BLUE RIDGE
DOMESTIC WATER IMPROVEMENT DISTRICT
2297 Starlight Drive
Happy Jack, AZ 86024

October 2026 Financial Report

WIFA Loan Update:

- The $2.9M WIFA loan had $50,379.39 funding remaining. This loan purpose was to purchase the water system and install electronic meters. Per WIFA, these remaining funds can only be used for electronic meter installation.
- We submitted application for reimbursement of $25.7k for repairs necessary to install the electronic meters in an effort to get a portion of the $50.3K remaining funds. This $25.7k is what we paid in addition to the separate electronic meter loan to get the electronic meters installed. This application was denied due to not complying with Davis-Bacon requirement defined in the original $2.9M loan agreement. The loan for the electronic meters did not have a Davis-Bacon requirement, so the wages paid were not tracked or reported to WIFA.
- WIFA requested we de-obligate the remaining $50,379.39 so they can clear their books and settle this loan. The de-obligation was completed on October 22.
- By not using the $50.3k, the forgivable principal was reduced to $392,157 from $402,500. This adjustment was made with the help of Haynie & Co in the financial review report for FY2025-26 ending June 30, 2026. The Balance Sheet reflects this adjustment.

Financial Summary for the period ending October 31, 2026.

- Revenues are ~3.2% (-$2,179.43) less than budget plan for October. Ytd revenues are ~6.7% (-$19,166.68) less than budget plan (fewer meters installed than planned, water sales lower than anticipated).
- Total ytd (July~October) expenses are ~2.25% (-$3,230.49) under budget plan.

Bank Balances at the end of October 2026:

6897-NBAZ WIFA Debt Service	$95,846.05	contributing $3,305/month – on target to meet loan reserve requirement
6905 NBAZ Capital Improvement	$95,525.36	contributing $12,164/month. Paid $79.6k for SPR Booster pump 50% deposit.
6913 NBAZ WIFA L/P Savings	$53,744.56	contributing $13,222/month. Moved $21k to Capital Improvement.
6889 NBAZ Operating Account	$51,570.58	

Highlights:

- 831 Active Accounts plus 2 accounts transferring to new owners. 15 delinquent accounts with no disconnection letters sent in October.
- Significant Expenditures for October:
  - $12,460 for annual financial review by Haynie & Co.
  - $4,050.25 – backup generator battery replacements at PC, SP, & TP.
  - $4,073.12 – MAP (monitoring assistance program) by AQEQ.
  - $79,612.50 – 50% deposit to Patten Electric for SPR Booster Pump/Controls.

Revenues:

Metered Water Sales	$61,808.17	
Interest:	$2.37	
Other Water Revenue	$3,865.03	Late fees, meter installs
Other Income	$130.00	Misc income, ADOR credit
Total Income:	***$65,805.57***	
Net Other Income:	***$41.36***	ADOR Credit

Expenses:

Management Fees:	$6,736.91	DM & Utility Billing
Loan fees, insurance, int exp	$150.00	
Other Contractual Services	$0.00	Legal Expense
Office Supplies & Expenses:	$88.04	NBAZ account fees, dues, website
Operations/Field Work:	$17,988.27	Operator, supplies, power, and repairs
Total Expenses:	***$24,963.22***	
Other Expense:	***$23,952.63***	Dep expense & Goodwill dep
Net Income:	**$16,931.08**	

