

VILLAGE WASTEWATER COMPANY, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2024

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR 2023



VILLAGE WASTEWATER COMPANY, INC.
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Independent Auditor's Report

To the Board of Directors
Village Wastewater Company, Inc.
Bella Vista, Arkansas

Qualified Opinion

We have audited the accompanying financial statements of Village Wastewater Company, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets-modified cash basis as of December 31, 2024, and the related statement of support, revenue and expenses-modified cash basis, statement of functional expenses – modified cash basis, and statement of cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matters described in the Basis for a Qualified Opinion section of our report, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and net assets of Village Wastewater Company, Inc. as of December 31, 2024, and its support, revenue and expenses, and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Qualified Opinion

Due to the unavailability of accounting records prior to December 31, 2019, we were not able to obtain sufficient appropriate audit evidence about the amount of property and equipment, accumulated depreciation and related depreciation expense are recorded in the accompanying financial statements. The effect of this departure from the modified cash basis of accounting are not readily determinable.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting as described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Village Wastewater Company, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Village Wastewater Company, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Village Wastewater Company, Inc.'s 2023 financial statements and we expressed a qualified audit opinion on those financial statements in our report dated July 15, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Przybysz & Associates, CPAs, P.C.

Fort Smith, Arkansas

November 10, 2025

FINANCIAL STATEMENTS

VILLAGE WASTEWATER COMPANY, INC.

STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS

AS OF DECEMBER 31,	2024	2023
Assets		
Cash and cash equivalents	\$ 406,363	\$ 542,939
Investments	1,922,116	1,843,987
Accounts receivable	17,850	46,179
Inventory	45,477	60,491
Property and equipment, net	1,645,775	1,556,949
Total Assets	\$ 4,037,581	\$ 4,050,545
Liabilities and Net Assets		
Liabilities		
Deferred Revenue	\$ 78,628	\$ 71,513
Capacity fee payable	-	312,000
Total Liabilities	78,628	383,513
Net Assets		
Without Donor Restrictions	3,958,953	3,667,032
Total Net Assets	3,958,953	3,667,032
Total Liabilities and Net Assets	\$ 4,037,581	\$ 4,050,545

See accompanying notes to financial statements.

VILLAGE WASTEWATER COMPANY, INC.

STATEMENTS OF SUPPORT, REVENUE, AND EXPENSES - MODIFIED CASH BASIS

FOR THE YEARS ENDED DECEMBER 31,	2024	2023
Revenues and Other Support Without Donor Restrictions		
Sewer fees	\$ 1,290,805	\$ 1,243,206
Capacity fees	101,600	100,800
Fees for service and late fees	107,352	96,169
Pumps and other customer equipment	287,658	326,002
Donation of nonfinancial assets	-	88,450
Investment income	137,171	157,646
Gain on sale of asset	5,000	17,250
Miscellaneous income	1,616	5,311
Total Revenues and Other Support Without Donor Restrictions	1,931,202	2,034,834
Expenses		
Program services	1,423,035	1,422,455
General and administrative	216,246	203,322
Total Expenses	1,639,281	1,625,777
Change in Net Assets Without Donor Restrictions	291,921	409,057
Net Assets Without Donor Restrictions, Beginning of Year	3,667,032	3,257,975
Net Assets Without Donor Restrictions, End of Year	\$ 3,958,953	\$ 3,667,032

See accompanying notes to financial statements.

VILLAGE WASTEWATER COMPANY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024 WITH COMPARATIVE INFORMATION FOR 2023

	Program Services	Management & General	2024 Total	2023 Total
Expenses				
Salaries	\$ 421,526	\$ 128,959	\$ 550,485	\$ 550,723
Employee benefits	63,476	19,419	82,895	96,081
Payroll taxes	31,492	9,634	41,126	43,299
Repairs and maintenance	104,987	-	104,987	118,498
Customer equipment	309,962	-	309,962	284,368
Vehicle expense	22,821	-	22,821	5,488
Fuel	19,908	-	19,908	22,080
Chemicals	19,440	-	19,440	22,859
Small equipment expense	5,355	-	5,355	3,493
Other operating expense	11,964	-	11,964	12,707
Licenses and permits	10,736	-	10,736	10,480
Insurance	29,540	8,446	37,986	58,391
Professional fees	630	12,000	12,630	9,845
Office expense	-	26,086	26,086	26,787
Utilities	90,755	10,128	100,883	92,506
Depreciation	280,443	1,574	282,017	264,892
Bank fees	-	-	-	3,280
Total expenses	\$ 1,423,035	\$ 216,246	\$ 1,639,281	\$ 1,625,777

See accompanying notes to financial statements.

