

**Green Valley Mutual Water Company and Subsidiary**  
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# VOLLMER & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Accountants' Review Report

February 25, 2022

To the Board of Directors  
Green Valley Mutual Water Company  
Green Valley Lake, California

We have reviewed the accompanying financial statements of Green Valley Mutual Water Company (a California non-profit mutual benefit corporation) which comprise the consolidated balance sheet as of December 31, 2021, and the related consolidated statements of income and retained earnings and cash flows for the twelve months then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountants' Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Vollmer and Associates, CPAs*

Vollmer and Associates, CPAs  
Certified Public Accountants

**Green Valley Mutual Water Company and Subsidiary**  
**Consolidated Balance Sheet**  
**Exhibit A**  
**December 31, 2021, and 2020**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
<b>Current assets</b>		
Cash and equivalents	\$2,081,420	\$ 1,710,212
Accounts receivable	163,214	163,211
Inventory	29,799	24,884
Prepaid expense	14,641	13,187
	<hr/>	<hr/>
Total current assets	2,289,074	1,911,494
<b>Investments</b>		
Certificate of deposit	10,000	10,000
	<hr/>	<hr/>
<b>Property and equipment</b>		
Land	19,124	19,124
Building and improvements	736,797	377,177
Wells and pumps	351,336	335,242
Tanks, main lines and improvements	5,334,814	5,327,448
Furniture and equipment	284,369	284,369
Vehicles	153,887	153,887
Work in progress	46,154	196,431
Accumulated depreciation	(2,705,737)	(2,531,646)
	<hr/>	<hr/>
Total property and equipment	4,220,744	4,162,032
<b>Noncurrent assets</b>		
Noncurrent accounts receivable	95,814	98,091
	<hr/>	<hr/>
<b>Total assets</b>	<u>\$6,615,632</u>	<u>\$6,181,617</u>

**Green Valley Mutual Water Company and Subsidiary**  
**Consolidated Balance Sheet**  
**Exhibit A**  
**December 31, 2021, and 2020**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

	<b>2021</b>	<b>2020</b>
<b>Current liabilities</b>		
Accounts payable	\$ 1,961	\$ 4,217
Accrued payroll costs	14,692	11,126
Income tax payable	-	800
	<hr/>	<hr/>
Total liabilities	16,653	16,143
	<hr/>	<hr/>
<b>STOCKHOLDERS' EQUITY</b>		
Capital stock - 2500 shares authorized, 1673 shares issued and outstanding	14,173	14,173
Additional paid in capital	19,036	19,036
Retained earnings	6,565,770	6,132,265
	<hr/>	<hr/>
Total stockholders' equity	6,598,979	6,165,474
	<hr/>	<hr/>
<b>Total liabilities and stockholders' equity</b>	<u>\$6,615,632</u>	<u>\$6,181,617</u>

**Green Valley Mutual Water Company and Subsidiary**  
**Consolidated Statement of Income and Retained Earnings**  
**Exhibit B**  
**For the Year Ended December 31, 2021, and 2020**

	<u>2021</u>	<u>2020</u>
<b>Revenues</b>		
Monthly connection fees	502,731	499,274
Recreation income	204,001	145,733
Overage charges	78,292	74,745
Stock transfer fees	62,150	61,450
Other service charges	19,115	18,867
Rental income	17,326	15,090
Investment income	1,143	3,389
Miscellaneous income	756	1,141
	<u>885,514</u>	<u>819,689</u>
<b>Expenses</b>		
Payroll and related costs		
Salaries and wages	301,370	267,772
Workers compensation insurance	26,765	9,761
Payroll taxes	30,150	24,227
Retirement plan	6,297	6,247
	<u>364,582</u>	<u>308,007</u>
Depreciation	174,091	166,330
Insurance	61,060	70,116
Lake stocking	38,560	25,440
Office administration	29,994	27,066
Operating supplies	9,875	6,477
Professional fees	12,178	29,268
Repairs and maintenance	14,781	22,757
Taxes and licenses	33,896	35,816
Utilities and telephone	16,088	13,755
Water system maintenance	36,107	41,739
California franchise tax	2,072	2,304
	<u>793,284</u>	<u>749,075</u>
Income (loss) from operations	92,230	70,614
Water share assessment	326,870	328,690
Net income (loss)	419,100	399,304
Retained earnings, beginning	6,132,265	5,732,961
Retained earnings, ending	<u>\$ 6,551,365</u>	<u>\$ 6,132,265</u>

