

WESTERN HEIGHTS WATER COMPANY

Balance Sheets

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 646,300	\$ 500,609
Investments	1,803,181	1,305,017
Accounts receivable	383,713	329,198
Current portion of notes receivable	5,741	5,517
Inventories	121,323	89,991
Prepaid expenses	<u>18,308</u>	<u>16,443</u>
Total current assets	<u>2,978,566</u>	<u>2,246,775</u>
Property and equipment		
Land	243,728	605,615
Water rights	247,754	247,754
Wells and water distribution system	20,461,104	19,805,814
Buildings and equipment	<u>3,663,597</u>	<u>3,532,608</u>
	24,616,183	24,191,791
Less: Accumulated depreciation	<u>11,765,126</u>	<u>11,017,578</u>
	12,851,057	13,174,213
Construction in progress	<u>85,548</u>	<u>648,238</u>
	<u>12,936,605</u>	<u>13,822,451</u>
Other assets		
Notes receivable, net of current portion	<u>1,800,890</u>	<u>492,750</u>
Total assets	<u>\$ 17,716,061</u>	<u>\$ 16,561,976</u>

	<u>2023</u>	<u>2022</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current portion of long-term debt	\$ 55,941	\$ 53,652
Accounts payable	55,862	37,982
Accrued liabilities	138,357	121,708
Customer and rental deposits	<u>38,110</u>	<u>36,110</u>
Total current liabilities	<u>288,270</u>	<u>249,452</u>
Long-term debt, net of current portion	<u>998,593</u>	<u>1,072,795</u>
Stockholders' equity		
Capital stock, par value \$13; authorized 10,000 shares; issued and outstanding 10,295, for 2023 and 10,312 for 2022	138,158	137,772
Paid-in capital	1,679,649	1,662,882
Retained earnings and contributed capital	<u>14,611,391</u>	<u>13,439,075</u>
Total stockholders' equity	<u>16,429,198</u>	<u>15,239,729</u>
Total liabilities and stockholders' equity	<u>\$ 17,716,061</u>	<u>\$ 16,561,976</u>

The accompanying notes are an integral part of these financial statements.

WESTERN HEIGHTS WATER COMPANY

Statements of Operations

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenue		
Water sales		
Basic charges	\$ 836,540	\$ 772,052
Water usage	<u>1,397,739</u>	<u>1,540,417</u>
Total revenue from water sales	<u>2,234,279</u>	<u>2,312,469</u>
Operating expenses		
Wages	429,024	338,592
Payroll taxes	31,478	30,890
Employee benefits	100,270	91,700
Power	377,960	416,495
Repairs and maintenance	254,557	300,926
Mobile equipment usage, net	28,768	59,439
Depreciation	683,955	676,184
Purchased water	130,036	151,147
Water analysis	15,937	10,488
Engineering	16,174	11,846
Licenses and permits	12,687	6,880
Insurance	15,300	31,767
Property taxes	44,176	24,247
Employee expenses	755	270
Supplies and miscellaneous	<u>57,963</u>	<u>157,195</u>
Total operating expenses	<u>2,199,040</u>	<u>2,308,066</u>
Gross profit	<u>35,239</u>	<u>4,403</u>
General and administrative expenses		
Office salaries	437,960	407,957
Payroll taxes	37,927	33,224
Employee benefits	84,275	65,555
Directors' fees	18,050	16,750
Office expenses	161,092	133,478
Communication	16,342	15,509
Professional fees	26,323	18,373
Depreciation	30,584	30,049

	<u>2023</u>	<u>2022</u>
General and administrative expenses (Continued)		
Insurance	19,117	1,478
Employee expenses	3,386	15,046
Licenses and permits	38,179	21,414
Interest expense	46,188	49,131
Miscellaneous	4,278	3,498
Total general and administrative expenses	<u>923,701</u>	<u>811,462</u>
Income (loss) from operations	<u>(888,462)</u>	<u>(807,059)</u>
Other income		
Meter connections	531,428	289,583
Stock transfer fees	8,600	10,600
Interest income	85,077	51,996
Gain (loss) on investments	1,070	(240,031)
Miscellaneous	233,172	184,213
Assessment	299,379	291,714
Rental activity, net	13,181	17,742
Gain on sale of property	905,337	241,190
Charges for improvements	-	80,629
	<u>2,077,244</u>	<u>927,636</u>
Income before provision for income taxes	1,188,782	120,577
Provision for income taxes	<u>16,466</u>	<u>7,690</u>
Net income	<u>\$ 1,172,316</u>	<u>\$ 112,887</u>

The accompanying notes are an integral part of these financial statements.