
As of September 30, 2014

---

	<u>Sep 30, 14</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Wells Fargo Checking	4,604.88
Wells Fargo Savings	178,170.38
<b>Total Checking/Savings</b>	<u>182,775.26</u>
<b>Total Current Assets</b>	182,775.26
<b>Fixed Assets</b>	
Accumulated Depreciation	-24,348.00
Buildings	182,608.00
Land	2,500.00
<b>Total Fixed Assets</b>	<u>160,760.00</u>
<b>TOTAL ASSETS</b>	<u><u>343,535.26</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
Long Term Liabilities	
Note Payable - Wells Fargo	62,964.81
<b>Total Long Term Liabilities</b>	<u>62,964.81</u>
<b>Total Liabilities</b>	62,964.81
<b>Equity</b>	
Opening Balance Equity	208,622.91
Retained Earnings	36,059.46
Net Income	35,888.08
<b>Total Equity</b>	<u>280,570.45</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>343,535.26</u></u>

See accountant's compilation report

**Mountain City**  
**Profit & Loss**  
October 2013 through September 2014

---

	Oct '13 - Sep 14
<b>Income</b>	
Ad Valorem Tax Revenue	55,038.79
Interest Income	49.74
Other Income	21,034.68
Sales Tax Revenue	8,054.51
	<hr/>
<b>Total Income</b>	84,177.72
<b>Expense</b>	
Advertising	84.71
Appraisal Fees	652.64
City Services	13,961.59
Cleaning	575.00
Depreciation Expense	6,087.00
Fees	536.00
Insurance	2,211.26
Interest Expense	4,108.24
IT Expenses	1,067.38
Legal Fees	178.72
Mowing	5,800.00
Office Equipment	193.90
Office Supplies	875.51
Payroll Taxes	803.40
Postage	163.60
Repairs and Maintenance	3,432.50
Salary Expense	4,432.80
Sign Repairs	266.20
Telephone	537.42
Utilities	
Electricity	1,220.13
Propane	797.05
Water	304.59
	<hr/>
<b>Total Utilities</b>	2,321.77
	<hr/>
<b>Total Expense</b>	48,289.64
	<hr/>
<b>Net Income</b>	35,888.08
	<hr/> <hr/>

See accountant's compilation report

**Mountain City**  
**Statement of Cash Flows**  
October 2013 through September 2014

---

	Oct '13 - Sep 14
OPERATING ACTIVITIES	
Net Income	35,888.08
Net cash provided by Operating Activities	35,888.08
INVESTING ACTIVITIES	
Accumulated Depreciation	6,087.00
Net cash provided by Investing Activities	6,087.00
FINANCING ACTIVITIES	
Note Payable - Wells Fargo	-10,077.89
Net cash provided by Financing Activities	-10,077.89
Net cash increase for period	31,897.19
Cash at beginning of period	150,878.07
Cash at end of period	182,775.26



**JANSEN AND GREGORCZYK**

Certified Public Accountants

P.O. Box 1778  
Kyle, TX 78640  
(512)268-2749

**Accountant's Compilation Report**

To the Board of Aldermen  
Mountain City

We have compiled the accompanying balance sheet of Mountain City as of September 30, 2015, and the related statements of income, retained earnings, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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Jansen and Gregorczyk  
February 28, 2017

**Mountain City**  
**Balance Sheet**  
As of September 30, 2015

---

	<u>Sep 30, 15</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Wells Fargo Checking	27,189.78
Wells Fargo Savings	160,813.41
<b>Total Checking/Savings</b>	<u>188,003.19</u>
<b>Total Current Assets</b>	188,003.19
<b>Fixed Assets</b>	
Accumulated Depreciation	-30,435.00
Buildings	182,608.00
Land	2,500.00
<b>Total Fixed Assets</b>	<u>154,673.00</u>
<b>TOTAL ASSETS</b>	<u><u>342,676.19</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
Long Term Liabilities	
Note Payable - Wells Fargo	52,321.10
<b>Total Long Term Liabilities</b>	<u>52,321.10</u>
<b>Total Liabilities</b>	52,321.10
<b>Equity</b>	
Opening Balance Equity	208,622.91
Retained Earnings	71,947.54
Net Income	9,784.64
<b>Total Equity</b>	<u>290,355.09</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>342,676.19</u></u>

See accountant's compilation report

**Mountain City  
Profit & Loss**

October 2014 through September 2015

---

	<u>Oct '14 - Sep 15</u>
<b>Income</b>	
Ad Valorem Tax Revenue	59,143.33
Interest Income	49.25
Other Income	<u>30,412.27</u>
<b>Total Income</b>	89,604.85
<b>Expense</b>	
Advertising	142.10
Appraisal Fees	958.09
City Services	11,030.70
Cleaning	500.00
Depreciation Expense	6,087.00
Fees	536.00
Insurance	2,159.02
Interest Expense	3,546.04
IT Expenses	1,036.46
Legal Fees	11,189.08
Mowing	4,889.25
Office Equipment	2,055.80
Office Supplies	328.63
Payroll Expenses	906.95
Postage	49.00
Repairs and Maintenance	17,214.30
Salary Expense	5,688.65
Sign Repairs	8,883.50
Telephone	541.55
Utilities	
Electricity	1,177.97
Propane	595.00
Water	<u>305.12</u>
<b>Total Utilities</b>	<u>2,078.09</u>
<b>Total Expense</b>	<u>79,820.21</u>
<b>Net Income</b>	<u><u>9,784.64</u></u>

See accountant's compilation report

**Mountain City**  
**Statement of Cash Flows**  
October 2014 through September 2015

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	<u>Oct '14 - Sep '15</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	9,784.64
Net cash provided by Operating Activities	9,784.64
<b>INVESTING ACTIVITIES</b>	
Accumulated Depreciation	6,087.00
Net cash provided by Investing Activities	6,087.00
<b>FINANCING ACTIVITIES</b>	
Note Payable - Wells Fargo	-10,643.71
Net cash provided by Financing Activities	-10,643.71
Net cash increase for period	5,227.93
Cash at beginning of period	182,775.26
Cash at end of period	<u>188,003.19</u>