

RECEIVED

JUL 02 2013

PUBLIC SERVICE
COMMISSION

July 1, 2013

Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

Re: Application for Rate Adjustment

I am submitting this application requesting a rate increase for the Sewer Utilities provided by 9001900 Classic Construction, Inc. The original application forms and attachments, along with five copies, are enclosed. A copy has been sent to the Office of the Attorney General, State Capital Building, Suite 118, Frankfort, KY 40601.

Sincerely,



Russell Givens, President
Classic Construction, Inc.

Enclosures

To: Public Service Commission

From: Classic Construction Inc.

Ref: Justification For Billing By Water District

Prior to August of 2008, Classic Construction Inc. was billing sewer customers on a monthly basis. With approximately sixty percent of the plants customers being renters , several problems were constant.

1. Renters were either moving in or out of rental property on a constant basis and Classic Construction had no means to keep up with either case. Forms were given to the Water District for new customers to fill out regarding billing information but very few of these forms were submitted. It became necessary to interrupt the water districts book keeper on a monthly basis and go over their customer list to identify new customers, or those who had moved.
2. No recourse for nonpayment of the sewer bill was allowed by the Public Service Commission due to disconnection from the plant affecting the owners of the property.
3. No billing of owners verses renters was allowed by the Public Service Commission.
4. Classic Construction Inc. had only one option to try to collect past due bills, small claims court. This involved paying constables a fee to serve notices, and ninety five percent of the time the customer never showed up in court. Even after winning a judgement for payment, collecting was impossible.
5. Of 107 customers serviced by the plant, 62 reside in duplexes as renters. Fifty one of these accounts were carrying past due amounts owed to Classic Construction Inc. at the end of June 2007. Past due amounts owed for sewer services totaled \$ 8525.00 with past due amounts ranging from \$ 969.98 to \$ 48.48. The \$ 8525.00 divided by the monthly fee of \$ 29.57 results in 288 months of payments not paid by 51 renters. These figures do not include renters who owed past due amounts and moved out and could not be located.
6. Once Customers moved out no forwarding address was available for perusing collection action.

Paying a 15% fee to the Peaks Mill Water District for providing billing and collecting payments is a small price to pay verses dealing with the problems noted above. Without this arrangement the operation and maintenance of the plant would be impossible due to lack of funds.

AGREEMENT FOR SEWER SERVICE BILLING

This agreement, made and entered into on this the 25th day of August, 2008, by and between the Peaks Mill Water District, Frankfort, Franklin County, Kentucky, a duly created Water Service District, (The District) and Classic Construction, doing business in Franklin County, Kentucky as a provider of sewage services for certain areas located in Frankfort and Franklin County, Kentucky (Sewer Provider).

WITNESSETH

WHEREAS, the District is presently providing water services to certain areas of Frankfort and Franklin County, Kentucky, pursuant to Ordinance of the Franklin County Fiscal Court, and

WHEREAS, the District as part of its service provisions has created and maintains a bookkeeping and billing system to track and bill customers of its services, and

WHEREAS, the Sewer Provider provides and manages sewer services for certain customers in the Frankfort and Franklin County areas, and

WHEREAS, the Sewer Provider and District have agreed to allow the District to provide and collect the billing services on behalf of the Sewer Provider for those customers and parties have in common in the Ridgewood Subdivision and Circle Subdivision in Franklin County, Kentucky;

NOW, THEREFORE, in consideration of the mutual promises, benefits, and forbearances herein contained, the parties agree as follows:

1. Unless terminated by the parties by 60 days written notice to all parties, the term of this agreement shall be for two (2) years from the date executed by the parties and approved by the Public Services Commission, which ever is later. This Agreement shall be automatically extended, unless terminated as per this section.
2. Sewer Provider shall provide to the District a full and complete listing of addresses for which sewer billing services shall be provided. Sewer Provider shall also make available to the District copies of the Sewer Provider Customer Agreements or contracts, and copies of any and all notices Sewer Provider may From time to time send to its customers.
3. As needed, and no less than annually, the Sewer Provider shall timely update its listing of names and addresses of customers served in the Circle Subdivision and Ridgewood Subdivision areas of Franklin County, Kentucky.

4. The District shall collect on behalf of the Sewer Provider monthly sewer bills for customers shared by the parties in the Ridgewood Subdivision and Circle Subdivision of Franklin County, Kentucky, beginning the first month following the beginning of the term of this agreement.
5. In consideration for its billing services, the District will charge to the Sewer Provider a fee equal to Fifteen Percent (15%) of the total, gross bill charged by the Sewer Provider, said total monthly gross bill for each customer being set as of June 1, 2008, in the amount of Twenty-Nine Dollars and Fifty-Seven Cents (\$29.57). The parties agree and acknowledge the sewer bill may increase from time to time, and the Sewer Provider agrees to timely update and advise the District of any changes in rates for sewer services.
6. The Sewer Provider's bills shall be presented by the District along with the Districts regular monthly billing and shall be paid care of the District, pursuant to the District's regular billing cycle.
7. District agrees that after deduction of its agreed upon fee, above, it will promptly and within Thirty (30) days of receipt, forward the balance to the Sewer Provider.
8. The District agrees to provide to Sewer Provider a monthly statement of all accounts billed and amounts collected on behalf of Sewer Provider.
9. The District shall collect on behalf of the Sewer Provider any delinquent accounts Pursuant to the Classic Construction policies, which may include termination of water services, as provided for in the parties' agreements with their respective customers.
10. This Agreement shall be binding upon the parties, and shall not in any form be assigned or encumbered in any fashion.
11. This Agreement may not be amended except by a writing signed by both parties.
12. This writing constitutes the entire Agreement between the parties, and neither party hereto is relying upon any promise, representation, or agreement not expressly contained herein.

Dated: 8.25.08

PEAKS MILL WATER DISTRICT

Church J. J. J.

CLASSIC CONSTRUCTION INC.

Barbara Green

July 1, 2013

CUSTOMER NOTICE

Classic Construction Inc., your sewer service provider, has operated your sewer system since 2003 at your present rate of \$29.57 per month. After 10 years of operation, in order to update existing treatment systems and keep up with increasing operating cost, Classic Construction has applied to the Public Service Commission for a rate adjustment in the total amount of \$19,812.00 on an annual basis. This is a 55% increase from the rate you are currently paying. This would increase your sewer bill from your present rate of \$29.57 to \$45.00 per month.

Classic Construction has proposed the increase described above, however the Public Service Commission may confirm a different rate. Any interested person may contact the Public Service Commission with comments or concerns or examine the rate application forms at either of the offices listed below:

Classic Construction Inc.
P.O. Box 4113
158 Northwood Dr.
Frankfort, KY 40602

Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

For Small Utilities Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

RECEIVED

JUL 02 2013

PUBLIC SERVICE
COMMISSION

Classic Construction, Inc.
(Name of Utility)

PO Box 4113
(Business Mailing Address - Number and Street, or P.O. Box)

Frankfort, KY 40604
(Business Mailing Address - City, State, and Zip)

502-395-0528
(Telephone Number)

BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

Russell Givens
(Name)

PO Box 4113
(Address - Number and Street or P.O. Box)

Frankfort, KY 40604
(Address - City, State, Zip)

502-395-0528
(Telephone Number)

(Email Address)

(For each statement below, the Applicant should check either "YES" or "NO".)