BLUE RIDGE DWID
Balance Sheet
As of October 31, 2026

	Oct 31, 26	
ASSETS		
Current Assets		
Checking/Savings		
NATIONAL BANK OF ARIZONA ACCTS		
6897-NBAZ WIFA Debt Service	93,525.36	
6905 NBAZ Capital Improvement	95,846.05	
6913 NBAZ WIFA L/P Savings	53,744.56	
6889 NBAZ Operating Account	51,570.58	
Total NATIONAL BANK OF ARIZONA ACCTS		294,686.55
Total Checking/Savings		294,686.55
Other Current Assets		
13-1411-Customer A/R		31,714.96
13-1412 Allowence for Cr Loss		-5,000.00
PREPAID ACCOUNTS		
162.2 Prepaid Insurance	336.44	
Total PREPAID ACCOUNTS		336.44
Total Other Current Assets		27,051.40
Total Current Assets		321,737.95
Fixed Assets		
303 FIXED ASSETS		
303 Land & Land Rights	16,000.00	
304 Structures & Improvements	58,954.49	
307 Wells & Springs	166,254.98	
311 Pumping Equipment	153,924.47	
330.1 Storage Tanks	219,039.96	
331 Transmission & Distribution	1,074,570.07	
333 Services	80,304.49	
334 Meters & Meter Installation	447,779.71	
335 Hydrants	142,092.40	
340 Office Furnature/Equip	2,152.42	
341 Transportation Equipment	3,160.00	
343 Tools, Shop & Garage Equip	1,385.08	
Total 303 FIXED ASSETS		2,365,618.07
ACCUMULATED DEPRECIATION		
108-304 A/D-Structures & Improv	-25,113.08	
108-307 A/D Wells & Springs	-30,817.16	
108-311 A/D Pumping Equipment	-20,398.43	
108-330.1 A/D Storage Tanks	-42,100.41	
108-331 A/D Transmission/Distri	-125,524.19	
108-333 A/D Services	-13,980.14	
108-334 A/D Meter & Meter Insta	-47,963.45	
108-335 A/D Hydrants	-25,208.15	
108-343 A/D Tools/Shop/Garage	-844.25	
Total ACCUMULATED DEPRECIATION		-331,949.26
Total Fixed Assets		2,033,668.81
Other Assets		
174 Goodwill		1,021,660.41
174.2 A/D Goodwill		-319,836.59
Total Other Assets		701,823.82
TOTAL ASSETS		**3,057,230.58**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		

BLUE RIDGE DWID
Balance Sheet
As of October 31, 2026

	Oct 31, 26
Accounts Payable	22,849.90
Total Accounts Payable	22,849.90
Other Current Liabilities	
13-2341 Meter Deposit	38,351.00
13-2363 Cust Security Deposits	18,109.51
Total Other Current Liabilities	56,460.51
Total Current Liabilities	79,310.41
Long Term Liabilities	
224 L/T Loan WIFA	2,005,231.19
225 · L/T WIFA #2 (450K)	449,999.51
271 Contributions in Aid Const	392,157.00
Total Long Term Liabilities	2,847,387.70
Total Liabilities	2,926,698.11
Equity	
Retained Earnings	19,802.22
32000 · Unrestricted Net Assets	78,508.22
Net Income	32,222.03
Total Equity	130,532.47
TOTAL LIABILITIES & EQUITY	**3,057,230.58**

