

GREEN VALLEY MUTUAL WATER COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

Green Valley Mutual Water Company and Subsidiary
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December 31, 2022, and 2021

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VOLLMER & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Accountants' Review Report

February 20, 2023

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, 2022, 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

As of December 31, 2022 and 2021

ASSETS

	2022	2021
Current assets		
Cash and equivalents	\$ 2,361,608	\$ 2,081,420
Accounts receivable	293,659	163,214
Inventory	15,171	29,799
Prepaid expenses	18,360	14,641
Total current assets	2,688,798	2,289,074
Investments		
Certificate of deposit	10,000	10,000
Property and equipment		
Land	19,124	19,124
Building and improvements	776,562	736,797
Wells and pumps	351,336	351,336
Tanks, main lines and improvements	5,353,647	5,334,814
Furniture and equipment	306,607	284,369
Vehicles	153,887	153,887
Work in progress	322,171	46,154
Accumulated depreciation	(2,877,840)	(2,705,737)
Total property and equipment	4,405,494	4,220,744
Non-current assets		
Non-current accounts receivable	54,234	95,814
Total assets	\$ 7,158,526	\$ 6,615,632

LIABILITIES AND STOCKHOLDERS' EQUITY

	2022	2021
Current liabilities		
Accounts payable	\$ 4,680	\$ 1,961
Accrued payroll costs	9,218	14,692
Income tax payable	189	-
Total liabilities	14,087	16,653
STOCKHOLDERS' EQUITY		
Capital stock - 2,500 shares authorized, 1,673 shares issued and outstanding	14,173	14,173
Additional paid in capital	19,036	19,036
Retained earnings	7,111,230	6,565,770
Total stockholders' equity	7,144,439	6,598,979
Total liabilities and stockholders' equity	\$ 7,158,526	\$ 6,615,632

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

Exhibit B

For the Year Ended December 31, 2022 and 2021

	2022	2021
Revenue		
Monthly connection fees	\$ 503,793	\$ 502,731
Recreation income	226,356	204,001
Overage charges	71,089	78,292
Stock transfer fees	44,850	62,150
Other service charges	16,370	19,115
Overpayments	3,922	-
Rental income	19,126	17,326
Investment income	585	1,143
Miscellaneous income	5,413	756
Total revenue	<u>891,504</u>	<u>885,514</u>
Expense		
Payroll and related costs		
Salaries and wages	320,935	301,370
Workers compensation insurance	19,435	26,765
Payroll taxes	31,850	30,150
Retirement plan	8,636	6,297
Total payroll and related costs	<u>380,856</u>	<u>364,582</u>
Advertising	226	-
Beach supplies	514	-
Depreciation	172,103	174,091
Insurance	101,602	61,060
Lake stocking	45,000	38,560
Office administration	17,931	29,994
Operating supplies	20,392	9,875
Professional fees	11,765	12,178
Repairs and maintenance	19,801	14,781
Taxes and licenses	42,065	33,896
Utilities and telephone	24,864	16,088
Water system maintenance	38,947	36,107
California franchise tax	1,479	2,072
Total expense	<u>877,545</u>	<u>793,284</u>
Income (loss) from operations	<u>13,959</u>	<u>92,230</u>
Water share assessment	531,501	326,870
Net income (loss)	545,460	419,100
Retained earnings, beginning	6,565,770	6,146,670
Retained earnings, ending	<u>\$ 7,111,230</u>	<u>\$ 6,565,770</u>

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

Exhibit C

For the Year Ended December 31, 2022

	<u>Water</u>	<u>Recreation</u>	<u>Total</u>
Revenue			
Monthly connection charges	\$ 503,793	\$ -	\$ 503,793
Recreation income	-	226,356	226,356
Overage charges	71,089	-	71,089
Stock transfer fees	44,850	-	44,850
Other service charges	16,370	-	16,370
Overpayments	3,922	-	3,922
Rental income	19,126	-	19,126
Investment income	553	32	585
Miscellaneous income	5,396	17	5,413
Total revenue	<u>665,099</u>	<u>226,405</u>	<u>891,504</u>
Expense			
Payroll and related costs			
Salaries and wages	231,164	89,771	320,935
Workers compensation insurance	8,975	10,460	19,435
Payroll taxes	21,641	10,209	31,850
Retirement plan	8,636	-	8,636
Total payroll and related costs	<u>270,416</u>	<u>110,440</u>	<u>380,856</u>
Advertising	-	226	226
Beach supplies	-	514	514
Depreciation	170,803	1,300	172,103
Insurance	85,991	15,611	101,602
Lake stocking	-	45,000	45,000
Office administration	15,018	2,913	17,931
Operating supplies	14,730	5,662	20,392
Professional services	8,825	2,940	11,765
Repairs and maintenance	17,826	1,975	19,801
Taxes and licenses	34,939	7,126	42,065
Utilities and telephone	15,250	9,614	24,864
Water system maintenance	24,681	14,266	38,947
California franchise tax	1,479	-	1,479
Total expense	<u>659,958</u>	<u>217,587</u>	<u>877,545</u>
Income (loss) from operations	<u>5,141</u>	<u>8,818</u>	<u>13,959</u>
Water share assessment	531,501	-	531,501
Net income (loss) - Exhibit C	<u>536,642</u>	<u>8,818</u>	<u>545,460</u>
Unappropriated retained earnings, beginning			5,405,770
Transfer to appropriated retained earnings			(79,697)
Unappropriated retained earnings, ending - Exhibit A			<u>\$ 5,871,533</u>

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

Exhibit D

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	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			(30,000)
Unappropriated retained earnings, ending - Exhibit A			<u>\$ 5,405,770</u>