

**Lake Wildwood Utilities Corp.**  
**Utility Exhibit One**  
**Financial Statements**

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OCT 14 2009

ILLINOIS COMMERCE COMMISSION  
CHIEF CLERK'S OFFICE

**Lake Wildwood Utilities Corporation**  
**Balance Sheet**  
**December 31, 2008**

Schedule A

<u>ASSETS</u>	
Plant In Service	
Water	\$ 1,335,847
Sewer	0
Total	\$ 1,335,847
Accumulated Depreciation-Water	(463,472)
Accumulated Depreciation-Sewer	0
Total	\$ (463,472)
Net Utility Plant	\$ 872,375
Plant Acquisition Adjustment-Water	0
Plant Acquisition Adjustment-Sewer	0
Total	\$ 0
Construction Work In Process-Water	124,077
Construction Work In Process-Sewer	0
Total	\$ 124,077
Current Assets	
Cash	750
Accounts Receivable - Net	(333,245)
Other Current Assets	0
Total	\$ (332,495)
Deferred Charges	285
<b>TOTAL ASSETS</b>	<b>\$ 664,244</b>

<u>LIABILITIES AND OTHER CREDITS</u>	
Capital Stock and Retained Earnings	
Common Stock and Paid In Capital	\$ 630,519
Retained Earnings	130,042
Total	\$ 760,561
Current and Accrued Liabilities	
Accounts Payable-Trade	2,228
Taxes Accrued	524
Customer Deposits	0
Customer Deposits - Interest	(2)
A/P - Assoc. Companies	(235,306)
Deferred Revenue	0
Total	\$ (232,556)
Advances In Aid of Construction	
Water	0
Sewer	0
Total	\$ 0
Contributions In Aid of Construction	
Water	107,181
Sewer	0
Total	\$ 107,181
Accumulated Deferred Income Tax	
Unamortized ITC	0
Deferred Tax - Federal	20,862
Deferred Tax - State	8,196
Total	\$ 29,057
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 664,244</b>

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Lake Wildwood Utilities Corporation  
 Water Operations  
 Test Year Ended December 31, 2008

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
<b>Operating Revenues</b>					
Service Revenues - Water	202,627	(9,577) (e)	193,051	273,589 (n)	466,639
Service Revenues - Sewer	-	-	-	-	-
Miscellaneous Revenues	5,401	-	5,401	215	5,616
Uncollectible Accounts	(6,014)	-	(6,014)	(8,523) (b)	(14,537)
<b>Total Operating Revenues</b>	<b>202,014</b>	<b>(9,577)</b>	<b>192,438</b>	<b>265,281</b>	<b>467,719</b>
<b>Maintenance Expenses</b>					
Salaries and Wages	85,271	27,519 (c)	112,790	-	112,790
Purchased Power	14,783	-	14,783	-	14,783
Purchased Water	-	-	-	-	-
Maintenance and Repair	18,003	767 (i)	18,760	-	18,760
Maintenance Testing	1,617	68 (i)	1,685	-	1,685
Meter Reading	371	16 (i)	386	-	386
Chemicals	793	33 (i)	826	-	826
Transportation	13,050	549 (i)	13,599	-	13,599
Operating Exp. Charged to Plant	(41,624)	2,189 (c)	(39,435)	-	(39,435)
Outside Services - Other	5,947	250 (i)	6,197	-	6,197
<b>Total</b>	<b>98,210</b>	<b>31,381</b>	<b>129,591</b>	<b>-</b>	<b>129,691</b>
<b>General Expenses</b>					
Salaries and Wages	34,193	(16,171) (c)	18,022	-	18,022
Office Supplies & Other Office Exp.	18,780	790 (i)	19,569	-	19,569
Regulatory Commission Exp.	3,808	34,282 (d)	38,090	-	38,090
Pension & Other Benefits	26,242	3,505 (c)	29,747	-	29,747
Rent	1,548	65 (i)	1,613	-	1,613
Insurance	11,485	-	11,465	-	11,465
Office Utilities	10,527	443 (i)	10,969	-	10,969
Miscellaneous	8,825	371 (i)	9,196	-	9,196
Expense Allocation adj	-	(1,452) (o)	(1,452)	-	(1,452)
<b>Total</b>	<b>115,388</b>	<b>21,833</b>	<b>137,221</b>	<b>-</b>	<b>137,221</b>
Depreciation	59,556	10,865 (e)	70,421	-	70,421
Amortization of PAA	-	- (e)	-	-	-
Taxes Other Than Income	17,517	(1,226) (f)	16,293	274 (j)	16,566
Income Taxes - Federal	(44,808)	(14,152) (g)	(58,960)	83,525 (g)	24,565
Income Taxes - State	(10,378)	(3,278) (g)	(13,656)	19,346 (g)	5,690
Amortization of ITC	-	- (e)	-	-	-
Amortization of CIAC	(4,326)	13 (e)	(4,313)	-	(4,313)
<b>Total</b>	<b>17,562</b>	<b>(7,777)</b>	<b>9,785</b>	<b>103,144</b>	<b>112,929</b>
<b>Total Operating Expenses</b>	<b>231,160</b>	<b>45,438</b>	<b>276,597</b>	<b>103,144</b>	<b>379,742</b>
<b>Net Operating Income</b>	<b>(29,145)</b>	<b>(55,015)</b>	<b>(84,160)</b>	<b>162,137</b>	<b>77,977</b>
Other Income	(2)	-	(2)	-	(2)
Interest During Construction	(1,076)	1,076 (h)	-	-	-
Interest on Debt	60,263	(29,971) (i)	30,292	-	30,292
<b>Net Income</b>	<b>(88,331)</b>	<b>(26,119)</b>	<b>(114,450)</b>	<b>162,137</b>	<b>47,887</b>