VILLAGE WASTEWATER COMPANY, INC.

STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS

FOR THE YEARS ENDED DECEMBER 31,	2024	2023
Cash Flows From Operating Activities		
Change in net assets	\$ 291,921	\$ 409,057
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	282,017	264,892
Net realized and unrealized investment gains	(71,092)	(110,024)
Capital contribution	-	(88,450)
Gain on sale of asset	(5,000)	(17,250)
(Increase)/decrease in:		
Accounts receivable	28,329	17,855
Inventory	15,014	(60,491)
Increase/(decrease) in:		
Payroll tax payable	-	(46)
Deferred revenue	7,115	9,020
Net Cash Provided By Operating Activities	548,304	424,563
Cash Flows From Investing Activities		
Purchase of certificates of deposit	(150,958)	(425,000)
Reinvestment of certificate of deposit earnings	(29,067)	(15,381)
Proceeds received from sale of investments	210,000	-
Investment interest and dividend income reinvested	(37,012)	(31,676)
Purchase of property and equipment	(370,843)	(220,370)
Cash received for sale of property and equipment	5,000	8,250
Net Cash Used In Investing Activities	(372,880)	(684,177)
Cash Flows From Financing Activities		
Capacity fees paid	(312,000)	(50,400)
Net Cash Used In Financing Activities	(312,000)	(50,400)
Net Decrease In Cash and Cash Equivalents	(136,576)	(310,014)
Cash and Cash Equivalents At Beginning of Year	542,939	852,953
Cash and Cash Equivalents At End of Year	\$ 406,363	\$ 542,939
Supplemental Schedule of Noncash Capital and Related Financing Activities		
Total cost of property and equipment	\$ 370,843	\$ 317,820
Less: Noncash contributions of infrastructure from developers	-	(88,450)
Trade-in allowance for vehicle purchase	-	(9,000)
Net Cash Used to Acquire Property and Equipment	\$ 370,843	\$ 220,370

See accompanying notes to financial statements.

VILLAGE WASTEWATER COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Nature Of Operations

Village Wastewater Company, Inc. (the Organization) was incorporated in 1996, under Arkansas law as a domestic non-profit corporation. The Organization provides sewer services to residents and businesses in the city of Bella Vista, Arkansas, and the southern portion of McDonald County, Missouri.

The Organization's revenue sources are sewer and other fees charged for miscellaneous services.

1. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the modified cash basis of accounting. The modified basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Accordingly, certain revenues and the related assets are recognized when received rather than when promised or earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Therefore, certain receivables and payables and accrued income and expenses, which may or may not be material in amount, are not reflected and these statements are not intended to present the financial position or results of operations in conformity with generally accepted accounting principles.

Comparative and Summarized Financial Information

The financial statements include certain prior year summarized comparative totals. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized totals were derived.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net assets with donor restrictions - these net assets result from contributions or grant awards of cash or other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires either with the passage of time or by action of the Organization. The Organization does not have any net assets with donor restrictions at December 31, 2024 and 2023.

VILLAGE WASTEWATER COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

Financial Statement Presentation (continued)

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed stipulations. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purposes has been fulfilled and/or the passage of time has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Fair Value of Financial Instruments

The Organization's financial instruments include cash and cash equivalents and accounts receivable. The Organization's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis. The carrying amount of these financial instruments approximate fair value because of the short maturity of these instruments. Other financial instruments held at year-end are investments which are stated at fair value.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows - Modified Cash Basis, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are reported at fair value in the Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis. Changes in fair value are included with investment income in the Statement of Support, Revenue, and Expenses - Modified Cash Basis. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are recorded in the Statement of Support, Revenue, and Expenses - Modified Cash Basis in the period in which the securities are sold. Interest and dividends, net of investment fees, are recorded when earned.

