

DIS Case Number: 19-1998-EL-AGG

Section A: Application Information

Section B: Applicant Managerial Capability and Experience

Section C: Applicant Financial Capability and Experience

C-2. Financial statements

Provide copies of the applicant's two most recent years of audited financial statements, including a balance sheet, income statement, and cash flow statement. If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, provide audited or officer certified financial statements covering the life of the business. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns with **social security numbers and bank account numbers redacted**.

If the applicant is unable to meet the requirement for two years of financial statements, the Staff reviewer may request additional financial information.

File(s) attached

Section D: Applicant Technical Capacity



Public Utilities
Commission

Application Attachments

US ENERGY SOLUTIONS INC.

**FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2021**

TM ACCOUNTANT, INC.

212 S Milwaukee Ave, Suite E, Wheeling, IL 60090

Phone: 847-322-5784 Fax: 847-305-5895

info@tmaccountant.us - www.tmaccountant.us

March 23, 2022

The Board of Directors
US Energy Solutions Inc.
Philadelphia, PA 19125

Independent Accountant's Review Report

We have reviewed the accompanying balance sheet of US Energy Solutions Inc as of December 31, 2021, and the related statements of income, stockholder's equity, and cash flows for the year ended December 31, 2021. A review consists of inquiries of company personnel and analytical procedures applied to available financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, which has the objective of expressing a formal opinion regarding material misstatements. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America, as well as for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the accounting principles generally accepted in the United States of America.

TM Accounting, CPA

US ENERGY SOLUTIONS INC.
BALANCE SHEET
AS OF DECEMBER 31, 2021

ASSETS

CURRENT ASSETS

Cash	\$	56,300.00
Accounts Receivable	\$	342,500.00
Total Current Assets	\$	398,800.00

PROPERTY AND EQUIPMENT, NET	\$	5,000.00
------------------------------------	-----------	-----------------

TOTAL ASSETS	\$	403,800.00
---------------------	-----------	-------------------

LIABILITIES AND OWNER'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	314,672.00
Credit card liabilities	\$	2,300.00
Total Current Liabilities	\$	316,972.00

Renton Loan	\$	26,800.00
Total Long Term Liabilities	\$	26,800.00

SHAREHOLDER'S EQUITY

Common Stock	\$	2,500.00
Retained Earnings	\$	57,528.00
Total Shareholder's Equity	\$	60,028.00

TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$	403,800.00
---	-----------	-------------------

**US ENERGY SOLUTIONS INC.
STATEMENT OF INCOME AS
OF DECEMBER 31, 2021**

REVENUE

Gross Revenue	\$	1,340,070.00
Total revenue	\$	1,340,070.00

COST OF SALES

Material and Supplies	\$	364,350.00
Subcontracted Services	\$	660,500.00
Total Cost of Sales	\$	1,024,850.00
Gross Profit	\$	315,220.00

OPERATING EXPENSES

Advertising	\$	8,956.00
Bank Services	\$	5,194.00
Office Supplies	\$	1,500.00
IT Services	\$	43,100.00
Dues and Subscriptions	\$	3,800.00
Legal and Professional Fees	\$	32,782.00
Business Licenses, Permits, and Fees	\$	36,800.00
Rent Expense	\$	41,000.00
Salaries	\$	79,360.00
Payroll Expenses	\$	1,800.00
Charitable Contributions	\$	15,300.00
Travel & accommodation expenses	\$	17,200.00
Telephone	\$	6,800.00
Total Operating Expenses	\$	293,592.00

<u>NET INCOME</u>	\$	21,628.00
--------------------------	-----------	------------------

RETAINED EARNINGS ON JANUARY 1, 2021	\$	35,900.00
---	-----------	------------------

Contribution from Stockholders	\$	0
--------------------------------	----	---

RETAINED EARNINGS ON DECEMBER 31, 2021	\$	57,528.00
---	-----------	------------------

US ENERGY SOLUTIONS INC.
STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2021

CASH FLOW FROM OPERATING ACTIVITIES

		\$
Net Income	\$	21,628.00
Adjustments to reconcile Net Income to net cash provided by operating activities:		
	\$	-
Increase in accounts receivables	\$	32,500.00
Increase in accounts payables	\$	6,300.00
Decrease in credit card payable	\$	9,500.00
Increase in depreciation	\$	0.00
Net cash provided from operating activities	\$	4,928.00

CASH FLOW FROM FINANCING ACTIVITIES

Contribution from Stockholders	\$	0
Net cash provided by financing activities	\$	4,928.00
Increase in cash	\$	31,700.00
CASH on January 1, 2021	\$	88,000.00
CASH on December 31, 2021	\$	56,300.00

Notes to Financial Statement

For the Year Ended December 31, 2021

Note 1 - Summary of Significant Accounting Policies

Nature of Business

US Energy Solutions Inc. (the Company) is a for profit corporation organized on July 9, 2018 with the State of New Jersey. The company is engaged in the consulting of energy management, cost-cutting energy services and upgrades for residential, commercial and industrial consumers across the United States of America.

Basis of Accounting

The Company prepares its financial statements using accounting principles generally accepted in the United States of America.

Revenue Recognition

US Energy Solutions Inc. recognizes revenue upon the completion of contracted requirements and obtaining the rights of collection for payments.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Assets

Accounts Receivable

Accounts receivable are based on contracted terms. Normal accounts receivables are due 30 days after the issuance of the invoice. Receivables past due more than 120 days are considered delinquent. Delinquent receivables are written off using the direct write-off method.

Fixed Assets

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets, principal using the straight-line method, for book purposes. The estimated useful lives range from 5 to 7 years. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Note 3 - Common Stock

Issued.

2,500 shares of common stock at \$1 par value.