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- (a) Revenues are annualized at proposed rates using the average test year customers.
- (b) w/p (a) - Uncollectible Accounts are adjusted based on the percentage of uncollectible accounts to revenues in the test year applied to pro forma proposed revenues.
- (c) w/p (b) - Salaries, Wages and Benefits are adjusted to annualize as of the end of the year.
- (d) w/p (d) - Regulatory Commission Expense has been adjusted to reflect the cost of the current rate case over 3 years.
- (e) w/p (f) - Depreciation and Amortization Expense are annualized. Depreciation expense represents gross depreciable plant at the end of the year plus pro forma projects multiplied by the respective depreciation rates.
- (f) w/p (e) - Taxes Other than Income is adjusted for annualized payroll taxes, Utility Commission Taxes, and Gross Receipts Taxes.
- (g) w/p (g) - Income Taxes are computed on taxable income at following rates (34% federal and 7.3% state)
- (h) AFUDC is eliminated for rate making purposes.
- (i) w/p (h) - Interest on Debt has been computed using a 53.04% / 46.96% debt-to-equity ratio and a 6.58% cost of debt.
- (j) w/p (n) - A consumer price index increase of 4.21% has been included in this filing.
- (k) w/p (m) - Intentionally left blank
- (l) w/p (k) - Intentionally left blank
- (m) w/p (o) - Intentionally left blank
- (n) Proposed revenue Increase derived from Sch.D&E.
- (o) w/p (p) - adjust allocations 12/31/08 allocation factors.

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Lake Wildwood Utilities Corporation  
 Water Operations  
 Rate Base and Rate of Return  
 Test Year Ended December 31, 2008