- | | YES | NO |
|---|-------------------------------------|-------------------------------------|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | YES | NO |
|---|-------------------------------------|-------------------------------------|
| 4. a. Applicant is a corporation. A certified copy of its articles of incorporation and all amendments are attached to this application or were filed with the Public Service Commission in Case No. _____. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant is a limited liability company. A certified copy of its articles of organization and all amendments are attached to this application or were filed with the Public Service Commission in Case No. _____. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Applicant is a limited partnership. A certified copy of its limited partnership agreement and all amendments thereto are attached to this application or were filed with the Public Service Commission in Case No. _____. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Applicant is a sole proprietorship or partnership. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e. Applicant is a water district organized pursuant to KRS Chapter 74. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f. Applicant is a water association organized pursuant to KRS Chapter 273. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. a. Applicant has 20 or fewer customers or is a sewer utility and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. (Attach a copy of customer notice.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant has more than 20 customers, is not a sewer utility, and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. (Attach a copy of customer notice.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Applicant has more than 20 customers, is not a sewer utility, and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. (Attach a copy of customer notice.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." (Attach completed "Reasons for Application" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | YES | NO |
|--|-------------------------------------|--------------------------|
| 8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." (Attach completed "Current and Proposed Rates" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, <u>2012</u> . | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." (Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ <u>19,812</u> and total revenues from service rates of \$ <u>19,182</u> . The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. (Attach a completed "Revenue Requirement Calculation" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 12. As of the date of the filing of this application , Applicant had <u>107</u> customers. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 13. A billing analysis of Applicant's current and proposed rates is attached to this application. (Attach a completed "Billing Analysis" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 14. Applicant's depreciation schedule of utility plant in service is attached. (Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 15.a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution). | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | YES | NO |
|--|-------------------------------------|-------------------------------------|
| 16. a. Applicant is not required to file state and federal tax returns. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Applicant is required to file state and federal tax returns. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Applicant's most recent state and federal tax returns are attached to this Application. (Attach a copy of returns.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 17. Approximately <u>none</u> (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed Donald Green
 Officer of the Company/Authorized Representative

Title President

Date 7-2-13

COMMONWEALTH OF KENTUCKY
 COUNTY OF Franklin

Before me appeared Russell Givens, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.

Ermy Lee Wallace
 Notary Public #427021

My commission expires: 9/27/14

LIST OF ATTACHMENTS
(Indicate all documents submitted by checking box)

- Applicant's Articles of Incorporation, Articles of Organization, or Limited Partnership Agreement.
- All amendments to Applicant's Articles of Incorporation, Articles of Organization, or Limited Partnership Agreement.
- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment
- "Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- "Billing Analysis" Attachment
- Depreciation Schedule
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
- State Tax Return
- Federal Tax Return

ARTICLES OF INCORPORATION
OF
CLASSIC CONSTRUCTION, INC.

The undersigned, acting as incorporator of a corporation organized under and pursuant to the provisions of Chapter 271B of the Kentucky Revised Statutes, states as follows:

ARTICLE I

The name of the corporation is Classic Construction, Inc., (hereinafter called the "Corporation").

ARTICLE II

The corporate existence shall be of perpetual duration, unless sooner dissolved in a manner provided by law.

ARTICLE III

The purpose or purposes for which the corporation is organized is the transaction of any and all lawful business for which a corporation may be incorporated under Chapter 271B of the Kentucky Revised Statutes, including the authority to acquire by purchase or otherwise, and to own, hold, buy, sell, convey, lease, manage, mortgage or encumber real estate, stocks and bonds or other real or personal property; and in general to do all things necessary or incidental to the conduct of said business.

ARTICLE IV

The aggregate number of shares which the Corporation shall have authority to issue is One Thousand (1000) shares of common capital stock with no par value.

ARTICLE V

A shareholder shall not be personally liable for any debt or liability of the Corporation, nor shall the private property of the shareholders be subject to the payment of corporate debts or liabilities, by reason of being a shareholder.

ARTICLE VI

The address of the initial registered and principle office of the Corporation is 5312 Sleepy Hollow Drive, Frankfort, Kentucky 40601, and the name of the initial registered agent at such address is Russell Givens.

ARTICLE VII

The affairs and business of the Corporation are to be conducted (a) by a Board of Directors of such number as the shareholders may select at each annual meeting of the shareholders; (b) by a President, a Vice-President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors at such time and in such manner as the Board of Directors may select, provided, however, that any two or more offices may be held by the same person,; and (c) by such other officers, assistant officers and agent as the Board of Directors may authorize the President of the Corporation to appoint.

The first Board of Directors, consisting of two (2) Directors who shall serve until the first annual meeting of shareholders or until their successors are elected and qualified, is as follows:

1. Russell Givens
2. Ruth Ann Givens

ARTICLE VIII

A Director shall not be personally liable to the Corporation or its shareholders for monetary damages for breach of his duties as a director to the fullest extent allowed pursuant to the provisions of Chapter 271B of the Kentucky Revised Statutes.

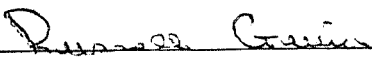
ARTICLE IX

The name and address of the sole incorporator is Russell Givens 5312 Sleepy Hollow Drive, Frankfort, Kentucky 40601.

ARTICLE X

The stock of the Corporation shall be issued pursuant to the provisions of Section 1244 of the Internal Revenue Code of 1954, and all rules under the said Section shall be complied with so as to qualify this said corporation.

EXECUTED this the 11th day of January, 1999.




Russell Givens, Incorporator

STATE OF KENTUCKY)
) SS
COUNTY OF FRANKLIN)

I, the undersigned, a Notary Public for Kentucky, State-at-Large, do hereby certify that on this day the foregoing Articles of Incorporation of Classic Construction, Inc., were produced before me and were signed, acknowledged and delivered by Russell Givens, the Incorporator thereof, to be his act and deed.

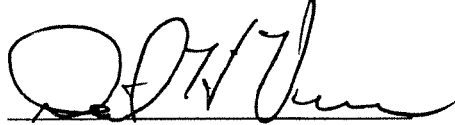
IN TESTIMONY WHEREOF, I have hereunto set my name and affixed my seal of office, this the 14th day of January, 1999.

My Commission expires: 5-15-02.


Rebecca C. Pappier

Notary Public

This Instrument Prepared By:



David H. Vance
Walton & Vance
113 West Main Street
Frankfort, Kentucky 40601

REASONS FOR APPLICATION

(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)

The business has operated at a loss in each of the previous two years (2012 and 2011) and had net taxable income of \$91 in 2010. In the current year, the business is faced with a substantial increase in the permit fee and the necessity of rebuilding two pumps. The additional cost for the current year from these two events is expected to be approximately \$10,000. The testing requirement was previously a quarterly event and now will be required every month at a cost of \$277 per month. The business also faces annual increases in the costs incurred in providing the service.

CURRENT AND PROPOSED RATES
(List Applicant's Current and Proposed Rates)

The business is currently charging \$29.57 per month to each customer. I am proposing to increase the rate to \$45.00 per month. Initially I performed the billing and collection process myself; that proved to be extremely ineffective. Repeated contacts with nonpaying customers, insufficient fund payments and the amount of time required for the eventual collection was overwhelming.

I now use a billing and collection agency that is better suited for the process that is working much better. However, I have to pay 15% for this service.

SCHEDULE OF ADJUSTED OPERATIONS - SEWER UTILITY

TYE 12/31/20 12

	Test Year	Adjustment	Ref.	Pro Forma
<u>Operating Revenues</u>				
Sewage Service Revenues				
Flat Rate Revenues	35,984.00	19,812.00	A.	55,796.00
Measured Revenues				0.00
Revenue from Public Authorities				0.00
Revenue from Other Systems				0.00
Miscellaneous Sewage Revenues				0.00
Total Sewage Service Revenues	35,984.00	19,812.00		55,796.00
Other Operating Revenues				
Forfeited Discounts				0.00
Miscellaneous Operating Revenues				0.00
Total Other Operating Revenues	0.00	0.00		0.00
Total Operating Revenues	35,984.00	19,812.00		55,796.00
<u>Operating Expenses</u>				
Total Operation and Maintenance Expenses*	31,501.00	3,476.00	B.	34,977.00
Depreciation Expense	796.00	533.00	C.	1,329.00
Amortization Expense				0.00
Taxes Other Than Income	6,173.00	2,000.00	D.	8,173.00
Income Tax Expense	175.00			175.00
Total Operating Expenses	38,645.00	6,009.00		44,654.00
Utility Operating Income	-2,661.00	13,803.00		11,142.00

* Total Operation and Maintenance Expenses should be calculated using the worksheet titled "Sewer Operations and Maintenance Expenses".

References

A. This amount represents the annual amount resulting from a monthly increase from \$29.57 to \$45.00 for each of the 107 customers.

B. This amount represents an expected 4% increase in the general expenses occurred in operating the plant and an increase in the testing fees which are now required monthly. The testing was performed quarterly. Each test costs \$277.

The 4% increase is \$1,260 and the test fee increase is \$2,216.

