

PETE'S MOUNTAIN WATER COMPANY
Annual Report
Fall of 2023

General Report

The five-year project of acquiring, organizing and upgrading our water system was essentially completed in 2022. We thank the founding Board members for their diligent work in creating a reliable, efficient and up to date water system. The Board is tasked with maintaining the equipment, collecting fees, assuring clean water availability and sustaining financial security.

Fiscal year July 2022 to June 2023 presented two major challenges. In October, our 10-month-old pump in Well #2 failed while Well #1 was offline due to low demand/usage. This put us on water use restrictions for over a month (luckily in the Fall) while Well #1 was put back online to manage demand. It was touch and go as we were managing high demand and the water level pulled down to 25 feet above the pump in July as some high users failed to curtail their greater than 30,000 gallon per week habit. The pump in Well #2 was pulled and replaced with one from a different manufacturer by the end of November. The decision was made to switch manufacturers due to the repeated problems we continued to have with that particular brand and the warranty limitations the manufacturer imposed. Now, both pumps are currently available and performing well. There are currently no use restrictions in place and the aquifers appear to be functioning without any issues. The wells, by last report, were at close to 900 feet.

We have had repeated problems with reliable backflow testers. So, please keep this in mind when planning for testing earlier rather than later. We reminded members that testing is mandated under Oregon law and failure to comply with the testing requirements not only opens up the system to serious contamination issues for the entire membership, but it also presents problems for us with the State that can result in sanctions.

We did respond to a number of "leak alerts" that were of substantial size. Our water manager is alerted to leaks of a certain size in order to prevent depletion of the reservoir and reserves. Thankfully, the leaks were identified quickly, and shutoffs occurred without incident while the problems were identified. Major leaks were isolated to broken irrigation piping. Please note that leaks occurring after the meters are the responsibility of the members. However, Board members are sometimes available to assist other members in tracking down the likely source. Our Water Manager, Phillip, can give general suggestions but is not responsible for handling any leaks occurring on the member's side of the meter. As a note, running toilets, dripping hose bibs and irrigation leaks tend to explain most. But it can take weeks to identify a 10-50 gal/min leak. Members are encouraged to check their Eye On Water apps regularly for leaks. The app can also be set to identify leaks over a certain gal/min limit and send you a personal email or text message when it occurs. Explore and learn.

PMWC June 2023 Financial Report

Attached are the annual Financial Statements for PMWC for the year ended June 30, 2023, that our Treasurer has composed from the books prepared by Tabor Group. These statements were internally prepared and, as such, do not include an independent accountant's opinion. These statements are for the internal use of PMWC members, only.

This year we had a few positive financial events. We recognized the forgiveness of \$62,000 on our Business Oregon State water loans reflected in these financial statements. In addition, we obtained an exemption for property taxes which will save us over \$10,000 per year starting during the June 30, 2024 fiscal year. Finally, we have begun benefiting from the high short-term interest rates on our accumulated cash reserves. Please feel free to email our Treasurer, Alan Bellanca, at BellancaEn@aol.com if you have any questions about these statements.

If you have any questions, concerns or suggestions, please feel free to contact any member of the Board.

Troy Bundy, President
Alan Bellanca, Treasurer
Brent Schafer, Recording Secretary
Kyle Connall, Communications
Dana Yip, Webmaster
Bruce Tabor
Iris Zhao