**Green Valley Mutual Water Company and Subsidiary**  
**Consolidated Statement of Income and Retained Earnings**  
**Exhibit C**  
**For the Year Ended December 31, 2021**

	<u>Water</u>	<u>Recreation</u>	<u>Total</u>
Revenue:			
Monthly connection charges	\$ 502,731	\$ -	\$ 502,731
Recreation income	-	204,001	204,001
Overage charges	78,292	-	78,292
Stock transfer fees	62,150	-	62,150
Other service charges	19,115	-	19,115
Rental income	17,326	-	17,326
Investment income	1,113	30	1,143
Miscellaneous income	725	31	756
Total revenue	<u>681,452</u>	<u>204,062</u>	<u>885,514</u>
Expense:			
Payroll and related costs			
Salaries and wages	221,586	79,784	301,370
Workers compensation insurance	17,737	9,028	26,765
Payroll taxes	20,272	9,878	30,150
Retirement plan (Note 7)	5,997	300	6,297
Total payroll and related costs	<u>265,592</u>	<u>98,990</u>	<u>364,582</u>
Depreciation	170,207	3,884	174,091
Insurance	50,293	10,767	61,060
Lake stocking	-	38,560	38,560
Office administration	25,234	4,760	29,994
Operating supplies	1,331	8,544	9,875
Professional services	10,118	2,060	12,178
Repairs and maintenance	13,547	1,234	14,781
Taxes and licenses	33,803	93	33,896
Utilities and telephone	6,521	9,567	16,088
Water system maintenance	23,837	12,270	36,107
California franchise tax	1,272	800	2,072
	<u>601,755</u>	<u>191,529</u>	<u>793,284</u>
Income (loss) from operations	<u>79,697</u>	<u>12,533</u>	<u>92,230</u>
Water share assessment	326,870	-	326,870
Net income (loss) - Exhibit C	<u>406,567</u>	<u>12,533</u>	<u>419,100</u>
Unappropriated retained earnings, beginning			5,002,265
Prior period adjustment			14,405
Transfer to appropriated retained earnings			<u>(30,000)</u>
Unappropriated retained earnings, ending - Exhibit A			<u>\$ 5,405,770</u>

**Green Valley Mutual Water Company and Subsidiary**  
**Consolidated Statement of Income and Retained Earnings**

**Exhibit D**

**For the Year Ended December 31, 2020**

	<u>Water</u>	<u>Recreation</u>	<u>Total</u>
<b>Revenues</b>			
Monthly connection charges	\$ 499,274	\$ -	\$ 499,274
Recreation income	-	145,733	145,733
Overage charges	74,745	-	74,745
Stock transfer fees	61,450	-	61,450
Other service charges	18,867	-	18,867
Rental income	15,090	-	15,090
Investment income	3,345	44	3,389
Miscellaneous income	1,141	-	1,141
Total revenue	<u>673,912</u>	<u>145,777</u>	<u>819,689</u>
<b>Expenses</b>			
Payroll and related costs			
Salaries and wages	219,479	48,293	267,772
Workers compensation insurance	5,527	4,234	9,761
Payroll taxes	18,519	5,708	24,227
Retirement plan	6,080	167	6,247
Total payroll and related costs	<u>249,605</u>	<u>58,402</u>	<u>308,007</u>
Depreciation	162,437	3,893	166,330
Insurance	62,658	7,458	70,116
Repairs and maintenance	15,998	6,759	22,757
Lake stocking	-	25,440	25,440
Taxes and licenses	34,460	1,356	35,816
Office administration	24,618	2,448	27,066
Utilities and telephone	7,220	6,535	13,755
Water testing and treatment	30,699	11,040	41,739
Professional services	26,598	2,670	29,268
Operating supplies	3,659	2,818	6,477
California franchise tax	1,504	800	2,304
	<u>619,456</u>	<u>129,619</u>	<u>749,075</u>
Income (loss) from operations	<u>54,456</u>	<u>16,158</u>	<u>70,614</u>
Water share assessment	<u>328,690</u>	<u>-</u>	<u>328,690</u>
Net income (loss)	<u>383,146</u>	<u>16,158</u>	<u>399,304</u>
Retained earnings, beginning			<u>5,732,961</u>
Retained earnings, ending			<u><u>\$ 6,132,265</u></u>