

**Ticaboo Utility Improvement District  
Historical Income Statements  
Years Ended December 31**

<b>Account Name</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2012 to 2016</b>
						<b>Avg. Annual Pct. Change</b>
<b>Operating Sales and Revenues:</b>						
Operating Revenues	322,694	421,458	519,441	511,577	470,519	9.89%
Total Revenues	322,694	421,458	519,441	511,577	470,519	9.89%
<b>Operating Expenses:</b>						
Generator Costs	263,629	300,998	256,946	211,234	145,792	-13.76%
<b>Administrative and General Expense</b>						
Depreciation and amortization	122,596	128,706	130,702	143,750	157,248	6.42%
Insurance	12,413	8,191	16,179	27,078	15,902	6.39%
Office Expense	10,624	19,032	24,096	31,836	29,724	29.33%
Payroll & Benefits	11,210	20,174	42,786	91,424	77,694	62.25%
Professional Fees	44,699	92,531	59,397	39,717	81,786	16.30%
Repair & Maintenance	9,517	14,160	11,218	3,434	3,876	-20.11%
Other	3,837	15,304	13,644	7,537	4,671	5.04%
Taxes, other than income taxes						
Total Operating Expenses	478,525	599,096	554,968	556,010	516,693	1.94%
Earnings From Operations	(155,831)	(177,638)	(35,527)	(44,433)	(46,174)	-26.22%
Interest Expense			-	(9,775)	(9,780)	
Interest Income	6	154	329	2,172	196	
Loss (Gain) on Sale of Assets		(25,667)	(77,087)			
Service Dist Operations Transfer	1,792,241					
Other (Income) Expense						
Total Other Income/Expense	1,792,247	(25,513)	(76,758)	(7,603)	(9,584)	
Operating Margin Before Capital Credit	1,636,416	(203,151)	(112,285)	(52,036)	(55,758)	
Capital Contribution		10,000		350,000		
Prior Period Adjustment	85,000					
Net Position, beginning of year	491,132	2,212,548	2,019,397	1,907,112	2,205,076	
Net Position, end of year	2,212,548	2,019,397	1,907,112	2,205,076	2,149,318	

**Ticaboo Utility Improvement District  
Historical Balance Sheets  
Years Ended December 31**

<b>Account Name</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2012 to 2016 Avg. Annual Pct. Change</b>
<b>Current Assets:</b>						
Cash & Equivalents	24,348	1,991	35,762	210,834	25,958	1.61%
Accounts Receivable, net	38,865	128,487	82,726	83,711	69,965	15.83%
Prepaid Expenses		3,976	3,976	23,644	18,598	
Material and Supplies						
Other Current Assets						
<b>Total Current Assets</b>	<b>63,213</b>	<b>134,454</b>	<b>122,464</b>	<b>318,189</b>	<b>114,521</b>	<b>16.02%</b>
<b>Noncurrent Assets:</b>						
Restricted Cash & Equivalents		3,360	11,491	58,556	108,562	
Land				4,473	4,473	
Construction in Progress	250,000	250,000		64,377	-	
Buildings	20,000	40,000	40,000	127,056	127,056	58.76%
Infrastructure	2,092,000	2,072,000	2,072,000	2,453,156	2,734,592	6.93%
Equipment & Furniture	593,233	639,928	903,545	1,073,384	1,031,090	14.82%
Vehicles	18,081	18,081	18,081	18,081	18,081	
Accumulated Depreciation & Amort.	(178,390)	(301,409)	(416,408)	(560,159)	(717,407)	41.61%
<b>Total Noncurrent Assets</b>	<b>2,794,924</b>	<b>2,721,960</b>	<b>2,628,709</b>	<b>3,238,924</b>	<b>3,306,447</b>	<b>4.29%</b>
<b>Total Assets</b>	<b>2,858,137</b>	<b>2,856,414</b>	<b>2,751,173</b>	<b>3,557,113</b>	<b>3,420,968</b>	<b>4.60%</b>
<b>Current Liabilities:</b>						
Current Portion LTD	16,000	16,000	16,000	32,000	44,000	28.78%
Accounts Payable	50,596	202,873	10,539	74,846	38,030	-6.89%
Customer Deposits						
Other	10,993	17,827	4,623	7,191	7,620	-8.75%
<b>Total Current Liabilities</b>	<b>77,589</b>	<b>236,700</b>	<b>31,162</b>	<b>114,037</b>	<b>89,650</b>	<b>3.68%</b>
Long-Term Debt	568,000	600,317	812,899	1,238,000	1,182,000	20.11%
Non-Current Liabilities						
<b>Total LTD &amp; Deferrals</b>	<b>568,000</b>	<b>600,317</b>	<b>812,899</b>	<b>1,238,000</b>	<b>1,182,000</b>	<b>20.11%</b>
<b>Total Liabilities</b>	<b>645,589</b>	<b>837,017</b>	<b>844,061</b>	<b>1,352,037</b>	<b>1,271,650</b>	<b>18.47%</b>
<b>Patrons' Equity:</b>						
Net Investment in Capital Assets	2,210,924	2,102,283	1,788,319	1,910,368	1,971,885	-2.82%
Restrictions for Debt Service	1,624	3,360	11,491	58,556	108,562	185.94%
Unrestricted		(86,246)	107,302	236,152	68,871	
<b>Total Patronage Equity</b>	<b>2,212,548</b>	<b>2,019,397</b>	<b>1,907,112</b>	<b>2,205,076</b>	<b>2,149,318</b>	<b>-0.72%</b>
<b>Total Liabilities &amp; Equity</b>	<b>2,858,137</b>	<b>2,856,414</b>	<b>2,751,173</b>	<b>3,557,113</b>	<b>3,420,968</b>	<b>4.60%</b>