BLUE RIDGE DWID
Profit & Loss YTD Comparison
October 2026

	Oct 26	Jul - Oct 26
Ordinary Income/Expense		
Income		
13-460 Metered Water Sales	61,808.17	256,810.82
45000 · Investments		
45030 · Interest-Savings, Short-term CD	2.37	8.48
Total 45000 · Investments	2.37	8.48
46400 · Other Types of Income		
46430 · Miscellaneous Revenue	130.00	560.00
Total 46400 · Other Types of Income	130.00	560.00
OTHER WATER REVENUE		
13-4231 Late Fee	315.03	1,175.02
13-4602 Hookup Fees	2,000.00	4,000.00
13-4603 Meter Install Fees	1,250.00	2,500.00
13-4621 Establishment Fees	300.00	2,300.00
Total OTHER WATER REVENUE	3,865.03	9,975.02
Total Income	65,805.57	267,354.32
Gross Profit	65,805.57	267,354.32
Expense		
Cleraring/Refunds	150.00	150.00
657 Insurance General Liability	0.00	10,145.00
CONTRACTUAL SERVICES		
632 Accounting	0.00	12,460.00
Total CONTRACTUAL SERVICES	0.00	12,460.00
MANAGEMENT FEES		
634.2 District Manager	2,010.41	8,205.12
634.2 Management Fees AUBS	4,726.50	18,908.68
Total MANAGEMENT FEES	6,736.91	27,113.80
OFFICE SUPPLIES & EXPENSE		
621.8 Bank Service Charges	88.04	366.10
636.2 Website	0.00	828.17
Total OFFICE SUPPLIES & EXPENSE	88.04	1,194.27
OPERATIONS/FIELD WORK		
620 · Materials & Supplies	34.71	3,745.47
615 Purchased Power	2,940.44	13,999.63
620.1 Repairs & Maintenance	1,275.00	27,610.30
635 Water Testing	4,193.12	5,053.12
636.3 Field Operator	9,545.00	38,180.00
Total OPERATIONS/FIELD WORK	17,988.27	88,588.52
Total Expense	24,963.22	139,651.59
Net Ordinary Income	40,842.35	127,702.73
Other Income/Expense		
Other Income		
419 Interest Income	0.00	1.89
422 Acctg Credit ADOR	41.36	172.39
Total Other Income	41.36	174.28
Other Expense		
690.1 Depreciation Expense	15,438.79	61,599.62
690.2 Depreciation Exp Goodwill	8,513.84	34,055.36
Total Other Expense	23,952.63	95,654.98

BLUE RIDGE DWID
Profit & Loss YTD Comparison
October 2026

	Oct 26	Jul - Oct 26
Net Other Income	-23,911.27	-95,480.70
Net Income	**16,931.08**	**32,222.03**

BLUE RIDGE DWID
Profit & Loss Budget Performance
October 2026

	MONTHLY BUDGET VS. ACTUAL				YEAR TO DATE MONTHLY VS. ACTUAL				ANNUAL BUDGET	
	Oct 26 Actual	Oct 26 Budget	$ Over Budget	% of Budget	Jul - Oct 26 Actual	YTD Budget	$ Over Budget	% of Budget	Annual Budget	% of Budget
Ordinary Income/Expense										
Income										
13-460 Metered Water Sales	61,808.17	64,535.00	-2,726.83	95.78%	256,810.82	269,171.00	-12,360.18	95.41%	764,648.00	33.59%
13-4614 · Hydrant/Bulk Sales	0.00	0.00	0.00	0.0%	0.00	200.00	-200.00	0.0%	400.00	0.0%
45000 · Investments										
45030 · Interest-Savings, Short-term CD	2.37				8.48					
Total 45000 · Investments	2.37				8.48					
46400 · Other Types of Income										
46430 · Miscellaneous Revenue	130.00				560.00					
Total 46400 · Other Types of Income	130.00				560.00					
OTHER WATER REVENUE										
13-4231 Late Fee	315.03	100.00	215.03	315.03%	1,175.02	400.00	775.02	293.76%	1,200.00	97.92%
13-4602 Hookup Fees	2,000.00	2,000.00	0.00	100.0%	4,000.00	10,000.00	-6,000.00	40.0%	16,000.00	25.0%
13-4603 Meter Install Fees	1,250.00	1,250.00	0.00	100.0%	2,500.00	6,250.00	-3,750.00	40.0%	10,000.00	25.0%
13-4621 Establishment Fees	300.00	100.00	200.00	300.0%	2,300.00	500.00	1,800.00	460.0%	800.00	287.5%
Total OTHER WATER REVENUE	3,865.03	3,450.00	415.03	112.03%	9,975.02	17,150.00	-7,174.98	58.16%	28,000.00	35.63%
Total Income	65,805.57	67,985.00	-2,179.43	96.79%	267,354.32	286,521.00	-19,166.68	93.31%	793,048.00	33.71%
Gross Profit	65,805.57	67,985.00	-2,179.43	96.79%	267,354.32	286,521.00	-19,166.68	93.31%	793,048.00	33.71%
Expense										
Cleraring/Refunds	150.00				150.00					
667-Interest Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	
657 Insurance General Liability	0.00	958.33	-958.33	0.0%	10,145.00	3,833.36	6,311.64	264.65%	11,500.00	88.22%
62100 · Contract Services										
62140 · Legal Fees	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	
62150 · Outside Contract Services	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	
Total 62100 · Contract Services	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	
CONTRACTUAL SERVICES										
632 Accounting	0.00	11,500.00	-11,500.00	0.0%	12,460.00	11,500.00	960.00	108.35%	11,500.00	108.35%