C. This amount represents the new annual depreciation expense associated with the cost to rebuild two pumps.

D. This amount represents the increase in the permit fee.

SEWER OPERATIONS AND MAINTENANCE EXPENSES

TYE 12/31/20 12

	Test Year	Adjustment	Ref.	Pro Forma
<u>Operation Expenses</u>				
Supervision and Engineering:				
Owner/Manager-Management Fee				0.00
Other Expenses				0.00
Labor and Expenses:				
Collection System-Labor, Materials and Expenses	9,049.00	363.00	A.	9,412.00
Pumping System-Labor, Materials and Expenses				0.00
Treatment System:				
Sludge Hauling	2,605.00	104.00	A.	2,709.00
Utility Service- Water Cost	304.00	12.00	A.	316.00
Other-Labor,Materials and Expenses				0.00
Rents				0.00
Fuel/Power Purchased for Pumping and Treatment	4,631.00	185.00	A.	4,816.00
Chemicals	284.00	11.00	A.	295.00
Miscellaneous Supplies and Expenses:				
Collection System				0.00
Pumping System				0.00
Treatment and Disposal				0.00
<u>Maintenance Expenses</u>				
Supervision and Engineering:				
Routine Maintenance Service Fee	1,450.00	2,274.00	A. & B	3,724.00
Internal Supervision and Engineering				0.00
Maintenance of Structures and Improvements				0.00
Maintenance of Collection Sewer System				0.00
Maintenance of Pumping System	1,961.00	78.00	A.	2,039.00
Maintenance of Treatment and Disposal Plant	2,942.00	118.00	A.	3,060.00
Maintenance of Other Plant and Facilities				0.00
<u>Customer Accounts Expenses</u>				
Supervision				0.00
Meter Reading Expenses and Flat Rate Inspections				0.00

	Test Year	Adjustment	Ref.	Pro Forma
<u>Customer Accounts Expenses-Continued</u>				
Customer Records and Collection Expenses:				
Agency Collection Fee	5,398.00	216.00	A.	5,614.00
Internal Labor, Materials and Expenses				0.00
Uncollectable Accounts				0.00
Miscellaneous Customer Accounts Expenses				0.00
<u>Administrative and General Expenses</u>				
Administrative and General Salaries				0.00
Office Supplies and Other Expenses	1,148.00	46.00	A.	1,194.00
Outside Services Employed	1,350.00	54.00	A.	1,404.00
Insurance Expenses				0.00
Employee Pensions and Benefits				0.00
Regulatory Commission Expense				0.00
Transportation Expense	379.00	15.00	A.	394.00
Miscellaneous General Expenses				0.00
Rents				0.00
Maintenance of General Plant				0.00
Total Sewer Operation and Maintenance Expenses	31,501.00	3,476.00		34,977.00

References

- A. This amount represents an expected 4% increase in the general expenses occurred in operating the plant.
- B. The testing requirement is increasing from quarterly to monthly at \$277 per test which equates to an increase of \$2,216 per year.

REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD

(This method is used commonly by non-profits that have long-term debts outstanding.)

Pro forma Operating Expenses	\$44,654.00
Plus: Average Annual Debt Principal and Interest Payments*	6,960.00
Debt Coverage Requirement**	
Total Revenue Requirement	51,614.00
Less: Other Operating Revenue	
Non-operating Revenue	
Interest Income	
Revenue Required from Rates	51,614.00
Less: Revenue from Sales at Present Rates	-35,984.00
Required Revenue Increase	\$15,630.00

Required Revenue Increase stated as a Percentage of Revenue at Present Rates	43.44%
--	--------

* This should be a 3 year average calculated using the debt principal and interest payments for the three years following the test year.

** This amount is calculated by multiplying the average annual debt principal and interest payments by the debt service requirement of the utility's lending agency.

REVENUE REQUIREMENT CALCULATION - OPERATING RATIO METHOD

(This method is commonly used by investor owned utilities as well as non-profit entities that do not have long-term debts outstanding.)

Pro forma Operating Expenses Before Income Taxes	\$44,479.00
Operating Ratio	0.88
Sub-Total	50,544.32
Less: Pro forma Operating Expenses Before Income Taxes	-44,479.00
Net Income Allowable	6,065.32
Add: Provision for State and Federal Income Taxes, if Applicable (see footnote)	175.00
Interest Expense	908.00
Pro forma Operating Expenses Before Taxes	44,479.00
Total Revenue Requirement	51,627.32
Less: Other Operating Revenue	
Non-operating Revenue	
Interest Income	
Total Revenue Required from Rates for Service	51,627.32
Less: Revenue from Sales at Present Rates	-35,984.00
Required Revenue Increase	15,643.32
Required Revenue Increase stated as a Percentage of Revenue at Present Rates	43.47%

Provision for Income Taxes - Calculation of Tax Gross-Up Factor

Revenue	1
Less: 6% State Tax	-0.06
Sub-Total	0.94
Less: Federal Tax, 15% of Sub-Total	-0.141
Percent Change in NOI	0.799
Factor (Revenue of 1 divided by change in NOI)	1.25156
Times: Allowable Net Income	6,065.32
Net Income Before Taxes	7,591.14
Difference Equals Provision for State and Federal Income Taxes	1,525.82

Notes: (1) Natural gas utilities should deduct their cost of natural gas from pro forma operating expenses before performing the operating ratio calculation. The cost of natural gas should be added back and included in pro forma operating expenses when determining the total revenue requirement. (2) A provision for state and federal income taxes should only be included in the calculation of revenue requirements for utilities that file income tax returns and are liable for the payment of state and federal income taxes. Utilities whose income flows through to its owner's income tax returns for tax purposes should not include a provision for income taxes. (3) The conversion factor above is calculated using the minimum federal tax rate. Adjustment may be warranted where the actual federal tax rate exceeds the minimum federal tax rate.

BILLING ANALYSIS - FLAT RATES
Revenue from Present/Proposed Rates

	<u>Current Rate</u>	<u>Proposed Rate</u>
Number of Customers	107	107
Flat Monthly Rate	\$29.57	\$45.00
Monthly Revenue	\$3,163.99	\$4,815.00
Number of Months	12	12
Annual Revenue	\$37,967.88	\$57,780.00

1/27/2013
15:26

CLASSIC CONSTRUCTION INC
Federal ID # [REDACTED]
Asset Summary - Federal Tax Basis
Period Ended 12/31/12

Company: 430
Page: 1

<u>Num</u>	<u>Loc</u>	<u>Property Description</u>	<u>Acquired</u>	<u>T</u>	<u>Method</u>	<u>Life</u>	<u>Cost/Basis</u>	<u>179 Exp/AFD</u>	<u>Add SDA</u>	<u>Prior Depr.</u>	<u>Current Depr.</u>	<u>Ending Depr.</u>
Group # 1												
1	1	SEWAGE TR PLANT	05/01/03	R	SL	20	5,434.00	0.00	0.00	2,311.70	271.70	2,583.40
2	1	JETTER	03/10/06	R	SL	15	15,000.00	15,000.00	0.00	15,000.00	0.00	15,000.00
4	1	FENCE	07/01/11	R	150 DB	15	5,517.69	0.00	0.00	275.88	524.18	800.06
Group # 1 Total							<u>25,951.69</u>	<u>15,000.00</u>	<u>0.00</u>	<u>17,587.58</u>	<u>795.88</u>	<u>18,383.46</u>
Grand Total							<u>25,951.69</u>	<u>15,000.00</u>	<u>0.00</u>	<u>17,587.58</u>	<u>795.88</u>	<u>18,383.46</u>

Outstanding Debt Instruments

Classic Construction, Inc. has two loans as follows:

1. A note with Farmers Bank & Capital Trust Co. in the amount of \$4,185
2. A loan from Russell Givens in the amount of \$13,973

Note 158739 - CLASSIC CONSTRUCTION INC

	Rel	Birthdate	Phone	Tax Identification
[01] CLASSIC CONSTRUCTION INC	*		*****	*****
158 NORTHWOOD RD				
FRANKFORT KY 40601-1476				

