

CHESAPEAKE RANCH WATER COMPANY

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and cash equivalents	\$ 93,176	\$ 463,598
Accounts receivable-net	275,805	223,028
Prepaid expenses	29,348	13,086
Investments	1,586,829	1,340,235
Total Current Assets	<u>1,985,158</u>	<u>2,039,947</u>
Fixed Assets		
Utility plant	9,677,978	9,329,695
Less accumulated depreciation	<u>(5,954,884)</u>	<u>(5,724,217)</u>
Net Utility Plant	3,723,094	3,605,478
Non-utility property	4,943,612	5,002,369
Less accumulated depreciation	<u>(2,201,111)</u>	<u>(2,174,276)</u>
Net Non-Utility Property	2,742,501	2,828,093
Total Fixed Assets	<u>6,465,595</u>	<u>6,433,571</u>
Non Current Assets		
Loan covenant restricted cash	114,100	114,100
Water distribution supplies	<u>25,000</u>	<u>25,000</u>
Total Non Current Assets	139,100	139,100
Total Assets	<u>\$ 8,589,853</u>	<u>\$ 8,612,618</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 24,408	\$ 1,396
Current maturities of long-term debt	49,180	47,027
Other current liabilities	<u>190,186</u>	<u>255,389</u>
Total Current Liabilities	263,774	303,812
Long-term Debt, Less Current Maturities	<u>1,423,281</u>	<u>1,471,972</u>
Total Liabilities	<u>1,687,055</u>	<u>1,775,784</u>
Unrestricted Net Assets		
Contributions	6,106,758	6,086,758
Revaluation of land and building	2,160,000	2,240,000
Cumulative margins	<u>(1,363,960)</u>	<u>(1,489,924)</u>
Total Unrestricted Net Assets	6,902,798	6,836,834
Total Liabilities and Net Assets	<u>\$ 8,589,853</u>	<u>\$ 8,612,618</u>

-See independent auditor's report and accompanying notes-

CHESAPEAKE RANCH WATER COMPANY

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating Revenue		
Residential water service	\$ 1,487,692	\$ 1,378,007
Commercial water sales	20,045	14,056
Transfer fees	17,520	14,350
	<hr/>	<hr/>
Total Operating Revenue	1,525,257	1,406,413
	<hr/>	<hr/>
Operating Expenses		
Pumping and purification	199,221	180,043
Storage and distribution	140,098	151,569
Administrative and operations	848,130	788,669
Professional services	30,912	27,605
Depreciation	408,351	426,410
	<hr/>	<hr/>
Total Operating Expenses	1,626,712	1,574,296
	<hr/>	<hr/>
Operating Income	(101,455)	(167,883)
Interest on Long-Term Debt	67,700	69,146
	<hr/>	<hr/>
Net Operating Margin	(169,155)	(237,029)
Other Income(Expenses)		
Other income	51,150	46,565
Investment income	142,530	48,394
Gain on sale of asset	24,857	-
Other expenses	(3,418)	(3,920)
	<hr/>	<hr/>
Total Other Income(Expenses)	215,119	91,039
	<hr/>	<hr/>
Net Margin	\$ 45,964	\$ (145,990)
	<hr/>	<hr/>

-See independent auditor's report and accompanying notes-

CHESAPEAKE RANCH WATER COMPANY

STATEMENTS OF NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>Contributions</u>	<u>Net Margin</u>		<u>Total</u>
		<u>Revaluation of Land and Building</u>	<u>Cumulative Margins</u>	
Balance June 30, 2019	\$ 6,071,758	\$ 2,320,000	\$ (1,423,934)	\$ 6,967,824
Member Subscriptions				
Issued	15,000	-	-	15,000
Surrendered	-	-	-	-
Net Margin	-	(80,000)	(65,990)	(145,990)
Balance June 30, 2020	6,086,758	2,240,000	(1,489,924)	6,836,834
Member Subscriptions				
Issued	20,000	-	-	20,000
Surrendered	-	-	-	-
Net Margin	-	(80,000)	125,964	45,964
Balance June 30, 2021	<u>\$ 6,106,758</u>	<u>\$ 2,160,000</u>	<u>\$ (1,363,960)</u>	<u>\$ 6,902,798</u>

-See independent auditor's report and accompanying notes-

CHESAPEAKE RANCH WATER COMPANY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Net margins	\$ 45,964	\$ (145,990)
Adjustments to reconcile margins to net cash provided by operating activities		
Depreciation	408,351	426,410
Bad debt expenses	-	20,000
Gain on sale of asset	(24,857)	-
Unrealized (gain)loss on investments	(97,179)	(36,220)
Realized loss on investments	(20,721)	11,518
Changes in operating assets and liabilities		
(Increase)decrease		
Accounts receivable	(52,777)	86,872
Prepaid expenses	(16,262)	-
Increase(decrease)		
Accounts payable	23,012	(8,716)
Other liabilities and accruals	(65,203)	(14,956)
Net Cash Provided By Operating Activities	<u>200,328</u>	<u>338,918</u>
Cash Flows From Investing Activities		
Acquisition of utility plant, net	(393,808)	(49,237)
Acquisition of non-utility property, net	(46,568)	(18,898)
Proceeds from sale of assets	24,857	-
Proceeds from sales of investments	492,313	566,452
Purchase of investments	(621,006)	(787,629)
Net Cash Used By Investing Activities	<u>(544,212)</u>	<u>(289,312)</u>
Cash Flows From Financing Activities		
Members' subscription fees	20,000	15,000
Payments on long-term obligations	(46,538)	(45,275)
Net Cash Used By Financing Activities	<u>(26,538)</u>	<u>(30,275)</u>
Increase(Decrease) in Cash and Equivalents	(370,422)	19,331
Beginning of Year Cash and Equivalents	<u>463,598</u>	<u>444,267</u>
End of Year Cash and Equivalents	<u>\$ 93,176</u>	<u>\$ 463,598</u>
Supplemental Disclosure		
Cash paid during the year for income taxes	<u>\$ -</u>	<u>\$ -</u>
Interest	<u>\$ 67,700</u>	<u>\$ 69,146</u>

-See independent auditor's report and accompanying notes-