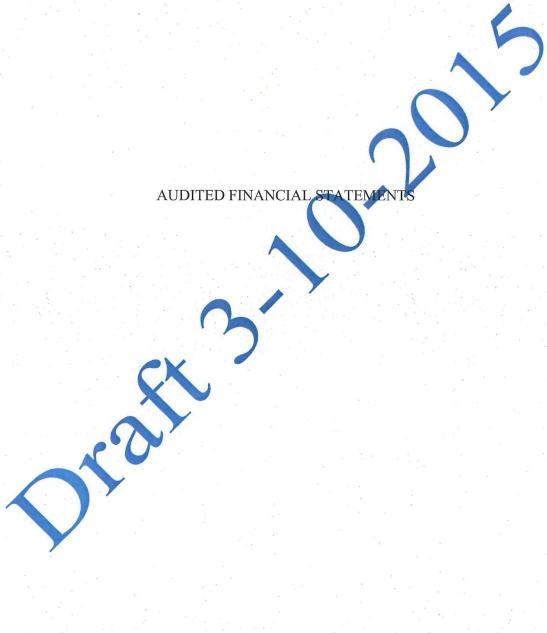


Audited Financial Statements-Regulatory Basis

December 31, 2014 and 2013



RAINIER VIEW WATER COMPANY, INC.

STATEMENTS OF ASSETS, STOCKHOLDERS' EQUITY AND LIABILITIES-REGULATORY BASIS

December 31, 2014 and 2013

	2014	2013
ASSETS		
UTILITY PLANT		
Plant in service	\$ 43,753,159	\$ 42,270,951
Less accumulated depreciation	13,349,296	12,140,288
Total Utility Plant	30,403,863	30,130,663
CURRENT ASSETS	A	П
Cash - unrestricted	841,606	517,171
Cash - restricted	1,292,304	1,306,395
Accounts receivable, less allowance for	546206	505.010
doubtful accounts of \$75,000 Income taxes receivable	546,306	525,910
Notes receivable from related party	171,000 2,805	171,000 2,805
Prepaid expenses	32,635	43,532
repute expenses		
Total Current Assets	2,886,656	2,566,813
OTHER ASSETS	504 500	501.015
Debt service reserves	601,622	601,317
Loan fees, less accumulated amortization of \$40,969 and \$40,271, respectively		698
Investment, at fair value	257,340	246,720
Deferred tax asset	392,390	392,390
Supplemental facilities	15,387,043	15,254,413
Total Other Assets	16,638,395	16,495,538
	N 8	
Total Assets	\$ <u>49,928,914</u>	\$ <u>49,193,014</u>

The accompanying notes are an integral part of these financial statements.

	2014	2013
STOCKHOLDERS' EQUITY AND LIABILITIES		
STOCKHOLDERS' EQUITY		
Common stock, no par value; 50,000 shares authorized, 50,000 shares outstanding Retained earnings	\$ 256,193 7,389,743	256,193 6,440,352
Total Stockholders' Equity	7,645,936	6,696,545
CURRENT LIABILITIES		
Current portion of long-term debt Line of credit	290,465 6,000	227,503
Accounts payable	104,610	98,534
Accrued interest payable	2,194	2,518
Accrued expenses	68,425	74,227
Customers' deposits	88,359	92,207
Deposits of advances for construction	1,226,431	1,306,395
Total Current Liabilities	1,786,484	1,801,384
LONG-TERM DEBT, less portion classified as	1.000.000	
current liability	4,273,976	3,985,300
CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	,	
net of accumulated amortization of \$7,795,130 and	20.025.475	01 455 250
\$7,022,698 at December 3), 2014 and 2013, respectively	20,835,475	21,455,372
CONTRIBUTIONS IN AID OF CONSTRUCTION		
Supplemental facilities	15,387,043	15,254,413
Total Liabilities	42,282,978	42,496,469
Total Stockholders' Equity and Liabilities	\$ <u>49,928,914</u>	\$ <u>49,193,014</u>

RAINIER VIEW WATER COMPANY, INC.

STATEMENTS OF INCOME AND EXPENSES - REGULATORY BASIS

Years Ended December 31, 2014 and 2013

	2014	2013
OPERATING REVENUES Water sales Other water revenues	\$ 5,631,715 	\$ 5,452,470 128,977
Total Operating Revenues	5,745,453	5,581,447
OPERATING EXPENSES Source of supply and expenses - operations Source of supply and expenses - maintenance Water treatment expenses - operations Water treatment expenses - maintenance Transportation and distribution expenses - operations Transportation and distribution expenses - maintenance Customer accounts expenses Administrative and general expenses Depreciation Amortization of CIAC	14,725 128,655 82,150 255,995 2,673 168,360 1,023,131 2,753,317 1,248,528 (772,432)	10,350 158,348 93,554 262,332 4,240 256,372 964,673 2,753,816 1,191,325 (763,064)
Total Operating Expenses	4,905,102	4,931,946
OPERATING INCOME	840,351	649,501
OTHER INCOME (EXPENSE) Interest income Interest expense Rental income	42,784 (106,782) 	45,381 (100,132)
Other Income, Net	90,034	99,281
INCOME BEFORE INCOME TAX	930,385	748,782
Income Tax Expense	7 (19,006)	24,612
NET INCOME	\$ 949,391	\$ <u>724,170</u>
Will update once the taxes are computed.		

The accompanying notes are an integral part of these financial statements.