Tax Name: [1] CLASSIC CONSTRUCTION INC

Original

Original Note Amount:	\$5,000.00	Note Date:	May 24, 2012
Cash Proceeds:	\$5,000.00	Maturity Date:	May 24, 2013
Fees Financed:	\$0.00	Interest Method:	[7] 365/360 P&I Separate
Fees Prepaid:	\$0.00	Principal Payment Frequency:	Maturity
Expenses Financed:	\$0.00	Interest Payment Frequency:	Monthly
Insurance Premiums:	\$0.00	First Principal Payment Date:	May 24, 2013
Total Interest:	\$0.00	First Interest Payment Date:	Jun 24, 2012
Additional Interest:	\$0.00	Rate Over Split:	6.0000%
Original Credit Limit:	\$0.00	Stated APR:	0.0000%
Original Maximum Credit Code:	No Maximum Credit		
Original Loan To Value Ratio:	0.2857		
Original Credit Score:	0		

Month To Date

	<u>January 2013</u>	<u>December 2012</u>
Principal Advanced:	\$0.00	\$0.00
Average Balance:	\$4,110.53	\$4,394.15
Principal Paid:	\$183.26	\$349.53
Interest Earned:	\$18.48	\$22.70
Interest Paid:	\$16.74	\$50.47
Dealer Interest Earned:	\$0.00	\$0.00
Dealer Interest Paid:	\$0.00	\$0.00
Simple Insurance Paid:	\$0.00	\$0.00

Quarter To Date

	<u>1st Quarter</u>	<u>4th Quarter</u>
Principal Advanced:	\$0.00	\$0.00
Average Balance:	\$4,110.53	\$4,523.32
Principal Paid:	\$183.26	\$556.34
Interest Earned:	\$18.48	\$69.35
Interest Paid:	\$16.74	\$83.66

Year To Date

	<u>2013</u>	<u>2012</u>
Principal Advanced:	\$0.00	\$5,000.00
Principal Paid:	\$183.26	\$814.81
Average Balance:	\$4,110.53	\$4,754.27
Interest Earned:	\$18.48	\$175.89
Interest Paid:	\$16.74	\$175.19
Additional Interest Paid:	\$0.00	\$0.00



Department of Revenue

**KENTUCKY S CORPORATION
INCOME TAX AND LLET RETURN 2012**

▶ See Instructions.

Taxable period beginning _____, _____, and ending _____, _____.

B Check applicable box(es):

LLET

Receipts Method

Gross Receipts

Gross Profits

\$175 minimum

Nonfiling Status Code _____

Enter Code _____

D Federal Identification Number **[REDACTED]**

Taxable Year Ending 12/12

Name of S Corporation

CLASSIC CONSTRUCTION, INC

Number and Street

PO BOX 4113

City

FRANKFORT

State

KY

ZIP Code

40604

Telephone Number

(502) 395-0528

State and Date of Incorporation

KY 01/11/1999

Principal Business Activity in KY

SEWAGE TREATMENT

NAICS Code Number (Relating to Kentucky Activity) (See www.census.gov)

236110

C Income Tax Return

Nonfiling Status Code _____

Enter Code _____

E Check if applicable: Qualified investment pass-through entity LLC Initial return Final return (attach explanation)
 Short-period return (attach explanation) Amended return Change of name Change of address Change of acct period

F Number of Shareholders (Attach K-1s) ▶ 1

Number of QSSSs Included in This Return (Attach Schedule) ▶ _____

PART I – ORDINARY INCOME (LOSS) COMPUTATION

1	Federal ordinary income (loss) (see instructions)	1	-2794.
ADDITIONS			
2	State taxes based on net/gross income	2	0.
3	Fed depreciation (do not include Section 179 expense deduction)	3	795.
4	Related party expenses (attach Schedule RPC)	4	
5	Other (attach Schedule O-PTE)	5	
6	Total (add lines 1 through 5)	6	-1999.
SUBTRACTIONS			
7	Federal work opportunity credit	7	
8	Kentucky depreciation (do not include Section 179 expense deduction)	8	795.
9	Other (attach Schedule O-PTE)	9	
10	Kentucky ordinary income (loss) (line 6 less lines 7 through 9)	10	-2794.

9	Film industry tax credit	9	
10	Extension payment	10	
11	Prior year's tax credit	11	
12	Income tax overpayment from Part III, line 11	12	
13	LLET due (line 6 less lines 7 through 12)	13	175.
14	LLET overpayment (lines 7 through 12 less line 6)	14	
15	Credited to 2012 income tax	15	
16	Credited to 2013 LLET	16	
17	Amount to be refunded	17	

PART II – LLET COMPUTATION

1	Schedule LLET, Section D, line 1	1	175.
2	Recycling/composting equipment tax credit recapture	2	
3	Total (add lines 1 and 2)	3	175.
4	Nonrefundable LLET credit from Kentucky Schedule(s) K-1	4	
5	Nonrefundable tax credits (attach Schedule TCS)	5	
6	LLET liability (greater of line 3 less lines 4 and 5 or \$175 minimum)	6	175.
7	Estimated tax payments	7	
8	Certified rehabilitation tax credit	8	

PART III – INCOME TAX COMPUTATION

1	Excess net passive income tax	1	
2	Built-in gains tax	2	
3	Tax installment on LIFO recapture	3	
4	Total (add lines 1 through 3)	4	0.
5	Estimated tax payments <input type="checkbox"/> Check if Form 2220-K attached	5	
6	Extension payment	6	
7	Prior year's tax credit	7	
8	LLET overpayment from Pt II, ln 15	8	
9	Income tax due (line 4 less lines 5 thru 8)	9	0.
10	Income tax overpayment (lines 5 thru 8 less line 4)	10	
11	Credited to 2012 LLET	11	
12	Credited to 2013 corporation income tax	12	
13	Amount to be refunded	13	

TAX PAYMENT SUMMARY (Round to nearest dollar)

LLET		INCOME	
1 LLET due (Part II, Line 9)	\$ 175.	1 Income tax due (Part III, Line 9)	\$ 0.
2 Penalty	\$	2 Penalty	\$
3 Interest	\$	3 Interest	\$
4 Subtotal	\$ 175.	4 Subtotal	\$ 0.
TOTAL PAYMENT (Add Subtotals)	\$ 175.		

OFFICE USE ONLY

PW 204

\$

▶ Federal Form 1120S, all pages and any supporting schedules must be attached.

Make check payable to:
Kentucky State Treasurer
Mail return with payment to:
Kentucky Department of Revenue
Frankfort, Kentucky 40620



CLASSIC CONSTRUCTION, INC
SCHEDULE Q – KENTUCKY S CORPORATION QUESTIONNAIRE

IMPORTANT: Questions 4 – 12 must be completed by all S corporations. If this is the S corporation's initial return or if the S corporation did not file a return under the same name and same federal I.D. number for the preceding year, questions 1, 2 and 3 must be answered. Failure to do so may result in a request for a delinquent return.

- 1 Indicate whether: (a) new business;
(b) successor to previously existing business which was organized as: (1) corporation; (2) partnership;
(3) sole proprietorship; or (4) other _____

If successor to previously existing business, give name, address and federal I.D. number of the previous business organization.

- 2 List the following **Kentucky** account numbers. Enter N/A for any number not applicable.

Employer Withholding _____
Sales and Use Tax Permit _____
Consumer Use Tax _____
Unemployment Insurance _____
Coal Severance and/or Processing Tax _____

- 3 If a foreign S corporation, enter the date qualified to do business in Kentucky _____

- 4 The S corporation's books are in care of: (name and address)
RUSSELL L GIVENS
158 NORTHWOOD ROAD
FRANKFORT, KY 40601

- 5 Are disregarded entities included in this return?
 Yes No If yes, list name, address and federal I.D. number of each entity.

- 6 Was the S corporation a partner or member in a pass-through entity doing business in Kentucky? Yes No. If yes, list name and federal I.D.

number of each pass-through entity.

Was the S corporation doing business in Kentucky other than through its interest held in a pass-through entity doing business in Kentucky? Yes No

- 7 Are related party costs as defined in KRS 141.205(1)(l) included in this return?
 Yes No

If yes, attach Schedule RPC, Related Party Costs Disclosure Statement, and enter any related party cost additions on Part I, Line 4.