Note 4 – Income Tax

The company with the consent of its shareholders has elected to be treated as a Small Business Corporation (S corporation) under Internal Revenue Code section 1362. This election provides that, in lieu of corporate income taxes, the taxable items and credits pass directly to the stockholders.

US ENERGY SOLUTIONS INC.

**FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2022**

TM ACCOUNTANT, INC.

770 W Dundee Rd, Arlington Heights, IL 60004

Phone: (847)850-0085 Fax: (847)305-5895

info@tmaccountant.us - www.tmaccountant.us

June 22, 2023

The Board of Directors
Utilities One Inc.
Voorhees, NJ 08043

Independent Accountant's Review Report

We have reviewed the accompanying balance sheet of US Energy Solutions Inc., as of December 31, 2022, and the related statements of income, stockholder's equity, and cash flow for the year ended December 31, 2022. A review consists of inquiries made to company personnel and analytical procedures applied to available financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, which have the objective of expressing a formal opinion regarding material misstatements. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America, as well as for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error.

Our responsibility is to conduct the review in accordance with the Statements on Standards for Accounting and Review Services, issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications necessary to be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Dmitry Moroz, CPA



US ENERGY SOLUTIONS INC.
BALANCE SHEET
DECEMBER 31, 2022

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	15,759
Total Current Assets	15,759

TOTAL ASSETS	15,759
---------------------	---------------

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

Credit Card Liabilities	22,643
Total Current Liabilities	22,643

SHAREHOLDERS' EQUITY

Common Stock	1,000
Shareholders' Distributions	(9,184)
Retained Earnings	(11,536)
Net Income	12,836
Total Equity	(6,884)

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	15,759
---	---------------

US ENERGY SOLUTIONS INC.
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022

Gross Revenues	6,320,211
Less Cost of Revenues	<u>6,207,101</u>
Gross Profit	113,111
Less Selling and Administrative Expenses	100,274
Less Depreciation Expense	<u>-</u>
Income from Operations	<u>12,836</u>
Other Income (Expense):	
Interest Expense	<u>-</u>
Net Income	<u><u>12,836</u></u>

US ENERGY SOLUTIONS INC.
COST OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2022

COST OF REVENUES

Subcontracted Services	6,104,544
Computer Expenses	95,794
Travel and Lodging	<u>6,763</u>
Total Cost of Revenues	<u><u>6,207,101</u></u>

SELLING AND ADMINISTRATIVE EXPENSES

Rent	25,115
Advertising and Promotion	24,939
Professional Fees	14,553
Office Expense	10,946
Dues and Subscriptions	9,239
Licenses, Permits, & Taxes	8,282
Automobile Expense	2,871
Insurance	1,801
Bank Service Charges	1,491
Meals and Entertainment	476
Postage and Delivery	407
Interest Expense	<u>154</u>
Total Selling and Administrative Expenses	<u><u>100,274</u></u>

US ENERGY SOLUTIONS INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

OPERATING ACTIVITIES

Net Income	\$	12,836
Adjustments to reconcile Net Income to net cash provided by operations:		
(Decrease) Increase in Current Liabilities	\$	10,154
Net cash provided by Operating Activities	\$	22,991

FINANCING ACTIVITIES

Shareholder Distributions	\$	(9,184)
Net cash provided by Financing Activities	\$	(9,184)
Net cash (decrease) increase for period	\$	13,807
Cash at beginning of period	\$	1,952
Cash at end of period	\$	15,759

Notes to Financial Statements
For the Year Ended December 31, 2022

Note 1 – Business

Nature of business

US Energy Solutions Inc. (the Company) is a for profit corporation organized on July 9th, 2018 with the State of New Jersey. The company is engaged in the installation of utility cables and telecommunication equipment across the United States of America. The company acts as staffing company for government utility and public telecommunication corporations.

Note 2 – Risk Factors

Industry Risk

The company is subject to macroeconomic risks related to the continued investment of utility and telecommunication systems expansion. The company cannot affect the national economic climate as it relates to interest rates and government spending on utility programs. Overall, the industry is projected to grow 6.2% over the next decade.

Business Risk and Competition

The company's future financial performance depends on its ability to differentiate itself through its quality and speed. The company is subject to outside competition who also bid on a limited number of construction contracts from government and public entities.

Note 3 – Summary of Significant Accounting Policies

Basis of Accounting

The Company prepares its financial statements using accounting principles generally accepted in the United States of America.

Revenue Recognition

The company recognizes revenue upon the completion of contracted requirements and obtaining the rights of collection for payments.

Note 4 – Assets

Cash and Cash Equivalents

The company holds its cash balance in an FDIC insured bank.

Note 5 – Liabilities

Credit Card

The company uses credit cards as part of its on the ground operational expenses generated by subcontractors.

Note 6 – Capital Stock

1,000 shares of common stock issued at \$1 par value.

Note 7 – Income Tax

The company, with the consent of its shareholders, has elected to be treated as a Small Business Corporation (S corporation) under Internal Revenue Code section 1362. This election provides that, in lieu of corporate income taxes, the taxable items and credits pass directly to the stockholders. Therefore, these financial statements do not include federal income taxes which would otherwise be applicable.

Note 8 – Distributions to Stockholders

Distributions to the company's stockholders are made from the Accumulated Adjustment Account, and are made in the amounts in proportion to the stockholders' ownership. For the year ended December 31, 2022, stockholders had distributions in the amount of \$9,184.12.

**This foregoing document was electronically filed with the Public Utilities
Commission of Ohio Docketing Information System on
12/11/2023 1:45:44 PM**

in

Case No(s). 19-1998-EL-AGG

Summary: In the Matter of the Application of US Energy Solutions Inc.