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Joann Estates Utilities, Inc.

Financial Statements

December 31, 2014

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**ACCOUNTANT'S COMPILATION REPORT**

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, 2014, 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.

*L.A. Miller CPA, PSC*

March 17, 2015

**Joann Estates Utilities, Inc.**  
**Balance Sheet**  
**As of December 31, 2014**  
**ASSETS**

**CURRENT ASSETS**

Cash in Bank	\$ 3,445.61
Note Receivable -B G Waid	<u>16,957.43</u>

**Total Current Assets** 20,403.04

**PROPERTY AND EQUIPMENT**

Plant	53,292.74
Equipment	20,883.15
Less: Accumulated Depreciation	<u>(66,807.46)</u>

**Net Property and Equipment** 7,368.43

**TOTAL ASSETS** \$ 27,771.47

**LIABILITIES AND EQUITY**

**CURRENT LIABILITIES**

**LONG-TERM LIABILITIES**

**STOCKHOLDERS' EQUITY**

Capital Stock	11,000.00
Retained Earnings	<u>16,771.47</u>

**Total Stockholders' Equity** 27,771.47

**TOTAL LIABILITIES AND  
STOCKHOLDERS' EQUITY** \$ 27,771.47

**Joann Estates Utilities, Inc.**  
**Income Statement**

12 Months Ended  
December 31, 2014

**Sales**

Utility Service Revenue	\$ 87,334.28
Less Returns & Allowances	<u>0.00</u>

**Total Sales** 87,334.28

**Cost of Goods Sold**

Purchases - Parts & Chemicals	6,218.43
Equipment Rent	5,660.41
Contract Labor	28,290.00
Utilities	16,331.65
Lab Fees	<u>11,168.00</u>

**Total Cost of Goods Sold** 67,668.49

**Gross Profit** 19,665.79

**Operating Expenses**

Office Supplies & Expense	221.61
License & Taxes & Permits	10,517.08
Telephone	36.56
Depreciation	1,732.04
Insurance	3,777.60
Bank Service Charges	442.27
Legal & Accounting	1,245.00
Interest	265.55
Refuse	<u>926.75</u>

**Total Operating Expenses** 19,164.46

**Operating Income (Loss)** 501.33

**Net Income (Loss)** \$ 501.33

**Joann Estates Utilities, Inc.**  
**Statement of Cash Flows**  
**For the 12 months Ended December 31, 2014**

	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income (loss)	\$ 501.33
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and Amortization	1,732.04
Losses (gains) on sales of fixed assets	0.00
Decrease (Increase) in operating assets	
Increase (Decrease) in operating liabilities	
Total Adjustments	<u>1,732.04</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	<b>2,233.37</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>0.00</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Notes Payable Borrowings	6,000.00
Notes Payable Repayments	<u>(6,000.00)</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b><u>0.00</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,233.37</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERI</b>	<b><u>1,212.24</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u><u>\$ 3,445.61</u></u></b>