- 8 Is the entity filing this Kentucky tax return organized as a limited cooperative association as provided by KRS Chapter 272A? Yes No

- 9 Is the entity filing this Kentucky tax return organized as a statutory trust or a series statutory trust as provided by KRS Chapter 386A? Yes No

If yes, is the entity filing this Kentucky tax return a series within a statutory trust?
 Yes No

If yes, enter the name, address and federal I.D. number of the statutory trust registered with the Kentucky Secretary of State:

- 10 Was this return prepared on: (a) cash basis, (b) accrual basis, (c) other _____

- 11 Did the S corporation file a Kentucky tangible personal property tax return for January 1, 2013? Yes No

- 12 Is the S corporation currently under audit by the Internal Revenue Service? Yes No
If yes, enter years under audit _____

If the Internal Revenue Service has made final and unappealable adjustments to the corporation's taxable income which have not been reported to the department, check here and file an amended Form 720S for each year adjusted. Attach a copy of the final determination to each amended return.

OFFICER INFORMATION (Failure to Provide Requested Information May Result in a Penalty)

Has the officer information entered below changed from the last return filed? Yes No

President's Name: RUSSELL L GIVENS

President's Home Address: 158 NORTHWOOD ROAD
FRANKFORT, KY 40601

President's Social Security Number: _____
Date Became President: 01/11/99

Vice President's Name: _____

Vice President's Home Address: _____

Vice President's Social Security Number: _____

Treasurer's Name: _____

Treasurer's Home Address: _____

Treasurer's Social Security Number: _____

Secretary's Name: _____

Secretary's Home Address: _____

Secretary's Social Security Number: _____

I, the undersigned, declare under the penalties of perjury, that I have examined this return, including all accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

DOUG CARPENTER
Signature of principal officer or chief accounting officer

2-3-13
Date

DOUG CARPENTER
Name of person or firm preparing return

P01078151 02/03/13
SSN, PTIN or FEIN Date

May the DOR discuss this return with the preparer?

Yes No

E-mail Address: _____

Telephone No.: (859) 543-9847



SCHEDULE K – SHAREHOLDERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.

SECTION I	(a) Pro Rata Share Items	(b) Total Amount
Income (Loss) and Deductions		
1	Kentucky ordinary income (loss) from trade or business activities (page 1, Part I, line 10).....	-2794.
2	Net income (loss) from rental real estate activities (attach federal Form 8825).....	
3 a	Gross income from other rental activities	
b	Less expenses from other rental activities (attach schedule)	
c	Net income (loss) from other rental activities (line 3a less line 3b).....	
4	Portfolio income (loss):	
a	Interest income	
b	Dividend income	
c	Royalty income	
d	Net short-term capital gain (loss) (attach federal Schedule D and Kentucky Schedule D, if applicable) ...	
e	Net long-term capital gain (loss) (attach federal Schedule D and Kentucky Schedule D, if applicable)....	
f	Other portfolio income (loss) (attach schedule).....	
5	Section 1231 net gain (loss) (other than due to casualty or theft) (attach federal and Kentucky Forms 4797).....	
6	Other income (loss) (attach schedule)	
7	Charitable contributions (attach schedule) and housing for homeless deduction (attach Schedule HH)	
8	IRC Section 179 expense deduction (attach federal Form 4562 and Kentucky Form 4562)	
9	Deductions related to portfolio income (loss) (attach schedule).....	
10	Other deductions (attach schedule).....	
Investment Interest		
11 a	Interest expense on investment debts	
b (1)	Investment income included on lines 4(a), 4(b), 4(c) and 4(f) above.....	
(2)	Investment expenses included on line 9 above.....	
Tax Credits		
12	Kentucky Small Business Investment Tax Credit (attach KEDFA notification)	
13	Skills Training Investment Tax Credit (attach copy of certification(s)).....	
14	Certified Rehabilitation Tax Credit (attach copy of certification(s)).....	
15	Kentucky Unemployment Tax Credit (attach Schedule UTC).....	
16	Recycling/Composting Equipment Tax Credit (attach Schedule RC).....	
17	Kentucky Investment Fund Tax Credit (attach KEDFA notification).....	
18	Coal Incentive Tax Credit (attach Schedule CI).....	
19	Qualified Research Facility Tax Credit (attach Schedule QR).....	
20	GED Incentive Tax Credit (attach Form DAEL-31).....	
21	Voluntary Environmental Remediation Tax Credit (attach Schedule VERB).....	
22	Biodiesel Tax Credit (attach Schedule BIO).....	
23	Environmental Stewardship Tax Credit (attach Schedule KESA).....	



SCHEDULE K – SHAREHOLDERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.

SECTION I – continued	(a) Pro Rata Share Items	(b) Total Amount
Tax Credits – continued		
24 Clean Coal Incentive Tax Credit (attach Schedule CCI).....	24	
25 Ethanol Tax Credit (attach Schedule ETH).....	25	
26 Cellulosic Ethanol Tax Credit (attach Schedule CELL).....	26	
Form 5695-K Pass-through Amounts (attach Form 5695-K)		
27 Energy Efficiency Products Tax Credit amount from Form 5695-K, line 6.....	27	
28 Energy Efficiency Products Tax Credit amount from Form 5695-K, line 12.....	28	
29 Energy Efficiency Products Tax Credit amount from Form 5695-K, line 18.....	29	
30 Energy Efficiency Products Tax Credit amount from Form 5695-K, line 36.....	30	
31 Energy Efficiency Products Tax Credit amount from Form 5695-K, line 36.....	31	
32 Energy Efficiency Products Tax Credit amount from Form 5695-K, line 51.....	32	
33 Energy Efficiency Products Tax Credit amount from Form 5695-K, line 51.....	33	
34 Energy Efficiency Products Tax Credit amount from Form 5695-K, line 57.....	34	
35 Energy Efficiency Products Tax Credit amount from Form 5695-K, line 63.....	35	
36 Railroad Maintenance and Improvement Tax Credit (attach Schedule RR-I).....	36	
37 Endow Kentucky Tax Credit (attach Schedule ENDOW).....	37	
38 New Markets Development Program Tax Credit (attach Form 8874(K)-A).....	38	
Other Items		
39 a Type of Section 59(e)(2) expenditures..... ▶	39 a	
b Amount of Section 59(e)(2) expenditures.....	b	
40 Tax-exempt interest income.....	40	
41 Other tax-exempt income.....	41	
42 Nondeductible expenses..... See Nondeductible Exp Stmt	42	122.
43 Total property distributions (including cash) other than dividends reported on line 45 below.....	43	
44 Other items and amounts required to be reported separately to shareholders (attach schedule).....	44	
45 Total dividend distributions paid from accumulated earnings and profits.....	45	

SECTION II – Pass-through Items

1 S corporation's Kentucky sales from Schedule A, Section I, line 1.....	1	
2 S corporation's total sales from Schedule A, Section I, line 2.....	2	
3 S corporation's Kentucky property from Schedule A, Section I, line 5.....	3	
4 S corporation's total property from Schedule A, Section I, line 6.....	4	
5 S corporation's Kentucky payroll from Schedule A, Section I, line 8.....	5	
6 S corporation's total payroll from Schedule A, Section I, line 9.....	6	
7 S corporation's Kentucky gross profits from Schedule LLET, Section A, Column A, line 5.....	7	
8 S corporation's total gross profits from all sources from Schedule LLET, Section A, Column B, line 5.....	8	
9 Limited liability entity tax (LLET) nonrefundable credit from page 1, Part II, the total of lines 4 and 6, less \$175.....	9	0.



LIMITED LIABILITY ENTITY TAX
 KRS 141.0401

- ▶ See instructions.
- ▶ Attach to Form 720, 720S, 725 or 765.

Member of a Combined Group
 Reason Code

Name of Corporation or Limited Liability Pass-through Entity CLASSIC CONSTRUCTION, INC	Federal Identification Number [REDACTED]	Kentucky Corporation/LLET Account Number
--	---	--

Check this box and complete Schedule LLET-C, Limited Liability Entity Tax - Continuation Sheet, if the corporation or limited liability pass-through entity filing this tax return is a partner or member of a limited liability pass-through entity or general partnership (organized or formed as a general partnership after January 1, 2006) doing business in Kentucky. Enter the total amounts from Schedule LLET-C in Section A of this schedule.