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	<u>(29,145)</u>	<u>(55,015)</u>	<u>(84,160)</u>	<u>162,137</u>	<u>77,977</u>
Gross Plant In Service	1,335,847	57,833 [d]	1,393,680	-	1,393,680
Accumulated Depreciation	<u>(463,472)</u>	<u>(862) [c]</u>	<u>(464,334)</u>	-	<u>(464,334)</u>
Net Plant In Service	872,375	56,971	929,347	-	929,347
Cash Working Capital	28,889	6,499 [a]	35,388	-	35,388
Contributions In Aid of Construction	(107,181)	-	(107,181)	-	(107,181)
Accumulated Deferred Income Taxes	(29,057)	-	(29,057)	-	(29,057)
Customer Deposits	(2)	-	(2)	-	(2)
Adjustment to Rate Base Allocations		59 [h]	59	-	59
Deferred charges	285	0	285	-	285
Net Pro Forma Plant	<u>-</u>	<u>39,069 [b]</u>	<u>39,069</u>	<u>-</u>	<u>39,069</u>
Total Rate Base	<u>765,310</u>	<u>102,598</u>	<u>867,908</u>	<u>-</u>	<u>867,908</u>
Return on Rate Base	<u>-3.81%</u>		<u>-9.70%</u>		<u>8.98%</u>

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Lake Wildwood Utilities Corporation  
Explanations of Adjustments to Rate Base  
Test Year Ended December 31, 2008

Schedule C  
Page 2 of 2

- [a] w/p [i] - Working Capital is calculated based on pro forma expenses.
- [b] w/p [j] - Pro Forma Plant is adjusted for planned additional capital investments and retirements.
- [c] w/p [appendix] - Accumulated depreciation is adjusted for planned additional capital investments, retirements, and plant held for future use.
- [d] w/p [l] - Plant additions for first quarter 2009 estimated through December 2009.
- [e] Intentionally left blank
- [f] Intentionally left blank
- [g] Intentionally left blank
- [h] w/p [p] - adjust allocations 12/31/08 allocation factors.

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Lake Wildwood Utilities Corporation  
 Consumption Analysis 01/01/08 - 12/31/08  
 Test Year / Present Revenues

Schedule D

**WATER**

Bill code		Gallorage	Usage Charge	Units	BFC	Revenues
<u>All Subs:</u>						
5901	5/8" Res.	12,455,230	\$ 3.62	5,548	\$ 10.34	\$ 102,452
	3/4" Res.	-	\$ -	-	\$ -	\$ -
	1" Res.	42,066	\$ 3.62	7	\$ 19.69	\$ 290
5804	Availability	-	\$ -	11,327	\$ 7.47	\$ 84,613
5902	5/8" Commercial	117,317	\$ 3.62	73	\$ 10.34	\$ 1,182
5910	1" Commercial	902,643	\$ 3.62	36	\$ 19.69	\$ 3,971
5912	1.5" Commercial	29,000	\$ 3.62	12	\$ 36.25	\$ 544
1114	3" Commercial	-	\$ -	-	\$ -	\$ -
		<u>13,546,256</u>		<u>17,003</u>		<u>\$ 193,051</u>

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Lake Wildwood Utilities Corporation  
Proposed Revenues

Schedule E

**WATER**

Bill code		Gallorage	Usage Charge	Units	BFC	Revenues
<u>All Subs:</u>						
5901	5/8" Res.	12,455,230	\$ 9.09	5,548	\$ 45.07	\$ 363,235
	3/4" Res.	-	\$ -	-	\$ -	\$ -
	1" Res.	42,066	\$ 9.09	7	\$ 85.82	\$ 983
5804	Availability	-	\$ -	11,327	\$ 7.47	\$ 84,613
5902	5/8" Commercial	117,317	\$ 9.09	73	\$ 45.07	\$ 4,365
5910	1" Commercial	902,643	\$ 9.09	36	\$ 85.82	\$ 11,269
5912	1.5" Commercial	29,000	\$ 9.09	12	\$ 157.99	\$ 2,175
1114	3" Commercial	-	\$ -	-	\$ -	\$ -
		<u>13,546,256</u>		<u>17,003</u>		<u>\$ 466,639</u>

Miscellaneous Charges	Current Charge	Units	Proposed Charge	Additional Revenues
NSF Charge	\$ 10.00	1	\$ 25.00	\$ 15
New Customer Charge	\$ 15.00	20	\$ 25.00	\$ 200
				<u>\$ 215</u>

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