BLUE RIDGE DWID
Profit & Loss Budget Performance
October 2026

	MONTHLY BUDGET VS. ACTUAL				YEAR TO DATE MONTHLY VS. ACTUAL				ANNUAL BUDGET	
	Oct 26 Actual	Oct 26 Budget	$ Over Budget	% of Budget	Jul - Oct 26 Actual	YTD Budget	$ Over Budget	% of Budget	Annual Budget	% of Budget
633 Legal Fees	0.00	0.00	0.00	0.0%	0.00	4,000.00	-4,000.00	0.0%	8,000.00	0.0%
634 · Contractual Other	0.00	0.00	0.00	0.0%	0.00	1,600.00	-1,600.00	0.0%	1,600.00	0.0%
Total CONTRACTUAL SERVICES	0.00	11,500.00	-11,500.00	0.0%	12,460.00	17,100.00	-4,640.00	72.87%	21,100.00	59.05%
62800 · Facilities and Equipment										
62810 · Depr and Amort - Allowable	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	
Total 62800 · Facilities and Equipment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	
MANAGEMENT FEES										
634.2 District Manager	2,010.41	5,600.00	-3,589.59	35.9%	8,205.12	22,400.00	-14,194.88	36.63%	67,200.00	12.21%
634.2 Management Fees AUBS	4,726.50	4,938.00	-211.50	95.72%	18,908.68	19,702.00	-793.32	95.97%	59,328.00	31.87%
Total MANAGEMENT FEES	6,736.91	10,538.00	-3,801.09	63.93%	27,113.80	42,102.00	-14,988.20	64.4%	126,528.00	21.43%
OFFICE SUPPLIES & EXPENSE										
621.2 Postage & Delivery	0.00	639.00	-639.00	0.0%	0.00	2,547.00	-2,547.00	0.0%	7,676.00	0.0%
621.4 Forms,supplies,bank fee	0.00	250.00	-250.00	0.0%	0.00	1,000.00	-1,000.00	0.0%	3,000.00	0.0%
621.5 Termination Notices	0.00	30.00	-30.00	0.0%	0.00	120.00	-120.00	0.0%	360.00	0.0%
621.7 Dues/Subscriptions/Permit	0.00	150.00	-150.00	0.0%	0.00	300.00	-300.00	0.0%	700.00	0.0%
621.8 Bank Service Charges	88.04	95.00	-6.96	92.67%	366.10	380.00	-13.90	96.34%	1,140.00	32.11%
636.2 Website	0.00	400.00	-400.00	0.0%	828.17	1,600.00	-771.83	51.76%	4,800.00	17.25%
Total OFFICE SUPPLIES & EXPENSE	88.04	1,564.00	-1,475.96	5.63%	1,194.27	5,947.00	-4,752.73	20.08%	17,676.00	6.76%
65000 · Operations										
65040 · Supplies	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	
Total 65000 · Operations	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	
OPERATIONS/FIELD WORK										
620 · Materials & Supplies	34.71	0.00	34.71	100.0%	3,745.47	0.00	3,745.47	100.0%	0.00	
615 Purchased Power	2,940.44	3,500.33	-559.89	84.01%	13,999.63	14,001.36	-1.73	99.99%	42,004.00	33.33%
620.1 Repairs & Maintenance	1,275.00	5,000.00	-3,725.00	25.5%	27,610.30	20,000.00	7,610.30	138.05%	60,000.00	46.02%
635 Water Testing	4,193.12	490.08	3,703.04	855.6%	5,053.12	1,960.36	3,092.76	257.77%	5,881.00	85.92%
636.3 Field Operator	9,545.00	9,510.00	35.00	100.37%	38,180.00	37,938.00	242.00	100.64%	114,264.00	33.41%
Total OPERATIONS/FIELD WORK	17,988.27	18,500.41	-512.14	97.23%	88,588.52	73,899.72	14,688.80	119.88%	222,149.00	39.88%

