

CHESAPEAKE RANCH WATER COMPANY

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Current Assets		
Cash and cash equivalents	\$ 291,692	\$ 147,630
Accounts receivable-net	335,595	359,369
Prepaid expenses	17,245	17,245
Investments	2,245,097	2,100,845
Water distribution supplies	149,749	139,953
Total Current Assets	<u>3,039,378</u>	<u>2,765,042</u>
Fixed Assets		
Utility plant	9,902,106	9,791,835
Less accumulated depreciation	<u>(6,828,507)</u>	<u>(6,646,025)</u>
Net Utility Plant	3,073,599	3,145,810
Non-utility property	5,043,058	5,022,778
Less accumulated depreciation	<u>(2,624,582)</u>	<u>(2,503,667)</u>
Net Non-Utility Property	2,418,476	2,519,111
Total Fixed Assets	<u>5,492,075</u>	<u>5,664,921</u>
Non Current Assets		
Loan covenant restricted cash	114,100	114,100
Total Non Current Assets	<u>114,100</u>	<u>114,100</u>
Total Assets	<u>\$ 8,645,553</u>	<u>\$ 8,544,063</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 12,737	\$ 70,977
Current maturities of long-term debt	58,819	56,245
Other current liabilities	190,581	190,992
Total Current Liabilities	<u>262,137</u>	<u>318,214</u>
Long-Term Debt, Less Current Maturities	<u>1,202,755</u>	<u>1,261,574</u>
Total Liabilities	<u>1,464,892</u>	<u>1,579,788</u>
Unrestricted Net Assets		
Contributions	6,271,758	6,221,758
Revaluation of land and building	1,840,000	1,920,000
Cumulative margins	<u>(931,097)</u>	<u>(1,177,483)</u>
Total Unrestricted Net Assets	<u>7,180,661</u>	<u>6,964,275</u>
Total Liabilities and Net Assets	<u>\$ 8,645,553</u>	<u>\$ 8,544,063</u>

-See independent auditor's report and accompanying notes-

CHESAPEAKE RANCH WATER COMPANY

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Operating Revenue		
Residential water service	\$ 1,805,122	\$ 1,784,807
Commercial water sales	19,835	21,334
Transfer fees	<u>10,600</u>	<u>11,150</u>
Total Operating Revenue	<u>1,835,557</u>	<u>1,817,291</u>
Operating Expenses		
Pumping and purification	230,377	214,015
Storage and distribution	269,566	184,835
Administrative and operations	903,262	917,555
Professional services	38,185	39,215
Depreciation	<u>354,839</u>	<u>377,960</u>
Total Operating Expenses	<u>1,796,229</u>	<u>1,733,580</u>
Operating Income	39,328	83,711
Interest on Long-Term Debt	<u>58,130</u>	<u>60,633</u>
Net Operating Margin	(18,802)	23,078
Other Income(Expenses)		
Other income	68,947	53,171
Investment income	148,661	196,050
Loss on asset disposal	<u>(32,420)</u>	<u>(21,142)</u>
Total Other Income(Expenses)	<u>185,188</u>	<u>228,079</u>
Net Margin	<u>\$ 166,386</u>	<u>\$ 251,157</u>

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CHESAPEAKE RANCH WATER COMPANY
STATEMENTS OF NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	Unrestricted Net Assets			
	Contributions	Revaluation of Land and Building	Cumulative Margins	Total
Balance June 30, 2023	\$ 6,201,758	\$ 2,000,000	\$ (1,508,640)	\$ 6,693,118
Member Subscriptions Issued	20,000	-	-	20,000
Net Margin	-	(80,000)	331,157	251,157
Balance June 30, 2024	<u>6,221,758</u>	<u>1,920,000</u>	<u>(1,177,483)</u>	<u>6,964,275</u>
Member Subscriptions Issued	50,000	-	-	50,000
Net Margin	-	(80,000)	246,386	166,386
Balance June 30, 2025	<u>\$ 6,271,758</u>	<u>\$ 1,840,000</u>	<u>\$ (931,097)</u>	<u>\$ 7,180,661</u>

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CHESAPEAKE RANCH WATER COMPANY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Net margins	\$ 166,386	\$ 251,157
Adjustments to reconcile margins to net cash provided by operating activities		
Depreciation	354,839	377,960
Loss on asset disposal	32,420	21,142
Unrealized loss(gain) on investments	(65,919)	(138,878)
Realized gain on investments	-	(310)
Changes in operating assets and liabilities		
(Increase)Decrease		
Accounts receivable	23,774	(5,937)
Water distribution supplies	(9,796)	(102,453)
Increase(Decrease)		
Accounts payable	(58,240)	53,061
Other liabilities and accruals	(411)	(36,997)
Net Cash Provided By Operating Activities	<u>443,053</u>	<u>418,745</u>
Cash Flows From Investing Activities		
Acquisition of plant and property, net	(214,640)	(29,355)
Proceeds from sales of investments	-	893,000
Purchase of investments	(78,106)	(1,119,075)
Net Cash Used By Investing Activities	<u>(292,746)</u>	<u>(255,430)</u>
Cash Flows From Financing Activities		
Members' subscription fees	50,000	20,000
Payments on long-term obligations	(56,245)	(53,750)
Net Cash Used By Financing Activities	<u>(6,245)</u>	<u>(33,750)</u>
Increase in Cash and Equivalents	144,062	129,565
Beginning of Year Cash and Equivalents	147,630	18,065
End of Year Cash and Equivalents	<u>\$ 291,692</u>	<u>\$ 147,630</u>
Supplemental Disclosure		
Cash paid during the year for income taxes	<u>\$ -</u>	<u>\$ -</u>
Cash paid during the year for interest	<u>\$ 58,130</u>	<u>\$ 60,633</u>

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