

ORANGEWOOD LAKE SERVICES, INC.  
7602 CONGRESS STREET, SUITE 4  
NEW PORT RICHEY, FLORIDA 34653

FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2017 AND 2016

WILLIAM R. DEMERS & COMPANY, CPA'S, PA  
8211 STATE ROAD 52  
HUDSON, FLORIDA 34667

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TO THE BOARD OF DIRECTORS  
ORANGEWOOD LAKE SERVICES, INC.

MANAGEMENT IS RESPONSIBLE FOR THE ACCOMPANYING FINANCIAL STATEMENTS OF ORANGEWOOD LAKE SERVICES, INC. WHICH COMPRISE THE BALANCE SHEETS AS OF DECEMBER 31, 2017 & 2016, AND THE RELATED STATEMENTS OF INCOME FOR THE YEARS 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 AND THE STATEMENT OF CASH FLOWS REQUIRED BY ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA. IF THE OMITTED DISCLOSURES AND STATEMENT 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.

WILLIAM R. DEMERS & COMPANY, CPA'S, PA

HUDSON, FL  
MARCH 25, 2018

ORANGEWOOD LAKE SERVICES, INC.  
BALANCE SHEETS  
AS OF DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
CASH-BANK OF AMERICA	\$ 15,902.42	\$ 15,904.22
CHECKING-JEFFERSON BANK	29,279.04	34,949.66
CASH-MORGAN STANLEY	18,221.80	18,216.13
ACCOUNTS RECEIVABLE-TRADE	<u>17,972.59</u>	<u>30,972.59</u>
TOTAL CURRENT ASSETS	<u>81,375.85</u>	<u>100,042.60</u>
PROPERTY, PLANT AND EQUIPMENT		
WATER PLANT	28,353.62	30,463.00
FURNITURE AND FIXTURES	333.00	333.00
SEWER PLANT	<u>77,970.50</u>	<u>77,970.50</u>
	106,657.12	108,766.50
LESS - ACCUMULATED DEPRECIATION	<u>92,706.00-</u>	<u>100,845.00-</u>
NET BOOK VALUE OF PROPERTY, PLANT AND EQUIPMENT	<u>13,951.12</u>	<u>7,921.50</u>
TOTAL ASSETS	\$ 95,326.97 =====	\$ 107,964.10 =====

SEE ACCOUNTANT'S COMPILATION REPORT.

ORANGEWOOD LAKE SERVICES, INC.  
BALANCE SHEETS  
AS OF DECEMBER 31, 2017 AND 2016

2017

2016

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ .00	\$ .00
SECURITY DEPOSITS	18,189.77	18,381.62
ACCRUED PSC TAXES	10,206.60	10,708.61
PAYROLL TAXES PAYABLE	<u>397.80</u>	<u>1,054.44</u>
 TOTAL CURRENT LIABILITIES	 <u>28,794.17</u>	 <u>30,144.67</u>
 LONG TERM DEBT		
NOTE PAYABLE-AL HEILER	454,081.61	454,081.61
CONTRIB. IN AID OF CONSTRUCTION	<u>4,305.19</u>	<u>5,821.19</u>
 TOTAL LIABILITIES	 <u>487,180.97</u>	 <u>490,047.47</u>
 STOCKHOLDERS' EQUITY		
COMMON STOCK	100.00	100.00
ADDITIONAL PAID IN CAPITAL	478,245.29	464,623.29
RETAINED EARNINGS	846,806.66-	832,676.31-
INCOME YEAR-TO-DATE	<u>23,392.63-</u>	<u>14,130.35-</u>
 TOTAL STOCKHOLDERS' EQUITY	 <u>391,854.00-</u>	 <u>382,083.37-</u>
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	 \$ 95,326.97 <u>=====</u>	 \$ 107,964.10 <u>=====</u>

SEE ACCOUNTANT'S COMPILATION REPORT.

ORANGEWOOD LAKE SERVICES, INC.  
STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017		2016	
<b>REVENUE</b>				
INCOME-WATER	\$ 70,530.91	30.1	\$ 75,993.37	30.9
INCOME-SEWER	158,282.45	67.6	161,975.63	65.9
INTEREST INCOME	405.60	.2	2,662.40	1.1
INCOME-STREET LIGHTS	3,528.25	1.5	3,588.75	1.5
CIAC-SEWER	987.00	.4	987.00	.4
CIAC-WATER	529.00	.2	529.00	.2
	<u>234,263.21</u>	<u>100.0</u>	<u>245,736.15</u>	<u>100.0</u>
<b>OPERATING EXPENSES</b>				
OFFICERS WAGES	10,400.00	4.4	7,800.00	3.2
SALARIES AND WAGES	33,138.93	14.1	28,712.29	11.7
BANK CHARGES	44.00	.0	83.00	.0
CONTRACT SERVICES-WATER	6,745.20	2.9	7,622.40	3.1
CONTRACT SERVICES-SEWER	5,635.20	2.4	5,815.90	2.4
ELECTRIC-WATER	4,318.32	1.8	3,977.99	1.6
ELECTRIC-SEWER	6,215.85	2.7	6,303.55	2.6
INSURANCE EXPENSE	1,419.00	.6	445.92	.2
ELECTRIC-STREET LIGHTS	2,682.35	1.1	2,436.74	1.0
INTEREST EXPENSE	13,622.00	5.8	13,622.00	5.5
DEPRECIATION-WATER	2,458.00	1.0	527.00	.2
DEPRECIATION-SEWER	1,715.00	.7	1,877.00	.8
LEGAL AND PROFESSIONAL	2,200.00	.9	4,100.00	1.7
LICENSES AND PERMITS-WAT	75.00	.0	575.00	.2
LICENSES AND PERMITS-SEW	75.00	.0	575.00	.2
POSTAGE	931.70	.4	1,016.40	.4
RENT-SEWER	1,800.00	.8	1,800.00	.7
RENT-WATER	1,800.00	.8	1,800.00	.7
REPAIRS AND MAINT.-SEWER	94,147.02	40.2	102,332.70	41.6
REPAIRS AND MAINT.-WATER	52,873.67	22.6	51,299.32	20.9
PAYROLL TAXES	1,253.47	.5	3,012.71	1.2
TAXES-PSC WATER	3,173.89	1.4	3,419.70	1.4
TAXES-PSC SEWER	7,032.71	3.0	7,288.93	3.0
TELEPHONE EXPENSE	583.17	.2	546.70	.2
WATER	3,316.36	1.4	2,876.25	1.2
	<u>257,655.84</u>	<u>110.0</u>	<u>259,866.50</u>	<u>105.8</u>
NET INCOME OR (LOSS)	\$ 23,392.63-	10.0-	\$ 14,130.35-	5.8-
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SEE ACCOUNTANT'S COMPILATION REPORT.