Accounts Receivable

Under the modified cash basis of accounting, accounts receivable is not recorded for sewer services provided. The Organization does record accounts receivable for pumps installed at the customer's property, for which the customer is responsible for payment. Accounts receivable are stated at the amount the Organization expects to collect. The Organization extends unsecured credit to its customers for a limited period of time. All accounts are considered past due after 30 days. Interest is not charged on past due accounts, but a 10% late fee is assessed. For monthly sewer service, past due notices are sent for customers who are two months behind and shut-off notices are sent for customers who are three months behind.

VILLAGE WASTEWATER COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

Inventory

Inventory consists of sewer pumps that will be sold and installed to new customers. Inventory is valued at the lower of cost or net realizable value. The cost of inventory is recognized as an expense when used (consumption method).

Property and Equipment

Due to a lack of records, not all of the Organization's property and equipment acquired prior to December 31, 2019 has been recorded. All property and equipment acquired after December 31, 2019 is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful life of the assets. Expenditures for maintenance and repairs that do not add to the value or capacity of the asset or materially extend asset lives are expensed as incurred.

The estimated useful lives of the assets are as follows:

Sewer system extensions	10 - 36 years
Treatment plant	5 - 32 years
Buildings and improvements	7 - 32 years
Equipment	5 - 10 years
Office Equipment	7 years
Vehicles	5 - 10 years

Depreciation expense for the years ended December 31, 2024 and 2023 was \$282,017 and \$264,892, respectively.

It is the Organization's policy to capitalize all asset purchases greater than or equal to \$1,000 while expensing all asset purchases under \$1,000.

Compensated Absences

Employees earn vacation and sick pay in varying amounts based upon length of service with the Organization. Employees may carryover a maximum of five unused vacation days and twenty unused sick days from year to year. If an employee has accumulated more than twenty days, on January 1, the Organization will deposit 50% of the value of the excess days into the employee's retirement account. Upon termination from the Organization, employees in good standing are paid their unused vacation and sick time. No accrual for compensated absences is recorded under the modified cash basis of accounting.

Deferred Revenue

Deferred revenue of \$78,628 and \$71,513 at December 31, 2024 and 2023, respectively, consists of cash receipts for services not yet rendered.

VILLAGE WASTEWATER COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Under the modified cash basis of accounting, The Organization records revenue when cash is received, rather than earned. For pumps installed at the customer's property and are financed, the revenues are recorded when earned, or when the pumps are installed.

Donations of Nonfinancial Assets

Contributions of nonfinancial assets and services are reflected in the financial statements at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Contributed services are recorded in the financial statements to the extent that (a) those services create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Organization does not sell any of its donated nonfinancial assets and only uses the goods and services for its own program or supporting services.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Support, Revenue, and Expenses - Modified Cash Basis and in the Statement of Functional Expenses - Modified Cash Basis. Directly identifiable expenses are charged to programs and supporting activities. Expenses related to more than one function are allocated to programs and supporting services. Expenses were allocated using time and usage estimates.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

VILLAGE WASTEWATER COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

2. Federal Income Tax

The Organization's activities are generally exempt from federal and state income taxes under Section 501(c)(12) of the Internal Revenue Code and a similar section of Arkansas statutes. Accordingly, no provision or liability for federal or state, current or deferred income taxes has been included in the accompanying financial statements. The Organization is not a private foundation. Management has determined that the Organization is not subject to unrelated business income tax. Management is not aware of any transactions that would impact the Organization's tax exempt status.

The Organization follows the guidance of the Accounting Standards Codification (ASC) 740, *Accounting for Income Taxes*, related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of positions taken or expected to be taken in a tax return. For the year ended December 31, 2024, management of the Organization is not aware of any material uncertain tax positions.

