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OF TEXAS

**APPLICATION OF AQUA WATER
SUPPLY CORPORATION AND
POLONIA WATER SUPPLY
CORPORATION FOR SALE,
TRANSFER, OR MERGER OF
FACILITIES AND CERTIFICATE
RIGHTS IN CALDWELL COUNTY**

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**AQUA WATER SUPPLY CORPORATION AND POLONIA WATER SUPPLY
CORPORATION's SUPPLEMENT TO APPLICATION**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

COMES NOW, Aqua Water Supply Corporation ("Aqua WSC"), and Polonia Water Supply Corporation ("Polonia WSC") (collectively, "Applicants") in the above-referenced matter, and hereby file this supplement to their Application in order to provide additional financial information, and would respectfully show the following:

I. APPLICATION BACKGROUND

On June 24, 2021, the Applicants filed an application (the "Application") for approval of the sale and transfer of certificate of convenience and necessity ("CCN") rights in Caldwell County. Aqua WSC seeks approval to acquire facilities and to transfer all of Polonia WSC's certificated water service area in Polonia WSC's CCN Number 10420 to Aqua WSC's CCN Number 10294, and the cancelation of Polonia WSC's water CCN number. On June 25, 2021, the Honorable Administrative Law Judge issued Order No. 1 requiring comments from Commission Staff on the administrative completeness of the Application and proposed procedural schedule, if applicable. The Applicants have been in communication with Commission Staff and deficiencies were identified in the financial information the Applicants provided with the Application.

II. APPLICATION SUPPLEMENT

Accordingly, the Applicants are providing the attached Financial Statements and Independent Accountants' Review Report for the fiscal year ended December 31, 2019 for Polonia WSC as **Attachment A**, as well as financial statements for December 31, 2020 for Polonia WSC as **Attachment B**, which should address the deficiencies identified in the financial information previously provided by the Applicants.

III. CONCLUSION AND PRAYER

Based on the foregoing, and subject to Commission Staff's review and recommendation, the Applicants respectfully request the issuance of an order finding the Application complete and sufficient with the filing of this supplemental information.

Respectfully submitted,

/s/ Ty H. Embrey
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ATTORNEY FOR
AQUA WATER SUPPLY CORPORATION

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on this the 13th day of July, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Ty H. Embrey
Ty H. Embrey

Attachment A

**POLONIA WATER
SUPPLY CORPORATION
(A NONPROFIT CORPORATION)**

**FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

YEAR ENDED DECEMBER 31, 2019

**POLONIA WATER SUPPLY CORPORATION
(A NONPROFIT CORPORATION)
TABLE OF CONTENTS**

	<u>PAGE</u>
Independent Accountants' Review Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Revenue, Expense, and Changes in Net Assets	3
Statement of Functional Expense.....	4
Statement of Cash Flows.....	5
Notes to the Financial Statements	6



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Polonia Water Supply Corporation

Report on Financial Statements

We have reviewed the accompanying financial statements of Polonia Water Supply Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Valentine & Associates, CPAs, PLLC

Valentine & Associates, CPAs, PLLC
Marble Falls, Texas
November 25, 2020

POLONIA WATER SUPPLY CORPORATION
(A NONPROFIT CORPORATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	<u>2019</u>
Current assets:	
Cash and cash equivalents (Note 2)	\$ 1,302,373
Investments (Note 3)	323,572
Accounts receivable, net of allowance for doubtful	<u>187,865</u>
Total current assets	1,813,810
Property and equipment, net of accumulated depreciation of \$5,877,415 (Note 4)	4,690,019
Intangible asset	<u>275,655</u>
Total assets	<u>\$ 6,779,484</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 38,316
Accrued Expenses	8,967
Unearned revenue	<u>25,291</u>
Total current liabilities	72,574
Total liabilities	<u>72,574</u>
Net assets:	
Without donor restrictions:	
Undesignated	<u>6,706,910</u>
Total net assets	<u>6,706,910</u>
Total liabilities and net assets	<u>\$ 6,779,484</u>

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

POLONIA WATER SUPPLY CORPORATION
(A NONPROFIT CORPORATION)
STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2019

	December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Water and meter sales, net of cost of sales of \$315	\$ 1,975,034	\$ -	\$ 1,975,034
Other revenue:			-
Operations, maintenance, and expansion fees	349,305	-	349,305
Interest income and late fees	5,785	-	5,785
Total revenue	2,330,124	-	2,330,124
Expense:			
Program services	1,357,865	-	1,357,865
Management and general	266,459	-	266,459
Fundraising	-	-	-
Total expense	1,624,324	-	1,624,324
Increase in net assets	705,800	-	705,800
Net assets, beginning of year	6,001,110	-	6,001,110
Net assets, end of year	\$ 6,706,910	\$ -	\$ 6,706,910