BLUE RIDGE DWID
Profit & Loss Budget Performance
October 2026

	MONTHLY BUDGET VS. ACTUAL				YEAR TO DATE MONTHLY VS. ACTUAL				ANNUAL BUDGET	
	Oct 26 Actual	Oct 26 Budget	$ Over Budget	% of Budget	Jul - Oct 26 Actual	YTD Budget	$ Over Budget	% of Budget	Annual Budget	% of Budget
65100 · Other Types of Expenses										
65120 · Insurance - Liability, D and O	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	
65160 · Other Costs	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	
Total 65100 · Other Types of Expenses	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	
Total Expense	24,963.22	43,060.74	-18,097.52	57.97%	139,651.59	142,882.08	-3,230.49	97.74%	398,953.00	35.0%
Net Ordinary Income	40,842.35	24,924.26	15,918.09	163.87%	127,702.73	143,638.92	-15,936.19	88.91%	394,095.00	32.4%
Other Income/Expense										
Other Income										
419 Interest Income	0.00				1.89					
422 Acctg Credit ADOR	41.36				172.39					
Total Other Income	41.36				174.28					
Other Expense										
690.1 Depreciation Expense	15,438.79	12,164.00	3,274.79	126.92%	61,599.62	48,656.00	12,943.62	126.6%	145,968.00	42.2%
690.2 Depreciation Exp Goodwill	8,513.84				34,055.36					
Total Other Expense	23,952.63	12,164.00	11,788.63	196.91%	95,654.98	48,656.00	46,998.98	196.59%	145,968.00	65.53%
Net Other Income	-23,911.27	-12,164.00	-11,747.27	196.57%	-95,480.70	-48,656.00	-46,824.70	196.24%	-145,968.00	65.41%
Net Income	**16,931.08**	**12,760.26**	**4,170.82**	**132.69%**	**32,222.03**	**94,982.92**	**-62,760.89**	**33.92%**	**248,127.00**	12.99%

BRDWID - CUSTOMER COUNTS			2026							
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
ACTIVE	823	826	825	824	831	826	830	835	833	831
OUT WITH BALANCE	2	4	2	4	3	7	2	2	2	2
CREDIT CARD PMTS	168	170	216	192	196	200	202	204	192	196
ONLINE ELECTRONIC PMTS	138	143	164	169	179	185	187	196	196	203
CHECKS RECEIVED	337	372	455	424	281	488	413	342	394	347
LATE FEES	100	87	67	64	57	67	48	39	44	46
USPS	650	638	638	637	636	624	622	619	617	615
EMAIL	175	187	189	191	198	209	210	216	218	219
30 DAYS A/R	44	54	18	27	22	24	19	29	31	21
60 DAYS A/R	12	7	5	4	5	5	6	7	12	7
90 DAYS A/R	4	3	1	3	3	3	2	5	5	5
120 DAYS A/R	4	4	3	3	3	3	2	2	4	3
DISCONNECTION LETTERS	10	10	37	19	11	11	18	12	18	0
						**				
** JUNE'S LETTERS WERE DONE THE FIRST WEEK OF JULY										