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Joann Estates Utilities, Inc.

Financial Statements

December 31, 2012

L.A. MILLER

CPA • PSC

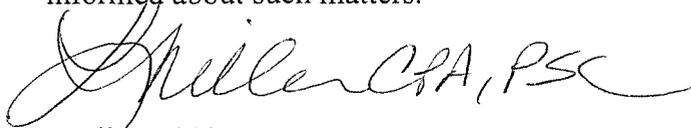
To the Board of Directors
Joann Estates Utilities, Inc.
Paducah, KY

We have compiled the accompanying balance sheet of Joann Estates Utilities, Inc. as of December 31, 2012, and the related statement of income and changes in cash 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 and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.



April 1, 2013

Joann Estates Utilities, Inc.
Balance Sheet
As of December 31, 2012

ASSETS

CURRENT ASSETS		
Cash in Bank	\$	1,457.72
Note Receivable -B G Waid		<u>16,957.43</u>
Total Current Assets		<u>18,415.15</u>
PROPERTY AND EQUIPMENT		
Plant		53,292.74
Equipment		20,883.15
Less: Accumulated Depreciation		<u>(63,261.47)</u>
Net Property and Equipment		<u>10,914.42</u>
TOTAL ASSETS		<u><u>\$ 29,329.57</u></u>

LIABILITIES AND EQUITY

CURRENT LIABILITIES		
Federal Income Tax & FICA W/H	\$	990.50
Kentucky Income Tax W/H		210.00
McCracken Co Tax W/H		<u>35.00</u>
Total Current Liabilities		<u>1,235.50</u>
LONG-TERM LIABILITIES		
Total Liabilities		<u>1,235.50</u>
STOCKHOLDERS' EQUITY		
Capital Stock		11,000.00
Retained Earnings		<u>17,094.07</u>
Total Stockholders' Equity		<u>28,094.07</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u><u>\$ 29,329.57</u></u>

Joann Estates Utilities, Inc. Income Statement

**12 Months Ended
December 31, 2012**

Sales

Utility Service Revenue	\$	57,634.00
Less Returns & Allowances		<u>0.00</u>

Total Sales 57,634.00

Cost of Goods Sold

Purchases - Parts & Chemicals		3,819.20
Equipment Rent		6,789.58
Labor		13,000.00
Contract Labor		3,226.70
Utilities		13,741.03
Repairs and Maintenance		1,506.42
Lab Fees		<u>3,478.37</u>

Total Cost of Goods Sold 45,561.30

Gross Profit 12,072.70

Operating Expenses

Payroll Taxes		829.00
Auto Expense		3,353.50
Office Supplies & Expense		89.00
License & Taxes & Permits		7,099.41
Depreciation		2,233.92
Bank Service Charges		395.73
Legal & Accounting		1,190.00
Refuse		<u>677.66</u>

Total Operating Expenses 15,868.22

Operating Income (Loss) (3,795.52)

Net Income (Loss) \$ (3,795.52)

Joann Estates Utilities, Inc.
Statement of Cash Flows
For the 12 months Ended December 31, 2012

	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income (loss)	\$ (3,795.52)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and Amortization	2,233.92
Losses (gains) on sales of fixed assets	0.00
Decrease (Increase) in operating assets	
Accounts Receivable	(1,825.00)
Increase (Decrease) in operating liabilities	
Accrued Liabilities	145.00
Total Adjustments	<u>553.92</u>
Net Cash Provided By (Used in) Operating Activities	(3,241.60)
CASH FLOWS FROM INVESTING ACTIVITIES	
Net Cash Provided By (Used In) Investing Activities	0.00
CASH FLOWS FROM FINANCING ACTIVITIES	
Net Cash Provided By (Used In) Financing Activities	<u>0.00</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,241.60)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>4,699.32</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>\$ 1,457.72</u></u>