All tax exempt entities are subject to review and audit by federal, state and other applicable agencies. Such agencies may review the taxability of unrelated business income, or the qualification of the tax-exempt entity under the Internal Revenue Code and applicable state statutes. For federal tax purposes, the tax returns remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

3. Cash Deposits

The Organization maintains its operating bank accounts in two local financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts at each institution up to \$250,000. The Organization's cash balances may, at times, exceed these insured limits. At December 31, 2024 and 2023, the Organization had uninsured deposits of \$156,313 and \$240,142, respectively. The Organization does not believe that there is any significant risk associated with the concentrations of credit nor has the Organization experienced any losses in such accounts.

4. Accounts Receivable

Accounts receivable is customer reimbursement for pumps installed at their property and is stated at the amount the Organization expects to collect. The Organization allowed customers to finance the cost, interest free, over a period not to exceed twelve months. This policy was discontinued in August 2023. Accounts receivable is broken out as follows:

	At December 31, 2024		At December 31, 2023		At December 31, 2022	
	No. of Accounts	Balance	No. of Accounts	Balance	No. of Accounts	Balance
Current	4	\$ 2,417	50	\$ 29,252	66	\$ 54,133
Past Due	20	15,432	15	16,927	10	9,901
Total	24	\$ 17,849	65	\$ 46,179	76	\$ 64,034

VILLAGE WASTEWATER COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

4. Accounts Receivable (continued)

Accounts are considered past due after 30 days. After 60 days past due, the account is placed on a do not service list. After 90 days unpaid, a lien is placed on the property. Due to these procedures, management believes that all accounts are collectible and no allowance for credit losses is necessary at December 31, 2024 and 2023.

5. Investments

The Organization's investments include certificates of deposit and an account with a brokerage firm that contains cash and cash equivalents and fixed income securities. The brokerage account is insured by the Securities Investors Protection Corporation (SIPC) up to \$500,000 per customer, including up to \$250,000 for cash. The broker purchases additional protection from Underwriter's at Lloyd's. The SIPC insurance does not protect against market losses on investments. The balance in the brokerage account was \$1,301,710 and \$1,403,606 at December 31, 2024 and 2023, respectively. The certificates of deposit are covered by FDIC insurance up to \$250,000 per institution. At December 31, 2024 and 2023, the Organization had uninsured certificates of deposit totaling \$370,406 and \$266,340, respectively.

The Organization's investments consist of the following:

At December 31,	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 1,485	\$ 1,485	\$ 4,806	\$ 4,806
Mutual funds	855,704	903,336	1,037,412	1,014,301
Exchange-traded products	436,548	396,889	423,218	384,499
Certificates of deposit	575,958	620,406	425,000	440,381
Total	\$ 1,869,695	\$ 1,922,116	\$ 1,890,436	\$ 1,843,987

Investment income is comprised of the following:

Year Ended December 31,	2024	2023
Investment interest and dividend income	\$ 37,012	\$ 31,676
Certificate of deposit and money market earnings	29,067	15,946
Realized gains	1,289	5,794
Unrealized gain	69,803	104,230
Total	\$ 137,171	\$ 157,646

Investment Risk

Investment securities are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in the risks in the near term could materially affect the net assets of the Organization.

VILLAGE WASTEWATER COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

6. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles establish a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. When measuring a fair value, a fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1 - Quoted prices in active markets for identical assets or liabilities as of the reporting date.

Level 2 - Pricing inputs other than quoted prices included in Level 1, which are either directly observable or that can be derived or supported from observable data as of the reporting date.

Level 3 - Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed techniques that result in management's best estimate of fair value.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methods used may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2024.

The following table represents the Organization's investments that are measured at fair value on a recurring basis at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,485	\$ -	\$ -	1,485
Mutual funds	903,336	-	-	903,336
Exchange-traded products	396,889	-	-	396,889
Certificates of deposit	620,406	-	-	620,406
Total	\$ 1,922,116	\$ -	\$ -	1,922,116

Certificates of deposit are valued at cost plus interest earned. Other investments are valued at the closing price reported on the active or observable market on which the individual securities are traded as reported by the brokerage firm.