Section A – Computation of Gross Receipts and Gross Profits

		Column A Kentucky	Column B Total
1 Gross receipts	1	00	00
2 Returns and allowances	2	00	00
3 Gross receipts after returns and allowances (line 1 less line 2 or amount from Schedule LLET-C)	3	00	00
4 Cost of goods sold	4	00	00
5 Gross profits (line 3 less line 4 or amount from Schedule LLET-C)	5	00	00

Section B – Computation of Gross Receipts LLET

1 If gross receipts from all sources (Column B, line 3) are \$3,000,000 or less, STOP and enter \$175 on Section D, line 1	1		
2 If gross receipts from all sources (Column B, line 3) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 3 x 0.00095) – [\$2,850 x (\$6,000,000 – Column A, line 3)] <u>\$3,000,000</u> but in no case shall the result be less than zero	2	00	
3 If gross receipts from all sources (Column B, line 3) are \$6,000,000 or greater, enter the following: Column A, line 3 x 0.00095	3	00	
4 Enter the amount from line 2 or line 3	4	0.00	

Section C – Computation of Gross Profits LLET

1 If gross profits from all sources (Column B, line 5) are \$3,000,000 or less, STOP and enter \$175 on Section D, line 1	1		
2 If gross profits from all sources (Column B, line 5) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 5 x 0.0075) – [\$22,500 x (\$6,000,000 – Column A, line 5)] <u>\$3,000,000</u> but in no case shall the result be less than zero	2	00	
3 If gross profits from all sources (Column B, line 5) are \$6,000,000 or greater, enter the following: Column A, line 5 x 0.0075	3	00	
4 Enter the amount from line 2 or line 3	4	0.00	

Section D – Computation of LLET

1 Enter the lesser of Section B, line 4 or Section C, line 4, or a minimum of \$175 on this line and on Form 720, Part I, line 1; for Form 720S, 725 or 765, enter on Part II, line 1	1	175.00	
---	---	--------	--





SHAREHOLDER'S SHARE OF
 INCOME, CREDITS, DEDUCTIONS, ETC.

▶ See instructions.

For calendar year 2012 or fiscal year beginning , 2012, and ending

Shareholder's identifying number ▶	S corporation's FEIN	Kentucky Corporation/LLET Account Number ▶
Shareholder's name, address and ZIP code RUSSELL L GIVENS 158 NORTHWOOD ROAD FRANKFORT KY 40601		S corporation's name, address and ZIP code Check if applicable: <input type="checkbox"/> Qualified investment pass-through entity CLASSIC CONSTRUCTION, INC PO BOX 4113 FRANKFORT KY 40604
A Shareholder's percentage of stock ownership for tax year ▶ 100.0000 % B1 Resident shareholder's taxable percentage of pro rata share items ▶ 100 % 2 Nonresident shareholder's taxable percentage of pro rata share items (see Schedule A, Section I, line 12) % C What type of entity is this shareholder? <input checked="" type="checkbox"/> Individual <input type="checkbox"/> Estate <input type="checkbox"/> Trust <input type="checkbox"/> Single Member LLC D Check the box if nonresident shareholder's income is reported on: <input type="checkbox"/> Kentucky Nonresident Income Tax Withholding on Distributive Share Income Transmittal Report and Composite Income Tax Return (Form 740NP-WH and Form PTE-WH) E Check if applicable: (1) <input type="checkbox"/> Final K-1 (2) <input type="checkbox"/> Amended K-1		

IMPORTANT: Refer to Shareholder's Instructions for Schedule K-1 before entering information from Schedule K-1 on your tax return.

	(a) Pro Rata Share Items	(b) Amount
Income (Loss)		
1 Ordinary income (loss) from trade or business activities	1	-2794 .
2 Net income (loss) from rental real estate activities	2	
3 Net income (loss) from other rental activities	3	
4 Portfolio income (loss):		
a Interest	4a	
b Dividends	b	
c Royalties	c	
d Net short-term capital gain (loss)	d	
e Net long-term capital gain (loss)	e	
f Other portfolio income (loss) (attach schedule)	f	
5 Section 1231 net gain (loss) (other than due to casualty or theft)	5	
6 Other income (loss) (attach schedule)	6	
Deductions		
7 Charitable contributions (attach schedule) and housing for homeless deduction (attach Schedule HH)	7	
8 IRC Section 179 expense deduction (attach federal Form 4562 and Kentucky Form 4562)	8	
9 Deductions related to portfolio income (loss) (attach schedule)	9	
10 Other deductions (attach schedule)	10	
Investment Interest		
11 a Interest expense on investment debts	11a	
b (1) Investment income included on lines 4(a), 4(b), 4(c) and 4(f) above	b(1)	
(2) Investment expenses included on line 9 above	(2)	
Tax Credits		
12 Kentucky Small Business Investment Tax Credit	12	
13 Skills Training Investment Tax Credit	13	
14 Certified Rehabilitation Tax Credit	14	
15 Kentucky Unemployment Tax Credit	15	
16 Recycling/Composting Equipment Tax Credit	16	
17 Kentucky Investment Fund Tax Credit	17	



SHAREHOLDER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

(a) Pro Rata Share Items (continued)		(b) Amount
Tax Credits -- continued		
18 Coal Incentive Tax Credit	18	
19 Qualified Research Facility Tax Credit	19	
20 GED Incentive Tax Credit	20	
21 Voluntary Environmental Remediation Tax Credit	21	
22 Biodiesel Tax Credit	22	
23 Environmental Stewardship Tax Credit	23	
24 Clean Coal Incentive Tax Credit	24	
25 Ethanol Tax Credit	25	
26 Cellulosic Ethanol Tax Credit	26	
Form 5695-K Pass-through Amounts		
27 Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 3)	27	
28 Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 9)	28	
29 Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 15)	29	
30 Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 29)	30	
31 Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 32)	31	
32 Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 44)	32	
33 Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 47)	33	
34 Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 54)	34	
35 Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 60)	35	
36 Railroad Maintenance and Improvement Tax Credit	36	
37 Endow Kentucky Tax Credit	37	
38 New Markets Development Program Tax Credit	38	
Other Items		
39 a Type of Section 59(e)(2) expenditures ▶	39 a	
b Amount of Section 59(e)(2) expenditures	b	
40 Tax-exempt interest income	40	
41 Other tax-exempt income	41	See Nondeductible Expenses Stmt
42 Nondeductible expenses	42	122.
43 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	43	
44 Supplemental information required to be reported to each shareholder (attach schedules)	44	
45 Total dividend distributions paid from accumulated earnings and profits	45	
LLET Pass-through Items		
46 Shareholder's share of S corporation's Kentucky sales from Schedule K, Section II, line 1	46	
47 Shareholder's share of S corporation's total sales from Schedule K, Section II, line 2	47	
48 Shareholder's share of S corporation's Kentucky property from Schedule K, Section II, line 3	48	
49 Shareholder's share of S corporation's total property from Schedule K, Section II, line 4	49	
50 Shareholder's share of S corporation's Kentucky payroll from Schedule K, Section II, line 5	50	
51 Shareholder's share of S corporation's total payroll from Schedule K, Section II, line 6	51	
52 Shareholder's share of Kentucky gross profits from Schedule K, Section II, line 7	52	
53 Shareholder's share of total gross profits from all sources from Schedule K, Section II, line 8	53	
54 Shareholder's share of limited liability entity tax (LLET) nonrefundable credit from Schedule K, Section II, line 9	54	0.
Resident Shareholder Adjustment		
KYSA0301 10/22/12		
55 Combination of Kentucky Schedule K-1, lines 1 through 5, 8 and portions of lines 6 and 10. Add income amounts and subtract (loss) and deduction amounts (see instructions)	55	-2794.
56 Combination of federal Schedule K-1, lines 1 through 9, 11 and portions of lines 10 and 12. Add income amounts and subtract (loss) and deduction amounts (see instructions)	56	-2794.
57 Enter the difference of lines 55 and 56 here and on appropriate line on Schedule M (see instructions)	57	0.