**Ticaboo Utility Improvement District  
Statement of Cash Flows  
Years Ended December 31**

<b>Cash Flow from Operations</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Cash received from Customers	307,034	331,836	565,202	510,592	484,265
Cash Paid to Suppliers	(305,318)	(295,081)	(587,018)	(338,006)	(313,092)
Cash Paid to Employees	(11,210)	(20,174)	(42,786)	(91,424)	(77,694)
Net Cash Flows from Operating Activities	(9,494)	16,581	(64,602)	81,162	93,479
<b>Reconciliation of Operating Income (Loss)</b>					
Operating Income	(155,831)	(177,638)	(35,527)	(44,433)	(46,174)
Depreciation	122,596	128,706	130,702	143,750	157,248
(Increase) Decrease in Receivables	(15,660)	(89,622)	45,761	(985)	13,746
(Increase) Decrease in Prepaid Exp		(3,976)	-	(19,668)	5,046
Increase (Decrease) in Accts Payable	30,273	152,277	(192,334)	(70)	(36,816)
Increase (Decrease) in Accrued Liabilities	9,128	6,834	(13,204)	2,568	429
Net Cash Provided (Used) Operations	(9,494)	16,581	(64,602)	81,162	93,479
<b>Financing Activities</b>					
Long Term Borrowing					
Proceeds from Bond Issuance		64,317	428,582	457,101	
Proceeds from Sale of Capital Assets			55,250		
Capital Grants	50,000			350,000	
Principal Payments on Long Term Debt	(50,000)	(32,000)	(16,000)	(16,000)	(44,000)
Purchases of Capital Assets	(1,263)	(68,049)	(361,657)	(642,524)	(174,766)
Interest Paid on Long Term Debt				(9,775)	(9,780)
Interest Income on Investments		154	329	2,172	196
Donated Cash	16,073				
Net Cash Provided (Used) Financing	14,810	(35,578)	106,504	140,974	(228,350)
Net Increase (Decrease) in Cash	5,316	(18,997)	41,902	222,136	(134,871)
Cash Beginning of the Year	19,032	24,348	5,351	47,253	269,389
Cash End of the Year	24,348	5,351	47,253	269,389	134,518

**Ticaboo Utility Improvement District  
Historical Financial Ratios  
Years Ended December 31**

<b>Ratio Group And Name</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2012 to 2016 Average</b>
<b>Short-term Liquidity Ratios:</b>						
Current	0.81	0.57	3.93	2.79	1.28	1.88
Quick	0.81	0.55	3.80	2.58	1.07	1.76
Days Revenues Receivable	39	82	82	59	57	64
<b>Long-term Solvency Ratios:</b>						
Net Worth/Total Debt	3.43	2.41	2.26	1.63	1.69	2.28
Net Worth/Non Current Debt	3.90	3.36	2.35	1.78	1.82	2.64
Net Worth/Fixed Assets	0.80	0.75	0.73	0.70	0.68	0.73
Times Interest Earned (Operations)						
Times Interest Earned Total						
<b>Profitability Ratios:</b>						
Gross Margin	18.3%	28.6%	50.5%	58.7%	69.0%	45.0%
Net Operating Margin	-48.3%	-48.2%	-21.6%	-10.2%	-11.9%	-28.0%
Return On Total Assets		-7.1%	-4.0%	-1.6%	-1.6%	-3.6%
Return On Total Capital	-8.8%	-7.1%	-4.2%	-1.7%	-1.6%	-4.7%
Return On Common Equity	-11.5%	-9.1%	-5.7%	-2.5%	-2.6%	-6.3%
<b>Asset-utilization Ratios:</b>						
Sales/Cash	14.88	32.00	27.52	4.15	3.97	16.50
Sales/Accounts Receivable	10.40	5.04	4.92	6.15	6.12	6.52
Sales/Working Capital	-12.70	-7.23	-94.93	3.46	4.11	-21.46
Sales/Fixed Assets	0.25	0.17	0.21	0.18	0.15	0.19
Sales/Total Assets		0.15	0.19	0.16	0.13	0.16
<b>Capital Structure (Regulatory):</b>						
Long-Term Debt	20.9%	23.4%	30.3%	36.5%	36.3%	29.5%
Common Equity	79.1%	76.6%	69.7%	63.5%	63.7%	70.5%
<b>Capital Structure:</b>						
Short-Term Debt						
Long-Term Debt	20.9%	23.4%	30.3%	36.5%	36.3%	29.5%
Common Equity	79.1%	76.6%	69.7%	63.5%	63.7%	70.5%

**Ticaboo Utility Improvement District  
Revenue Bonds Payable**

Revenue Bonds					
Series 2012A <b>Sewer Bond</b>	184,000	176,000	168,000	160,000	152,000
0% Int - Maturity 2032 - \$8,000 Annual Pmt					
Series 2012B <b>Sewer Bond</b>	184,000	176,000	168,000	160,000	152,000
0% Int - Maturity 2032 - \$8,000 Annual Pmt					
Series 2013 <b>Electric Bond</b>		64,317	492,899	600,000	584,000
1.5% Int - Maturity 2044 - \$16,000 Annual Pmt					
Series 2015 <b>Water Bond</b>				350,000	338,000
0% Int - Maturity 2045 - \$12,000 Annual Pmt					
<b>TOTAL BONDS PAYABLE</b>	<b>368,000</b>	<b>416,317</b>	<b>828,899</b>	<b>1,270,000</b>	<b>1,226,000</b>