VILLAGE WASTEWATER COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

7. Property, Plant, and Equipment

Activity of property, plant and equipment consists of the following:

	January 1 2024		Additions	Retirements	December 31, 2024
Land	\$ 4,250	\$ -	\$ -	\$ -	\$ 4,250
Sewer system	4,593,630	293,735	-	-	4,887,365
Treatment plant	2,787,379	-	-	-	2,787,379
Buildings and improvements	94,434	-	-	-	94,434
Equipment	944,924	33,830	-	-	978,754
Office equipment	1,215	-	-	-	1,215
Vehicles	383,139	43,278	-	-	426,417
Total property and equipment	8,808,971	370,843	-	-	9,179,814
Less; accumulated depreciation	(7,252,022)	(282,017)	-	-	(7,534,039)
Property and Equipment, net	\$ 1,556,949	\$ 88,826	\$ -	\$ -	\$ 1,645,775

	January 1 2023		Additions	Retirements	December 31, 2023
Land	\$ 4,250	\$ -	\$ -	\$ -	\$ 4,250
Sewer system	4,419,066	174,564	-	-	4,593,630
Treatment plant	2,757,791	29,588	-	-	2,787,379
Buildings and improvements	91,335	3,099	-	-	94,434
Equipment	911,650	33,274	-	-	944,924
Office equipment	3,841	-	-	2,626	1,215
Vehicles	316,437	120,936	54,234	-	383,139
Construction in progress	43,641	-	43,641	-	-
Total property and equipment	8,548,011	361,461	100,501	-	8,808,971
Less; accumulated depreciation	(7,043,990)	(264,892)	(56,860)	-	(7,252,022)
Property and Equipment, net	\$ 1,504,021	\$ 96,569	\$ 43,641	\$ -	\$ 1,556,949

Construction in progress of \$43,641 at December 31, 2022 was infrastructure for a new neighborhood to connect to the sewer system. The project was completed and placed into service in January 2023.

8. Capacity Fees / Capacity Fee Payable

The Organization charges a capacity fee for each new sewer tap installed. The capacity fee is \$1,600 per single family residence in Missouri, \$800 per single family residence in Arkansas, and pro-rated for commercial establishments in both states. Capacity fees are charged to recoup expenditures for the planning, design, and construction of new public facilities or of capital improvements to the existing facility that expand its capacity. The Organization recognized \$101,600 and \$100,800 in capacity fee revenue during the years ended December 31, 2024 and 2023, respectively.

VILLAGE WASTEWATER COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

8. Capacity Fees / Capacity Fee Payable (continued)

In 2006, the Organization signed an agreement with Cooper Communities, Inc. (CCI) to jointly contribute toward the cost of an expansion to the Organization's wastewater facility estimated to cost of \$1.6 million. As the project cost was shared, the agreement also stipulated that future capacity fees charged for this added capacity would be equally shared. The estimated added capacity for the expansion was 2,200 taps, or \$880,000. During the year ended December 31, 2023, the Organization paid CCI 50% of the capacity fees collected, or \$50,400. In April 2024, the contract was voluntarily terminated by both parties and the capacity fee balance totaling \$312,000 was paid in full.

9. Donations of Nonfinancial Assets / Capital Contribution

The Organization received contributed capital totaling \$88,450 during the year ended December 31, 2023, for sewer infrastructure donated by a developer. The contribution was valued using the cost provided by the developer.

10. Employee Benefit Plan

The Organization contributes 6% of the gross salary of each eligible employee to the employees' individual retirement account. Employees are eligible for the contribution after six months of continuous full-time employment. Contributions the Organization made to employees retirement accounts during the years ended December 31, 2024 and 2023, were \$24,812 and \$27,618, respectively.

11. Liquidity and Funds Available

The Organization manages liquidity and reserves by operating within a prudent range of financial responsibility, maintaining adequate liquidity to fund near-term operations and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be met. The following reflects the Organization's financial assets, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations:

As of December 31,	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 406,363	\$ 542,939
Accounts receivable	17,850	46,179
Investments	1,922,116	1,843,987
Total financial assets available	2,346,329	2,433,105
Less: contractual or donor imposed restrictions:	-	-
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 2,346,329	\$ 2,433,105

VILLAGE WASTEWATER COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

12. Subsequent Events

The Organization has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended December 31, 2024 through November 10, 2025, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.