Form 720S, Page 4, Schedule K, Line 38

Nondeductible Exp Stmt

<u>FINES AND PENALTIES</u>	<u>122.</u>
Total	<u><u>122.</u></u>

Department of the Treasury
Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

For calendar year 2012 or tax year beginning , 2012, ending

A S election effective date 01/11/99	TYPE OR PRINT	Name CLASSIC CONSTRUCTION, INC	D Employer identification number [REDACTED]
B Business activity code number (see instrs) 236110		Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 4113	E Date incorporated 01/11/99
C Check if Schedule M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code FRANKFORT KY 40604	F Total assets (see instructions) \$ 10,334.

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If 'Yes,' attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change
(4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year **1**

Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

INCOME	1 a Gross receipts or sales	1 a	35,984.	
	b Returns and allowances	1 b		
	c Balance. Subtract line 1b from line 1a	1 c		35,984.
	2 Cost of goods sold (attach Form 1125-A)	2		
	3 Gross profit. Subtract line 2 from line 1c	3		35,984.
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4		
5 Other income (loss) (see instrs - att statement)	5			
6 Total income (loss). Add lines 3 through 5	6			35,984.
DEDUCTIONS SEE INSTRUCTIONS	7 Compensation of officers	7		
	8 Salaries and wages (less employment credits)	8		
	9 Repairs and maintenance	9		4,903.
	10 Bad debts	10		
	11 Rents	11		
	12 Taxes and licenses	12		5,324.
	13 Interest	13		255.
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14		795.
	15 Depletion (Do not deduct oil and gas depletion.)	15		
	16 Advertising	16		
	17 Pension, profit-sharing, etc, plans	17		
	18 Employee benefit programs	18		
	19 Other deductions (attach statement) * STMT	19		27,501.
	20 Total deductions. Add lines 7 through 19	20		38,778.
	21 Ordinary business income (loss). Subtract line 20 from line 6	21		-2,794.
TAX AND PAYMENTS	22 a Excess net passive income or LIFO recapture tax (see instructions)	22 a		
	b Tax from Schedule D (Form 1120S)	22 b		
	c Add lines 22a and 22b (see instructions for additional taxes)	22 c		
	23 a 2012 estimated tax payments and 2011 overpayment credited to 2012	23 a		
	b Tax deposited with Form 7004	23 b		
	c Credit for federal tax paid on fuels (attach Form 4136)	23 c		
	d Add lines 23a through 23c	23 d		
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	24		
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed	25		
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26		
27 Enter amount from line 26 Credited to 2013 estimated tax Refunded	27			

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: Douglas G. Gorman Date: 2-3-13 Title: PRESIDENT

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only

Print/Type preparer's name: DOUG CARPENTER Preparer's signature: [Signature] Date: 02/03/13 Check if self-employed PTIN: P01078151

Firm's name: DOUG CARPENTER Firm's EIN: [REDACTED]

Firm's address: 3280 Blazer Parkway Suite 110 Phone no.: [REDACTED]
LEXINGTON KY 40509

Schedule B Other Information (see instructions)

	Yes	No
1 Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____		
2 See the instructions and enter the: a Business activity ▶ <u>SEWAGE TREATMENT</u> b Product or service ... ▶ <u>SEWAGE TREATMENT</u>		
3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person?		X
4a At the end of the tax year, did the corporation: Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made

	Yes	No
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below.		X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum % Owned in Profit, Loss, or Capital

5a At the end of the tax year, did the corporation have any outstanding shares of restricted stock?		X
If 'Yes,' complete lines (i) and (ii) below.		
(i) Total shares of restricted stock		
(ii) Total shares of non-restricted stock		
b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments?		X
If 'Yes,' complete lines (i) and (ii) below.		
(i) Total shares of stock outstanding at the end of the tax year		
(ii) Total shares of stock outstanding if all instruments were executed		
6 Has this corporation filed, or is it required to file Form 8918 , Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
7 Check this box if the corporation issued publicly offered debt instruments with original issue discount	<input type="checkbox"/>	
If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
8 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions)		
9 Enter the accumulated earnings and profits of the corporation at the end of the tax year		\$ _____
10 Does the corporation satisfy both of the following conditions?		
a The corporation's total receipts (see instructions) for the tax year were less than \$250,000.		
b The corporation's total assets at the end of the tax year were less than \$250,000.	X	
If 'Yes,' the corporation is not required to complete Schedules L and M-1.		
11 During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
If 'Yes,' enter the amount of principal reduction		\$ _____
12 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If 'Yes', see instructions.		X
13 a Did the corporation make any payments in 2012 that would require it to file Form(s) 1099?	X	
b If 'Yes,' did the corporation file or will it file required Forms 1099?	X	

Schedule K Shareholders' Pro Rata Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1 -2,794.
	2 Net rental real estate income (loss) (attach Form 8825)	2
	3a Other gross rental income (loss)	3a
	b Expenses from other rental activities (attach statement)	3b
	c Other net rental income (loss). Subtract line 3b from line 3a	3c
	4 Interest income	4
	5 Dividends: a Ordinary dividends	5a
	b Qualified dividends	5b
	6 Royalties	6
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a	
	b Collectibles (28%) gain (loss)	8b
	c Unrecaptured section 1250 gain (attach statement)	8c
	9 Net section 1231 gain (loss) (attach Form 4797)	9
10 Other income (loss) (see instructions) Type ▶	10	
Deductions	11 Section 179 deduction (attach Form 4562)	11
	12a Charitable contributions	12a
	b Investment interest expense	12b
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c (2)
d Other deductions (see instructions) Type ▶	12d	
Credits	13a Low-income housing credit (section 42(j)(5))	13a
	b Low-income housing credit (other)	13b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c
	d Other rental real estate credits (see instrs) Type ▶	13d
	e Other rental credits (see instrs) Type ▶	13e
	f Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f
	g Other credits (see instructions) Type ▶	13g
Foreign Transactions	14a Name of country or U.S. possession ▶	
	b Gross income from all sources	14b
	c Gross income sourced at shareholder level	14c
	Foreign gross income sourced at corporate level	
	d Passive category	14d
	e General category	14e
	f Other (attach statement)	14f
	Deductions allocated and apportioned at shareholder level	
	g Interest expense	14g
	h Other	14h
	Deductions allocated and apportioned at corporate level to foreign source income	
	i Passive category	14i
	j General category	14j
	k Other (attach statement)	14k
Other information		
l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l	
m Reduction in taxes available for credit (attach statement)	14m	
n Other foreign tax information (attach statement)		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a 0.
	b Adjusted gain or loss	15b
	c Depletion (other than oil and gas)	15c
	d Oil, gas, and geothermal properties – gross income	15d
	e Oil, gas, and geothermal properties – deductions	15e
	f Other AMT items (attach statement)	15f
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a
	b Other tax-exempt income	16b
	c Nondeductible expenses	16c 122.
	d Distributions (attach stmt if required) (see instrs)	16d
	e Repayment of loans from shareholders	16e

Schedule K Shareholders' Pro Rata Share Items (continued)		Total amount
Other Information	17a Investment income	17a
	b Investment expenses	17b
	c Dividend distributions paid from accumulated earnings and profits	17c
	d Other items and amounts (attach statement)	

Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and lines 14l.	18	-2,794.
----------------	--	----	---------

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		1,160.		986.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach stmt)				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach statement)				
10a Buildings and other depreciable assets	25,952.		25,952.	
b Less accumulated depreciation	17,588.	8,364.	18,384.	7,568.
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization				
14 Other assets (attach stmt) Ln. 14 St.		1,780.		1,780.
15 Total assets		11,304.		10,334.
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach stmt)				
19 Loans from shareholders		12,863.		13,973.
20 Mortgages, notes, bonds payable in 1 year or more		3,349.		4,185.
21 Other liabilities (attach statement)				
22 Capital stock		1,000.		1,000.
23 Additional paid-in capital		8,848.		8,848.
24 Retained earnings		-14,756.		-17,672.
25 Adjustments to shareholders' equity (att stmt)				
26 Less cost of treasury stock				
27 Total liabilities and shareholders' equity		11,304.		10,334.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more- see instructions

1	Net income (loss) per books	-2,916.	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14l (itemize):		6	Deductions included on Schedule K, lines 1 through 12, and 14l, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$		7	Add lines 5 and 6	
* STMT	122.	122.	8	Income (loss) (Schedule K, ln 18). Ln 4 less ln 7	-2,794.
4	Add lines 1 through 3	-2,794.			