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

POLONIA WATER SUPPLY CORPORATION
(A NONPROFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSE
YEARS ENDED DECEMBER 31, 2019

	December 31, 2019			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, wages and benefits	\$ 402,658	\$ 100,665	\$ -	\$ 503,323
Repairs and maintenance	171,752	-	-	171,752
Utilities	110,222	37,119	-	147,341
Office and general business expense	108,468	44,018	-	152,486
Insurance	123,241	21,748	-	144,989
Depreciation & amortization	379,801	54,604	-	434,405
Legal and professional	61,723	8,305	-	70,028
	<u>\$ 1,357,865</u>	<u>\$ 266,459</u>	<u>\$ -</u>	<u>\$ 1,624,324</u>
Total functional expenses				

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

POLONIA WATER SUPPLY CORPORATION
(A NONPROFIT CORPORATION)
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>
Cash flows from operating activities:	
Increase in net assets	\$ 705,800
Adjustments to reconcile net assets	
to net cash flows from operating activities:	
Depreciation	364,024
Amortization	70,380
(Increase) decrease in:	
Accounts receivable, net	(74,148)
Increase (decrease) in:	
Accounts payable	-
Accrued expenses	6,098
Unearned revenue	<u>25,291</u>
Net cash flows from operating activities	<u>1,097,445</u>
Cash flows from investing activities:	
Purchase of property and equipment	<u>(810,715)</u>
Net cash flows from investing activities:	<u>(810,715)</u>
Cash flows from financing activities:	
Proceeds from membership issuance	<u>11,200</u>
Net cash flows from investing activities:	<u>11,200</u>
Net increase (decrease) in cash and cash equivalents	297,930
Cash and cash equivalents, beginning of year	<u>1,004,443</u>
Cash and cash equivalents, end of year	\$ <u><u>1,302,373</u></u>
Supplemental disclosures of cash flow information:	
Cash paid for interest	\$ <u><u>-</u></u>

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

POLONIA WATER SUPPLY CORPORATION
(A NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

Polonia Water Supply Corporation is a Texas nonprofit corporation, member owned and controlled corporation (the "Corporation"). The Corporation furnishes water services to homes and businesses in the central Texas area and is headquartered in Dale, Texas. The Corporation's operating policies, rates and regulations are adopted by a Board of Directors, who are elected by the members of the Corporation.

The management of the Corporation is responsible for the accuracy and internal consistency of the preparation of the financial statements and notes contained in this annual report.

Federal income tax:

The Corporation is exempt from federal income tax under section 501(c)(12) of the Internal Revenue Code. In addition, the Corporation has been classified as an organization that is not a private foundation. There was no unrelated business income for the years ended December 31, 2019.

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 740, Income Taxes, requires extensive disclosures about uncertain tax positions. The requirements of this standard are applicable to nonprofit organizations. The Corporation evaluates any uncertain tax positions using the provisions of FASB ASC 450, Contingencies. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management's judgment with respect to the likely outcome of each uncertain tax position.

The Corporation does not believe that it has engaged in any situations that would result in an uncertain tax position. As a result, management does not believe that any uncertain tax positions currently exist and therefore, no loss contingency has been recognized in the accompanying financial statements. Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination. Currently, the Corporation does not have any open examinations with either the Internal Revenue Service or state taxing authorities.

Revenue recognition:

The Corporation's revenue is generally from water and meter sales and providing services to its customers. Revenue is recognized when the water is consumed by the customer and other sales or services are recognized when the product is delivered or service is provided.

Basis of accounting:

The financial statements of the Corporation have been prepared utilizing the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America (GAAP) applicable to nonprofit organizations.

POLONIA WATER SUPPLY CORPORATION
(A NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
– CONTINUED

Financial statement presentation:

Financial statement presentation follows the authoritative provisions of accounting guidance on financial statement presentation, the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Sections 958-205, *Not-for-Profit Entities*. The Organization is required to report information regarding its financial position and activities according to three classes based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization has no net assets with donor restrictions.

Use of estimates:

The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Concentrations of credit risk:

Financial instruments that potentially expose the Corporation to credit risk consist of cash. Cash is maintained at high-quality financial institutions. The Corporation's balances at these financial institutions may at times exceed federally insured limits; however, the Corporation has not experienced any losses on its cash.

