

WESTERN HEIGHTS WATER COMPANY**Statements of Operations (Continued)**

For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Other income		
Meter connections	\$ -	\$ 74,557
Stock transfer fees	9,500	9,200
Interest income	8,208	5,469
Miscellaneous	190,625	46,971
Assessment	228,532	227,832
Charges for improvements	<u>11,000</u>	<u>-</u>
	<u>447,865</u>	<u>364,029</u>
Income before provision for income taxes	323,822	190,723
Provision for income taxes	<u>800</u>	<u>800</u>
Net income	<u>\$ 323,022</u>	<u>\$ 189,923</u>

WESTERN HEIGHTS WATER COMPANY**Statements of Changes in Stockholders' Equity**

For the Years Ended December 31, 2018 and 2017

	<u>Capital Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings and Contributed Capital</u>	<u>Total</u>
Balance, January 1, 2017	\$ 137,440	\$ 1,638,631	\$ 8,794,456	\$ 10,570,527
Net income	-	-	189,923	189,923
Stock purchased	<u>80</u>	<u>5,820</u>	<u>-</u>	<u>5,900</u>
Balance, December 31, 2017	137,520	1,644,451	8,984,379	10,766,350
Net income	-	-	323,022	323,022
Stock purchased	<u>93</u>	<u>6,791</u>	<u>-</u>	<u>6,884</u>
Balance, December 31, 2018	<u>\$ 137,613</u>	<u>\$ 1,651,242</u>	<u>\$ 9,307,401</u>	<u>\$ 11,096,256</u>

NOTE: A copy of the audited financial statements, from which this information was derived may be examined at the Western Heights Water Company offices during regular business hours of Monday through Friday, 8:00 a.m. to 4:00 p.m.

WESTERN HEIGHTS WATER COMPANY

MUTUAL GROWTH & SERVICE
for
OVER ONE HUNDRED YEARS

Balance Sheets
Statements of Operations
and

Statements of Changes in Stockholders' Equity

For the Years
2018 and 2017

OFFICERS and DIRECTORS

Timothy Green ~ President
Robert J. Zappia, M.D. ~ Vice-President
Duane J. Burk ~ Secretary/Treasurer
John R. Dahlke ~ Director
Benjamin G. Kelly ~ Director

Incorporated in 1912

WESTERN HEIGHTS WATER COMPANY
Balance Sheets
December 31, 2018 and 2017
ASSETS
Current Assets

Cash and cash equivalents	\$ 346,078	\$ 2,364,331
Certificates of Deposit	1,749,424	106,531
Accounts receivable	296,677	332,740
Inventories	103,969	103,969
Prepaid expenses	65,526	103,994
Total Current assets	<u>\$ 2,561,674</u>	<u>\$ 3,011,565</u>

Property and equipment

Land	396,380	344,242
Water rights	247,754	247,754
Wells and water distribution system	15,545,348	14,428,409
Buildings and equipment	<u>1,309,253</u>	<u>921,943</u>
	17,498,735	15,942,348

Less: Accumulated depreciation	8,884,212	8,514,418
	<u>8,614,523</u>	<u>7,427,930</u>

Construction in progress	<u>41,059</u>	<u>837,679</u>
	<u>8,655,582</u>	<u>8,265,609</u>

Total assets	<u>\$ 11,217,256</u>	<u>\$ 11,277,174</u>
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LIABILITIES AND STOCKHOLDERS'S EQUITY
Current Liabilities

Accounts payable	45,652	292,912
Accrued liabilities	49,838	43,983
Customer deposits	25,510	21,510
Developer deposits	<u>-</u>	<u>152,419</u>

Total Current Liabilities	<u>121,000</u>	<u>510,824</u>
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Stockholders' equity

Capital stock, par value \$13 for 2018, \$40 for 2017; authorized 5,000 shares; issued and outstanding 3,445 and 3,443 shares, respectively	137,613	137,520
Paid-in capital	1,651,242	1,644,451
Retained earnings and contributed capital	<u>9,307,401</u>	<u>8,984,379</u>

Total stockholders' equity	<u>11,096,256</u>	<u>10,766,350</u>
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Total liabilities and stockholders' equity	<u>\$ 11,217,256</u>	<u>\$ 11,277,174</u>
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WESTERN HEIGHTS WATER COMPANY
Statements of Operations
For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenue		
Water Sales		
Basic charges	\$ 515,734	\$ 499,349
Water usage	<u>1,536,219</u>	<u>1,472,571</u>
Total revenue from water sales	<u>2,051,953</u>	<u>1,971,920</u>
Operating expenses		
Wages	301,477	221,033
Payroll taxes	26,179	20,664
Employee benefits	98,984	59,676
Power	283,900	228,472
Repairs and maintenance	160,007	229,123
Mobile equipment usage, net	6,760	(13,654)
Depreciation	448,488	450,652
Purchased water	122,409	257,337
Water analysis	6,558	7,241
Engineering	45,580	71,476
Licenses and permits	4,409	6,599
Insurance	24,412	19,559
Property taxes	4,745	7,232
Employee expenses	60	345
Supplies and miscellaneous	<u>63,201</u>	<u>8,309</u>
Total operating expenses	<u>1,597,169</u>	<u>1,574,064</u>
Gross profit	<u>454,784</u>	<u>397,856</u>
General and administrative expenses		
Office salaries	270,720	241,088
Payroll taxes	21,492	19,560
Employee benefits	27,477	65,742
Directors' fees	16,350	16,150
Office expenses	161,734	90,065
Communication	12,456	8,521
Professional fees	27,363	87,053
Depreciation	10,136	8,262
Insurance	1,524	1,389
Employee expenses	2,291	155
Licenses and permits	20,045	30,414
Miscellaneous	<u>7,239</u>	<u>2,763</u>
Total general and administrative expenses	<u>578,827</u>	<u>571,162</u>
Income from operations	<u>(124,043)</u>	<u>(173,306)</u>