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	-14,756.	
2	Ordinary income from page 1, line 21		
3	Other additions		
4	Loss from page 1, line 21	2,794.	
5	Other reductions * STMT	122.	
6	Combine lines 1 through 5	-17,672.	
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	-17,672.	

Schedule K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

2012

For calendar year 2012, or tax
year beginning _____, 2012
ending _____, _____

Final K-1

Amended K-1

671112

OMB No. 1545-0130

Shareholder's Share of Income, Deductions, Credits, etc ▶ See page 2 of form and separate instructions.

Part I Information About the Corporation	
A Corporation's employer identification number	[REDACTED]
B Corporation's name, address, city, state, and ZIP code	CLASSIC CONSTRUCTION, INC PO BOX 4113 FRANKFORT, KY 40604
C IRS Center where corporation filed return	Cincinnati, OH 45999-0013
Part II Information About the Shareholder	
D Shareholder's identifying number	[REDACTED]
E Shareholder's name, address, city, state, and ZIP code	RUSSELL L GIVENS 158 NORTHWOOD ROAD FRANKFORT, KY 40601
F Shareholder's percentage of stock ownership for tax year	100.00000 %

FOR USE ONLY

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	13	Credits
			-2,794.
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5 a	Ordinary dividends		
5 b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8 a	Net long-term capital gain (loss)		
8 b	Collectibles (28%) gain (loss)		
8 c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
		A	0.
11	Section 179 deduction	16	Items affecting shareholder basis
		C	122.
12	Other deductions		
		17	Other information

*See attached statement for additional information.

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

	<i>Report on</i>	<i>Code</i>	<i>Report on</i>	
1 Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows:				
	<i>Report on</i>			
Passive loss	See the Shareholder's Instructions	M Credit for increasing research activities	See the Shareholder's Instructions	
Passive income	Schedule E, line 28, column (g)	N Credit for employer social security and Medicare taxes		
Nonpassive loss	Schedule E, line 28, column (h)	O Backup withholding		
Nonpassive income	Schedule E, line 28, column (i)	P Other credits		
2 Net rental real estate income (loss)	See the Shareholder's Instructions	14 Foreign transactions		
3 Other net rental income (loss)		A Name of country or U.S. possession	Form 1116, Part I	
Net income	Schedule E, line 28, column (g)	B Gross income from all sources		
Net loss	See the Shareholder's Instructions	C Gross income sourced at shareholder level	<i>Foreign gross income sourced at corporate level</i>	
4 Interest income	Form 1040, line 8a	D Passive category		
5 a Ordinary dividends	Form 1040, line 9a	E General category		
5 b Qualified dividends	Form 1040, line 9b	F Other	Form 1116, Part I	
6 Royalties	Schedule E, line 4	<i>Deductions allocated and apportioned at shareholder level</i>		
7 Net short-term capital gain (loss)	Schedule D, line 5	G Interest expense	Form 1116, Part I	
8 a Net long-term capital gain (loss)	Schedule D, line 12	H Other	Form 1116, Part I	
8 b Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D instructions)	<i>Deductions allocated and apportioned at corporate level to foreign source income</i>		
8 c Unrecaptured section 1250 gain	See the Shareholder's Instructions	I Passive category	Form 1116, Part I	
9 Net section 1231 gain (loss)	See the Shareholder's Instructions	J General category		
10 Other income (loss)		K Other		
<i>Code</i>		<i>Other information</i>		
A Other portfolio income (loss)	See the Shareholder's Instructions	L Total foreign taxes paid	Form 1116, Part II	
B Involuntary conversions	See the Shareholder's Instructions	M Total foreign taxes accrued	Form 1116, Part II	
C Sec. 1256 contracts and straddles	Form 6781, line 1	N Reduction in taxes available for credit	Form 1116, line 12	
D Mining exploration costs recapture	See Pub 535	O Foreign trading gross receipts	Form 8873	
E Other income (loss)	See the Shareholder's Instructions	P Extraterritorial income exclusion	Form 8873	
11 Section 179 deduction	See the Shareholder's Instructions	Q Other foreign transactions	See the Shareholder's Instructions	
12 Other deductions		15 Alternative minimum tax (AMT) items		
A Cash contributions (50%)	See the Shareholder's Instructions	A Post-1986 depreciation adjustment	See the Shareholder's Instructions and the Instructions for Form 6251	
B Cash contributions (30%)				
C Noncash contributions (50%)				
D Noncash contributions (30%)				
E Capital gain property to a 50% organization (30%)				
F Capital gain property (20%)				
G Contributions (100%)				
H Investment interest expense	Form 4952, line 1	16 Items affecting shareholder basis		
I Deductions — royalty income	Schedule E, line 19	A Tax-exempt interest income	Form 1040, line 8b	
J Section 59(e)(2) expenditures	See the Shareholder's Instructions	B Other tax-exempt income	See the Shareholder's Instructions	
K Deductions — portfolio (2% floor)	Schedule A, line 23	C Nondeductible expenses		
L Deductions — portfolio (other)	Schedule A, line 28	D Distributions		
M Preproductive period expenses	See the Shareholder's Instructions	E Repayment of loans from shareholders		
N Commercial revitalization deduction from rental real estate activities	See Form 8582 instructions	17 Other information		
O Reforestation expense deduction	See the Shareholder's Instructions	A Investment income	Form 4952, line 4a	
P Domestic production activities information	See Form 8903 instructions	B Investment expenses	Form 4952, line 5	
Q Qualified production activities income	Form 8903, line 7b	C Qualified rehabilitation expenditures (other than rental real estate)	See the Shareholder's Instructions	
R Employer's Form W-2 wages	Form 8903, line 17	D Basis of energy property	See the Shareholder's Instructions	
S Other deductions	See the Shareholder's Instructions	E Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8	
13 Credits		F Recapture of low-income housing credit (other)	Form 8611, line 8	
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Shareholder's Instructions	G Recapture of investment credit	See Form 4255	
B Low-income housing credit (other) from pre-2008 buildings				
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings				
D Low-income housing credit (other) from post-2007 buildings				
E Qualified rehabilitation expenditures (rental real estate)	See the Shareholder's Instructions	H Recapture of other credits	See the Shareholder's Instructions	
F Other rental real estate credits			I Look-back interest — completed long-term contracts	See Form 8697
G Other rental credits			J Look-back interest — income forecast method	See Form 8866
H Undistributed capital gains credit		Form 1040, line 71, box a	K Dispositions of property with section 179 deductions	See the Shareholder's Instructions
I Alcohol and cellulosic biofuel fuels credit		See the Shareholder's Instructions	L Recapture of section 179 deduction	
J Work opportunity credit				
K Disabled access credit			M Section 453(l)(3) information	
L Empowerment zone and renewal community employment credit			N Section 453A(c) information	
			O Section 1260(b) information	
			P Interest allocable to production expenditures	
			Q CCF nonqualified withdrawals	
			R Depletion information — oil and gas	
			S Amortization of reforestation costs	
		T Section 108(i) information		
		U Other information		

Form 1120S, Page 1, Line 19

Other Deductions

ACCOUNTING	1,350.	✓
AUTO & TRUCK EXPENSE	380.	✓
BANK CHARGES	401.	✓
CREDIT AND COLLECTION	5,398.	✓
CHEMICALS	284.	✓
ELECTRIC	4,631.	✓
MISCELANEOUS	21.	✓
OPERATOR	9,049.	✓
POSTAGE	101.	✓
PCS ASSESSMENT	1,024.	
PUMPING	2,605.	✓
TELEPHONE	503.	✓
TESTING	1,450.	✓
WATER	304.	✓
Total	<u>27,501.</u>	

Other Assets:

1120S, Schedule L, Line 14

Other Assets:	Beginning of tax year	End of tax year
UTILITY DEPOSITS	1,780.	1,780.
Total	<u>1,780.</u>	<u>1,780.</u>

Form 1120S, Page 5, Schedule M-1, Line 3

Sch M-1, Line 3

FINES AND PENALTIES	122.
Total	<u>122.</u>

Form 1120S, Page 5, Schedule M-2, Line 5

Schedule M-2, Other Reductions

FINES AND PENALTIES	122.
Total	<u>122.</u>