The Corporation's customer base consists of commercial entities and individuals. The Corporation regularly extends credit to these customers in the form of monthly utility billings and rarely requires collateral. Management monitors credit levels and the financial condition of its customers to minimize credit risk and management believes that adequate provision for credit loss has been made.

Cash and cash equivalents:

For the purpose of the statement of financial position and the statement of cash flows, the Corporation considers all short-term investments with an original maturity of three months or less to be cash and cash equivalents.

POLONIA WATER SUPPLY CORPORATION
(A NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
– CONTINUED

Accounts receivable:

Accounts receivable are presented in the statement of financial position less an allowance for doubtful accounts. Accounts receivable are granted on a thirty-day basis, at which time the account is classified as past due. Late fees are charged on balances after fifteen days past due. Past due accounts are charged-off after all reasonable attempts of collection are exhausted. Interest is not accrued on past due balances.

Property and equipment:

Property and equipment acquired by the Corporation is considered to be owned by the Corporation. The Corporation follows the practice of capitalizing, at historical cost, all expenditures over \$5,000 for property and equipment. The cost of ordinary repairs and maintenance is expensed as incurred. Depreciation is computed on the straight-line basis over the useful lives of the assets generally as follows:

Buildings and improvements	20-40 years
Storage tanks and pressure system	10-40 years
Water wells, lines, and meters	10-40 years
Machinery and equipment	3-10 years
Trucks, tractors, and cutters	3-10 years
Furniture and fixtures	3-10 years
Computers and software	3-10 years

Intangible Assets:

The Organization entered a water contract in prior years to obtain the right to purchase water from outside sources for \$351,900. The Corporation's intangible asset does not have an indefinite life and is amortized over the useful life of the contract. The Corporation has amortized \$76,245 currently and \$70,380 for year end December 31, 2019.

Fair Value Measurements:

FASB ASC 820-10, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs. See Note 8 for further detail and summary of financial assets and liabilities measured at fair value.

Functional Allocation of Expenses:

The costs of providing the various program and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Therefore, expenses require allocation on a reasonable bases that is consistently applied. The expenses that are allocated include salaries, wages and benefits, repairs and maintenance, office and general business expense, utilities, interest, professional fees, and other, which are allocated on the basis of estimates of time and effort. The Corporation did not incur any fundraising expenses during the current or previous year.

POLONIA WATER SUPPLY CORPORATION
(A NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
– CONTINUED

Legal Proceedings:

The Corporation currently has no lawsuits, actions, or other legal proceedings pending claims against them that would have a material impact on the statement of financial condition. However, the Corporation could, from time to time, be involved in litigation proceedings arising out of its normal course of business.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank accounts that are available for use in current operations. Cash and cash equivalents totaled \$1,302,373 at December 31, 2019, which is equivalent to the fair market value. As of December 31, 2019, the Corporation had funds in the amount of \$1,163,440 that were uninsured.

NOTE 3 – INVESTMENTS

Investments consisting of certificates of deposits held at two financial institutions are recorded at fair value in the amounts of \$323,572 as of December 31, 2019.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2019 are as follows:

	<u>2019</u>
Land	\$ 799,564
Land improvements	21,034
Buildings	193,568
Furniture and fixtures	96,865
Machinery and equipment	<u>9,466,403</u>
Total property and equipment	10,577,434
Less: Accumulated depreciation	<u>(5,877,415)</u>
Property and equipment, net	\$ <u>4,700,019</u>

Depreciation expense as of December 31, 2019 was \$364,024.

POLONIA WATER SUPPLY CORPORATION
(A NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 5 – NET ASSETS AND MEMBERSHIP

Net assets consist of member assessments and accumulated net assets. Each member is entitled to one vote upon membership qualification and payment of a membership fee of \$100. All customers must be members and memberships contain no right of dividend and are non-transferable except under certain circumstances, without compensation, related to the allowable transfer of service. Memberships may be transferred to the Corporation without compensation.

NOTE 6 – RETIREMENT PLAN

The Corporation instituted a 401K profit sharing plan covering substantially all employees. This is a salary deferral plan, which calls for matching contributions by the Corporation based on a safe harbor non-elective contribution of 3% of each participant's compensation after completion of one or more years of service as of the entry date. In addition to the Corporation's required matching contribution an additional contribution to the Plan may be made at the discretion of the Board of Directors. Employer contributions are allocated to employee accounts based generally on the respective level of compensation. Employee voluntary and safe harbor non-elective contributions are vested at all times; employer additional profit-sharing contributions are fully vested after five years. The Corporation's matching and discretionary contributions were \$11,263 for 2019.

