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Joann Estates Utilities, Inc.

Financial Statements

December 31, 2013

L.A. MILLER

CPA • PSC

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, 2013, 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.



March 25, 2014

215 Nahm • Paducah, Kentucky 42001 • (270) 575-3444 • Fax (270) 444-8027
Linda A. Miller, CPA

Member: American Institute of Certified Public Accountants • Kentucky Society of Certified Public Accountants
www.lamillercpa.com

Joann Estates Utilities, Inc.
Balance Sheet
As of December 31, 2013
ASSETS

CURRENT ASSETS

Cash in Bank	\$ 1,212.24
Note Receivable -B G Waid	<u>16,957.43</u>

Total Current Assets 18,169.67

PROPERTY AND EQUIPMENT

Plant	53,292.74
Equipment	20,883.15
Less: Accumulated Depreciation	<u>(65,075.42)</u>

Net Property and Equipment 9,100.47

TOTAL ASSETS \$ 27,270.14

LIABILITIES AND EQUITY

CURRENT LIABILITIES

LONG-TERM LIABILITIES

STOCKHOLDERS' EQUITY

Capital Stock	11,000.00
Retained Earnings	<u>16,270.14</u>

Total Stockholders' Equity 27,270.14

**TOTAL LIABILITIES AND
STOCKHOLDERS' EQUITY** \$ 27,270.14

Joann Estates Utilities, Inc. Income Statement

12 Months Ended
December 31, 2013

Sales

Utility Service Revenue	\$	57,783.42
Less Returns & Allowances		<u>0.00</u>

Total Sales 57,783.42

Cost of Goods Sold

Purchases - Parts & Chemicals		7,699.72
Equipment Rent		3,050.00
Labor		3,500.00
Contract Labor		13,884.00
Utilities		14,140.04
Lab Fees		<u>5,084.41</u>

Total Cost of Goods Sold 47,358.17

Gross Profit 10,425.25

Operating Expenses

Advertising		76.00
Payroll Taxes		341.25
Auto Expense		455.00
Office Supplies & Expense		543.58
License & Taxes & Permits		1,281.39
Depreciation		1,813.95
Insurance		1,203.89
Bank Service Charges		411.41
Shop Repairs & Maintenance		1,068.05
Legal & Accounting		1,200.00
Engineer Expense		2,000.00
Refuse		<u>854.66</u>

Total Operating Expenses 11,249.18

Operating Income (Loss) (823.93)

Net Income (Loss) \$ (823.93)

Joann Estates Utilities, Inc.
Statement of Cash Flows
For the 12 months Ended December 31, 2013

2013

CASH FLOWS FROM OPERATING ACTIVITES

Net Income (loss)	\$	(823.93)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and Amortization		1,813.95
Losses (gains) on sales of fixed assets		0.00
Decrease (Increase) in operating assets		
Increase (Decrease) in operating liabilities		
Accrued Liabilities		(1,235.50)
Total Adjustments		578.45
Net Cash Provided By (Used in) Operating Activities		(245.48)

CASH FLOWS FROM INVESTING ACTIVITIES

Net Cash Provided By (Used In) Investing Activities		0.00
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CASH FLOWS FROM FINANCING ACTIVITIES

Net Cash Provided By (Used In) Financing Activities		0.00
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

(245.48)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERI

1,457.72

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 1,212.24