

CONTROL CENTER, INC.
227 EAST CAPITOL AVENUE
JEFFERSON CITY, MISSOURI 65101

INCOME STATEMENT
FOR THE PERIOD OF
10/1/77 to 9/30/78

Applicant Exhibit No. 2
Date 10/30/78 Case No. 7A-79-4
Reporter JF

SALES

Alarm Income	\$63,208.03	
Answer Service & Pager Income	70,364.62	
Installation Fees	19,830.27	
Equipment Sales	489.73	
Specials	90.00	
Miscellaneous Income & Discounts	119.96	
TOTAL SALES		\$154,102.61

EXPENSES

Advertising	\$ 1,136.17	
Auto Expense	789.87	
Tools and Shop Supplies	185.45	
Credit & Collection	11.00	
1st Year Accum. Depreciation	2,000.00	
Depreciation	26,465.00	
Amortization-Non Comp.	4,166.40	
Equipment Repairs	7,121.76	
Equipment Rental	3,863.52	
Heat-Light-Water-Power	593.10	
Business Insurance	544.00	
Interest & Bank Charges	10,898.58	
Legal & Audit	2,168.96	
Maintenance & Repair-Building	503.72	
Miscellaneous Expense	365.18	
Organization Expense	116.76	
Office Supplies	1,731.78	
Postage	525.00	
Refunds	67.98	
Building Rent	3,225.00	
Salaries-Officers	7,700.00	
Salaries-Operations	46,736.86	
Taxes-FICA	2,697.48	
Taxes-Unemployment	1,533.22	
Taxes-Other & Licenses	599.28	
Telephone & Telegraph	4,172.68	
Travel-Convention-Entertainment	161.97	
TOTAL EXPENSES		\$130,080.72

NET PROFIT\$ 24,021.89

(Prepared from books and records without independent verification)

CONTROL CENTER, INC.
227 EAST CAPITOL AVENUE
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BALANCE SHEET
AS OF
September 30, 1978

A S S E T S

CURRENT ASSETS

Cash in Bank	\$2,120.83	
Accounts Receivable	7,027.45	
TOTAL CURRENT ASSETS		\$9,148.28

FIXED ASSETS

Alarm Equipment	\$161,539.31	
Pager Equipment	68,847.77	
Office Furniture & Fix.	858.85	
Less Accum. Depreciation	(37,562.00)	
TOTAL FIXED ASSETS		\$193,683.93

OTHER ASSETS

Prepaid Interest	\$2,116.52	
Organizational Expense	583.50	
Less Accum. Amortization	(175.14)	
Non-Competition Covenant	25,000.00	
Less Accum. Amoritization	(6,249.72)	
Goodwill	25,000.00	
TOTAL OTHER ASSETS		\$46,275.16

TOTAL ASSETS

\$249,107.37

L I A B I L I T I E S & C A P I T A L

CURRENT LIABILITIES

Pro/Contra-Unearned Inc.	\$ 922.00	
Note Payable-Term-		
Jefferson Bank	6,706.16	
Accrued Taxes-FICA	839.97	
Accrued Taxes-Fed. W/H	538.10	
Accrued Taxes-St. W/H	133.77	
TOTAL CURRENT LIABILITIES		\$ 9,140.00

LONG TERM LIABILITIES

Note Payable-Capital Radar		
Ser. In.	\$ 92,019.58	
Note Payable-Capital Radar		
Sec. Inc. 2	59,450.00	

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BALANCE SHEET

PAGE 2

LONG TERM LIABILITIES (Continued)

Note Payable-Jefferson		
Bank	\$14,560.96	
Note Payable-Officers	<u>32,000.00</u>	
TOTAL LONG TERM LIABILITIES		\$198,030.54

CAPITAL

Capital Stock Authorized	\$30,000.00	
Unissued Capital Stock	(13,500.00)	
Paid In Capital	1,663.94	
Officers Life Ins.-Cost	(249.00)	
Net Profit	<u>24,021.89</u>	
TOTAL CAPITAL		<u>\$ 41,936.83</u>

TOTAL LIABILITIES & CAPITAL\$249,107.37

(Prepared from books and records without independent verification)

SIGNIFICANT NOTES TO THE ENCLOSED FINANCIAL STATEMENTS.

1. Method of Accounting - Accrual Basis.
2. Depreciation write off: For fiscal year ending September 30, 1978. First Year Accelerated Depreciation of \$2,000.00 plus Straight Line Depreciation of \$26,465.00 equal a total of \$28,465.00 depreciation write off for the fiscal year ending September 30, 1978. The majority of equipment used in this business is estimated to have a useful life of seven years; therefore this is the life used for depreciation calculations.
3. Non-Competition Covenant: \$25,000.00 amortize for 72 months (6 years). Amortization expense for fiscal year ending September 30, 1978 is \$4,166.40.
4. Building Rent Expense: Effective July 1, 1978. Donald E. Krattli, President of Control Center, Inc., purchased present business location from Capital Radar Security, Inc. and inturn leased the said location to Control Center, Inc. at a rate of \$475.00 per month (5 year lease). (Donald E. & Joyce A. Krattli own this building personally.)
5. Goodwill - \$25,000.00 Amount paid when acquiring alarm (Sonitrol) business, and answering and pager business on April 1, 1977.
6. Note Payable-Capital Radar Security, Inc. (1), Original note amount \$115,000.00 dated April 1, 1977, interest rate 7 % term, 72 months, amount of payment \$1,960.64 per month.
7. Note Payable-Capital Radar Security, Inc. (2), Original note amount \$59,450.00 dated January 31, 1978, interest rate 7 % term, open at this time, amount of payment \$346.79 per month, interest only.
8. (A) Note Payable-Jefferson Bank-Installment, Original loan amount \$14,000.00 dated May 22, 1978, add interst of \$2,381.08 for a total note of \$16,381.08, interest rate of 10½ % amount of payment is \$455.03 per month, term of note 36 months.
8. (B) Note Payable-Jefferson Bank-(Term), Original note amount \$18,000.00 dated January 30, 1978, interest rate 9½ % term, open with interest paid every six months.
9. Note Payable-Officers-Loan to Corporation from Donald E. and Joyce A. Krattli, date April 8, 1977 amount \$22,500.00 interest rate of 8% term open; and date December 24, 1977 amount \$9,500.00 interest rate of 8% term open.
10. Pro/Contra-Unearned Income-This account reflects the amount of subscriber prepayments on account. (Advance Payments)