NOTE 7 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the financial position date, comprise the following:

	<u>2019</u>
Cash and cash equivalents	\$ 1,302,373
Investments	323,572
Accounts receivable	<u>187,865</u>
	<u>\$ 1,813,810</u>

See Independent Accountant' Review Report

POLONIA WATER SUPPLY CORPORATION
(A NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 8 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Authoritative guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. The price in the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact and (iv) willing to transact.

Authoritative guidance requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement costs). Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, authoritative guidance establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

The fair value hierarchy is as follows:

- Level 1 Inputs - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 Inputs - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (for example, interest rates, volatilities, prepayment speeds, loss severities, credit risks and default rates) or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs - Significant unobservable inputs that reflect an entity's own assumptions that market participants would use in pricing the assets or liabilities.

See Independent Accountant' Review Report

POLONIA WATER SUPPLY CORPORATION
(A NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 8 - FAIR VALUE MEASUREMENTS – CONTINUED

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Certificate of Deposits – Certificate of Deposits (CDs) are valued at quoted market prices in active markets.

In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. While management believes the Corporation's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The estimated fair value amounts of financial instruments have been determined by the Corporation using available market information and appropriate valuation methodologies. However, considerable judgment is required to interpret data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Corporation could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

NOTE 9 – DATE OF MANAGEMENT'S EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 25, 2020 the date on which the financial statements were available to be issued.

Attachment B

POLONIA WATER SUPPLY CORPORATION
STATEMENT OF ASSETS, LIABILITIES, AND MEMBERS' EQUITY
DECEMBER 31, 2020

	Current Year	Last Year
ASSETS		
CURRENT ASSETS		
PETTY CASH	\$ (24,643.15)	0.00
CASH-FLNB OPERATING	718,480.51	493,306.59
CASH-MONEY MARKET FLNB	1,558,408.95	806,722.56
CASH-MONEY MARKET OMNI	3,916.78	2,343.56
CERTIFICATES OF DEPOSIT	323,571.96	323,571.96
ACCOUNTS RECEIVABLE - TRADE	309,517.62	186,785.73
RETURNED CHECKS	595.71	453.54
ACCRUED INTEREST RECEIVABLE	626.87	626.87
TOTAL CURRENT ASSETS	2,890,475.25	1,813,810.81
PROPERTY AND EQUIPMENT		
WELLS AND EQUIPMENT	9,466,402.91	9,466,402.91
BUILDINGS	193,567.68	193,567.68
FURNITURE & OFFICE EQUIPMENT	96,865.22	96,865.22
LAND	799,564.01	799,564.01
LAND IMPROVEMENTS	21,034.00	21,034.00
ACCUMULATED DEPRECIATION	(5,887,415.15)	(5,887,415.15)
TOTAL PROPERTY AND EQUIPMENT	4,690,018.67	4,690,018.67
OTHER ASSETS		
ORGANIZATION COSTS	351,900.00	351,900.00
ACCUM. AMORTIZ. - ORG. COSTS	(76,245.00)	(76,245.00)
TOTAL OTHER ASSETS	275,655.00	275,655.00
TOTAL ASSETS	\$ 7,856,148.92	6,779,484.48
LIABILITIES AND CAPITAL		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE-TRADE	\$ 38,316.11	38,316.11
UNEARNED REVENUE	25,290.64	25,290.64
SEP-SIMPIFIED EMP PENSION	30,820.39	3,222.36
ACCRUED FICA/WH TAX	117,296.95	5,736.32
ACCRUED STATE UNEMPLOYMENT	9.02	9.02
TOTAL CURRENT LIABILITIES	211,733.11	72,574.45
LONG-TERM LIABILITIES		
TOTAL LONG-TERM LIABILITIES	0.00	0.00
TOTAL LIABILITIES	211,733.11	72,574.45
MEMBERS' EQUITY		
MEMBERS' INVESTMENTS	399,491.69	384,676.69
RETAINED EARNINGS	6,322,233.34	5,616,433.49
NET INCOME	922,690.78	705,799.85
TOTAL MEMBERS' EQUITY	7,644,415.81	6,706,910.03
TOTAL LIAB & MEMBERS' EQUITY	\$ 7,856,148.92	6,779,484.48

PLEASE SEE THE ACCOUNTANT'S COMPILATION REPORT