Pete's Mountain Water Company

Statement of Assets, Liabilities and Fund Balances - Modified Accrual Basis

	ASSETS	6/30/2023	6/30/2022
Current Assets			
Cash-checking		72,414	277,113
CDs and Money Market		181,920	0
Accounts Recievable		3,649	617
Prepaid Expenses		254	169
Total Current Assets		<u>258,237</u>	<u>277,899</u>
Fixed Assets			
Land		634	634
Improvements & Equip (Note #1)		1,183,845	1,152,086
Accum Depreciation		<u>(468,456)</u>	<u>(416,202)</u>
Net Fixed Assets		<u>716,023</u>	<u>736,518</u>
PMWC, Inc. Stock		<u>270,358</u>	<u>270,358</u>
TOTAL ASSETS		<u><u>1,244,618</u></u>	<u><u>1,284,775</u></u>
LIABILITIES & FUND BALANCES			
Current Liabilities			
Accounts Payable		4,838	4,378
Customer Deposits		0	488
Total Current Liabilities		<u>4,838</u>	<u>4,866</u>
Long-Term Liabilities			
Loans Payable			
Business Oregon #1		654,621	686,757
Business Oregon #2		123,209	188,689
Total Long-Term Liabilities		<u>777,830</u>	<u>875,446</u>
Total Liabilities		<u>782,668</u>	<u>880,312</u>
Fund Balance			
Net Fund Balance (Note #2)		466,463	430,318
Net Income (Loss)		<u>(4,513)</u>	<u>(25,855)</u>
Total fund Balance		<u>461,950</u>	<u>404,463</u>
TOTAL LIABILITIES & FUND BALANCE		<u><u>1,244,618</u></u>	<u><u>1,284,775</u></u>

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Pete's Mountain Water Company

Statement of Operations - Modified Accrual Basis

	<u>Fiscal Year Ending</u>	
	<u>6/30/2023</u>	<u>6/30/2022</u>
Revenues		
Water sales	97,562	87,938
Monthly ownership fees	51,696	51,793
Other payments (BFT)	2,600	-
Transfer fee income	1,250	1,750
Eye on Water fees	690	-
Interest Income	2,650	600
Total revenues	<u>156,448</u>	<u>142,081</u>
Expenses		
Bookkeeping & Accounting	19,710	17,085
Depreciation Expense	52,254	51,473
Dues, Fees and miscellaneous	1,558	612
Insurance property & liability	4,709	4,143
Interest expense	16,977	17,949
Water system operations	27,246	20,463
Office supplies	711	3,441
Repairs & maintenance	2,894	23,310
Property taxes	10,700	9,595
Utilities	24,202	19,865
Total expenses	<u>160,961</u>	<u>167,936</u>
Net Income (Loss)	<u>(4,513)</u>	<u>(25,855)</u>

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Pete's Mountain Water Company

Statement of Cash Flows - Modified Accrual Basis

	<u>Fiscal Year Ending</u>	
	<u>6/30/2023</u>	<u>6/30/2022</u>
Net Income (Loss)	(4,513)	(25,855)
Adjustments to Net Income		
Depreciation	52,254	48,243
Accounts Recievable	(3,032)	3,816
Prepaid Expense	(85)	(169)
Accounts Payable	460	(65,824)
Customer Deposits	(488)	488
Net from Operating Activities	<u>44,596</u>	<u>(39,301)</u>
Investing Activities		
Improvements & Equip	(31,759)	(38,564)
Net Short-Term Investments	<u>(181,920)</u>	<u>0</u>
	<u>(213,679)</u>	<u>(38,564)</u>
Financing Activities		
Loan #1	(32,136)	(31,455)
Loan #2	(65,480)	105,165
Loan Forgiveness	<u>62,000</u>	<u></u>
	<u>(35,616)</u>	<u>73,710</u>
Net Change in Cash	(204,699)	(4,155)
Cash at Beginning of Period	277,113	281,268
Cash at End of Period	<u><u>72,414</u></u>	<u><u>277,113</u></u>

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Pete's Mountain Water Company

Statement of Assets, Liabilities and Fund Balances - Modified Accrual Basis
6/30/2023

NOTE 1

Improvements & Equipment	<u>Asset</u>	<u>Accumulated Depreciation</u>
Chlorination System	29,698	(3,712)
Beacon Meters	64,568	(13,720)
Generator	22,875	(12,334)
Pump House	23,407	(18,514)
Reservoir	20,593	(20,593)
Water Lines	22,732	(22,732)
Well #1 & Improvements	747,746	(198,930)
Well #2 (drilled 4/96)	193,386	(170,523)
Well #2 Improvements	58,840	(7,398)
Improvements & Equipment	<u>1,183,845</u>	<u>(468,456)</u>

NOTE 2

Net Fund Balance	<u>6/30/2023</u>	<u>6/30/2022</u>
Equity from Loan Forgiveness	296,000	234,000
Membership Equity	170,463	196,318
Net Fund Balance	<u>466,463</u>	<u>430,318</u>

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