

**Joann Estates Utilities, Inc.**

**Financial Statements**

**Twelve Months Ended December 31, 2016**

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# L.A. MILLER

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CPA • PSC

To Management  
Joann Estates Utilities, Inc.  
Paducah, KY

Management is responsible for the accompanying financial statements of Joann Estates Utilities, Inc. (a corporation), which comprise the balance sheet as of December 31, 2016, and the related statements of income and retained earnings and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these 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, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

 CPA PSC

Paducah, Kentucky

March 21, 2017

**Joann Estates Utilities, Inc.**  
**Balance Sheet**  
**As of December 31, 2016**  
**ASSETS**

**CURRENT ASSETS**

Cash in Bank	\$	31,268.48	
Prepaid Income Taxes		<u>2,900.00</u>	

<b>Total Current Assets</b>			<u>34,168.48</u>
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**PROPERTY AND EQUIPMENT**

Plant		53,292.74	
Equipment		24,952.26	
Less: Accumulated Depreciation		<u>(70,808.23)</u>	

<b>Net Property and Equipment</b>			<u>7,436.77</u>
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<b>TOTAL ASSETS</b>			<u>\$ 41,605.25</u>
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**LIABILITIES AND EQUITY**

**CURRENT LIABILITIES**

Federal Income Tax & FICA W/H	\$	1,387.20	
Futa/Suta Payable		162.00	
Kentucky Income Tax W/H		510.70	
McCracken Co Tax W/H		<u>84.00</u>	

<b>Total Current Liabilities</b>			<u>2,143.90</u>
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**LONG-TERM LIABILITIES**

<b>Total Liabilities</b>			<u>2,143.90</u>
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**STOCKHOLDERS' EQUITY**

Capital Stock		11,000.00	
Retained Earnings		<u>28,461.35</u>	

<b>Total Stockholders' Equity</b>			<u>39,461.35</u>
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<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>			<u>\$ 41,605.25</u>
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# Joann Estates Utilities, Inc.

## Income Statement

12 Months Ended  
December 31, 2016

### Sales

Utility Service Revenue	\$	109,284.70
Less Bad Debts		<u>16,957.43</u>

**Total Sales** 92,327.27

### Cost of Goods Sold

Purchases - Parts & Chemicals	3,554.63
Equipment Rent	4,500.00
Contract Labor	37,055.00
Utilities	17,384.63
Lab Fees	<u>11,159.00</u>

**Total Cost of Goods Sold** 73,653.26

**Gross Profit** 18,674.01

### Operating Expenses

Payroll Taxes	1,289.00
Management Salaries	14,000.00
Office Supplies & Expense	708.64
License & Taxes & Permits	1,694.50
Depreciation	2,123.76
Bank Service Charges	482.13
Shop Repairs & Maintenance	2,055.13
Legal & Accounting	3,126.60
Miscellaneous	2,014.00
Refuse	<u>929.57</u>

**Total Operating Expenses** 28,423.33

**Operating Income (Loss)** (9,749.32)

**Net Income (Loss)** \$ (9,749.32)

**Joann Estates Utilities, Inc.**  
**Statement of Retained Earnings**

**12 Months Ended  
December 31, 2016**

Beginning of Period	\$	38,210.67
Plus: Net Income	\$	(9,749.32)
Less: Dividends Paid		<u>0.00</u>
<b>RETAINED EARNINGS END OF PERIOD</b>	<b>\$</b>	<b><u>28,461.35</u></b>

See Accountants' Compilation Report

**Joann Estates Utilities, Inc.**  
**Statement of Cash Flows**  
**For the 12 months Ended December 31, 2016**

	<u><b>2016</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income (loss)	\$ (9,749.32)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and Amortization	2,123.76
Losses (gains) on sales of fixed assets	0.00
Decrease (Increase) in operating assets	
Accounts Receivable	16,957.43
Prepaid Income Taxes	(2,900.00)
Increase (Decrease) in operating liabilities	
Accrued Liabilities	2,143.90
Total Adjustments	<u>18,325.09</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	<b>8,575.77</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>	
<b>Net Cash Provided By (Used In) Financing Activities</b>	<u><b>0.00</b></u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>8,575.77</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u><b>22,692.71</b></u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u><b>\$ 31,268.48</b></u></u>