

**P.R. Wastewater Management, Inc.**

**Financial Statements**

**Years Ended December 31, 2017 and 2016**

PUBLIC SERVICE COMMISSION  
ANNUAL REPORTS

MAR 19 2018

RECEIVED

**P.R. Wastewater Management, Inc.**

Table of Contents  
Years Ended December 31, 2017 and 2016

	<u>Page</u>
Accountant's Compilation Report.....	1
<b>Financial Statements</b>	
Balance Sheets.....	2
Statements of Operations and Changes in Retained Earnings.....	3

## Accountant's Compilation Report

To the Shareholder of  
**P.R. Wastewater Management, Inc.**

Management is responsible for the accompanying financial statements of P.R. Wastewater Management, Inc. (an S-Corporation), which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of operations and changes in retained earnings for the years then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements 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 the completeness of the information provided by management, and 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 and the statements of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statements of cash flows 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.

P.R. Wastewater Management, Inc. has negative working capital at December 31, 2017 and revenue for 2018 may be insufficient to cover 2018 cash expenditures. Such conditions indicate P.R. Wastewater Management, Inc. may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments to the financial statements that might be necessary should P.R. Wastewater Management, Inc. be unable to continue as a going concern.

*MCM CPAs & Advisors LLP*

Louisville, Kentucky  
March 8, 2018

**P. R. Wastewater Management, Inc.**  
**Balance Sheets**  
**December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Current Assets		
Cash	\$ 1,879	\$ 9,761
Accounts receivable	<u>1,678</u>	<u>543</u>
Total Current Assets	3,557	10,304
Property, Plant and Equipment		
Land	27,650	27,650
Sewage treatment plant, net	<u>33,985</u>	<u>4,712</u>
Property, Plant and Equipment, net	<u>61,635</u>	<u>32,362</u>
Total Assets	<u>\$ 65,192</u>	<u>\$ 42,666</u>
<b>Liabilities and Stockholder's Equity</b>		
Current Liabilities		
Line of credit	\$ 25,104	\$ -
Accounts payable	4,010	1,566
Other current liabilities	2,679	1,560
Note payable - related party	<u>2,000</u>	<u>-</u>
Total Current Liabilities	33,793	3,126
Stockholder's Equity		
Common stock, no par value; 1,000 shares authorized, 100 shares issued and outstanding	100	100
Retained earnings	<u>31,299</u>	<u>39,440</u>
Total Liabilities and Stockholder's Equity	<u>\$ 65,192</u>	<u>\$ 42,666</u>

See accountant's compilation report.

**P. R. Wastewater Management, Inc.**  
**Statements of Operations and Changes in Retained Earnings**  
**Years Ended December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Revenue:		
Customer fees	\$ 109,480	\$ 104,046
Operating Expenses:		
Utilities	29,390	27,255
Payroll expenses	28,592	21,800
Labor and expenses	11,146	8,508
Other services	10,100	22,676
Taxes	8,358	5,901
Pumping system	6,463	706
Miscellaneous	5,659	2,296
Chemicals	5,301	2,197
Depreciation	5,155	2,535
Repairs and maintenance	2,229	3,974
Telephone	1,796	-
Office supplies	1,653	502
Postage and supplies	1,142	1,123
Interest expense	557	-
Dues and subscriptions	80	60
Travel	-	39
	<u>117,621</u>	<u>99,572</u>
Net Operating (Loss) Income	(8,141)	4,474
Other Income		
Miscellaneous income	-	2,960
Net (Loss) Income	(8,141)	7,434
Retained Earnings, Beginning of Year	<u>39,440</u>	<u>32,006</u>
Retained Earnings, End of Year	<u>\$ 31,299</u>	<u>\$ 39,440</u>

See accountant's compilation report.