



## Filing Receipt

**Received - 2021-09-03 02:12:32 PM**  
**Control Number - 52317**  
**ItemNumber - 11**

**Bastrop West  
Depreciation Schedule**

<b>Date Acquired</b>	<b>Description</b>	<b>Life</b>	<b>Method</b>	<b>Cost</b>	<b>Accumulated Depreciation 12/31/2016</b>	<b>2017 Depreciation</b>	<b>Accumulated Depreciation 12/31/2017</b>	<b>2018 Depreciation</b>	<b>Accumulated Depreciation 12/31/2018</b>	<b>2019 Depreciation</b>	<b>Accumulated Depreciation 12/31/2018</b>
2/1/2012	Water System	30	SL	265,000	42,963	8,833	51,796	8,833	60,629	8,833	69,462
2/1/2012	Land	-		35,000	-	-	-	-	-	-	-
6/30/2016	Gator (1/2 Cost)	7	SL	7,844	-	1,121	1,121	1,121	2,242	1,121	3,363
				<u>307,844</u>	<u>42,963</u>	<u>9,954</u>	<u>52,917</u>	<u>9,954</u>	<u>62,871</u>	<u>9,954</u>	<u>72,825</u>

K & K Water  
Depreciation Schedule

Date Acquired	Description	Life	Method	Cost	Accumulated Depreciation 12/31/2016	2017 Depreciation	Accumulated Depreciation 12/31/2017	2018 Depreciation	Accumulated Depreciation 12/31/2018	2019 Depreciation	Accumulated Depreciation 12/31/2018
Various	Fully Depreciated Assets	Var	SL	86,385	86,385	-	86,385	-	86,385	-	86,385
6/1/2013	ATV	7.00	SL	8,790	4,395	1,256	5,651	1,256	6,907	1,256	8,163
6/30/2016	Gator (1/2 Cost)	7	SL	7,844	560	1,121	1,681	1,121	2,802	1,121	3,923
6/1/2018	Used Truck	10	SL	15,467	-	-	-	-	-	-	-
				<u>118,486</u>	<u>91,340</u>	<u>2,377</u>	<u>93,717</u>	<u>2,377</u>	<u>96,094</u>	<u>2,377</u>	<u>98,471</u>

**Paul & Karen Klaus**  
**Financial Leverage Ratios**

	<b>Bastrop West 12/31/2019</b>	<b>K &amp; K Water 12/31/2019</b>	<b>Total</b>
<b>Leverage Financial Ratios</b>			
Debt to Equity Ratio	6.62	0.00	5.59
Debt Service Coverage Ratio (Annual Debt Service -\$30,000)	0.89	0.00	1.03
Unrestricted Cash for 2 years of Debt Service	Doesn't qualify	Doesn't qualify	Doesn't qualify
Investment Grade Credit Rating	No Rating	No Rating	No Rating

	<b>Bastrop West 12/31/2019</b>	<b>K &amp; K Water 12/31/2019</b>	<b>Total</b>
<b>Assets</b>			
Cash in Bank	\$ 1,256	\$ 1,600	\$ 2,856
Fixed Assets	307,844	103,019	410,863
Accumulated Depreciation	(72,825)	(99,281)	(172,106)
Net Fixed Assets	235,019	3,738	238,757
Total Assets	<u>\$ 236,275</u>	<u>\$ 5,338</u>	<u>\$ 241,613</u>
<b>Liabilities and Owner's Equity</b>			
Current Liabilities			
Note Payable - Clardy (Current Portion)	15,992	-	15,992
Total Current Liabilities	15,992	-	15,992
Long- Term Liabilities			
Note Payable - Clardy (less current portion)	191,362	-	191,362
Total Long- Term Liabilities	191,362	-	191,362
Total Liabilities	207,354	-	207,354
Owners Equity	28,921	5,338	34,259
Total Liabilities & Owners Equity	<u>\$ 236,275</u>	<u>\$ 5,338</u>	<u>\$ 241,613</u>

	<b>Bastrop West 2019</b>	<b>K &amp; K Water 2020</b>	<b>Total</b>
Water Sales	\$ 54,574	\$ 36,578	\$ 91,152
Expenses			
Advertising	705	730	1,435
Contract services	2,300	3,350	5,650
Depreciation Expense	9,954	2,377	12,331
Insurance	574	574	1,148
Interest	15,041	-	15,041
Legal & Professional	230	4,668	4,898
Repairs & Maintenance	1,490	6,191	7,681
Supplies	8,041	6,277	14,318
Taxes & licenses	2,478	272	2,750
Utilities	5,562	4,192	9,754
Postage	846	533	1,379
Water Sample Fees	825	1,478	2,303
Telephone & Mobile	1,261	1,261	2,522
Gas & Diesel	1,788	1,788	3,576
Chlorine	767	384	1,151
Tags & Inspections	106	106	212
TCEQ Fees	727	542	1,269
Other	208	143	351
Total Expenses	52,903	34,866	87,769
Net Income	<u>\$ 1,671</u>	<u>\$ 1,712</u>	<u>\$ 3,383</u>
Net Income before depreciation & Int	\$ 26,666	\$ 4,089	\$ 30,755

**Projected Financial Information** may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

**Part D: Proposed Transaction Details**

11. A. Proposed Purchase Price: \$ 300000

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☐ Yes ☒ N/A

Total Original Cost of Plant in Service: \$ 300000

Accumulated Depreciation: \$ \_\_\_\_\_

Net Book Value: \$ 300000

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☒ No ☐ Yes

Total Customer CIAC: \$ \_\_\_\_\_

Accumulated Amortization: \$ \_\_\_\_\_

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☒ No ☐ Yes

Total developer CIAC: \$ \_\_\_\_\_

Accumulated Amortization: \$ \_\_\_\_\_

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

**B.** If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

N/A

**13.** Provide any other information concerning the nature of the transaction you believe should be given consideration:

Transferee has successfully operated this system since Feb 1, 2012

**14.** Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service:	\$	300000
Accumulated Depreciation of Plant:	\$	0
Cash:	\$	0
Notes Payable:	\$	300000
Mortgage Payable:	\$	0
(Proposed) Acquisition Adjustment*:	\$	0

\* Acquisition Adjustments will be subject to review under 16 TAC § 24.41(d) and (e)

Other (NARUC account name & No.):

Other (NARUC account name & No.):

**15. A.** Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

All customers will be charged the same rate. A rate change application will be submitted upon approval of transfer

**B.** If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

A rate change application will be submitted upon approval of this transfer. Rates have not been changed since 2005

7) Explain how the notes payable will be disposed of on Bastrop West's financial statement.

Response: The monthly debt service of \$2,500.00 for the Note Payable to Clyde or Karen Clardy for the purchase of Bastrop West Water Company is paid from the water revenue generated from Bastrop West Water Company.