



Audited Financial Statements-
Regulatory Basis

December 31, 2014 and 2013

Draft

2015

AUDITED FINANCIAL STATEMENTS

Draft 3-10-2015

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	<u>13,349,296</u>	<u>12,140,288</u>
Total Utility Plant	30,403,863	30,130,663
CURRENT ASSETS		
Cash - unrestricted	841,606	517,171
Cash - restricted	1,292,304	1,306,395
Accounts receivable, less allowance for doubtful accounts of \$75,000	546,306	525,910
Income taxes receivable	171,000	171,000
Notes receivable from related party	2,805	2,805
Prepaid expenses	<u>32,635</u>	<u>43,532</u>
Total Current Assets	2,886,656	2,566,813
OTHER ASSETS		
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	<u>15,387,043</u>	<u>15,254,413</u>
Total Other Assets	16,638,395	16,495,538
Total Assets	<u>\$ 49,928,914</u>	<u>\$ 49,193,014</u>

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

	<u>2014</u>	<u>2013</u>
STOCKHOLDERS' EQUITY AND LIABILITIES		
STOCKHOLDERS' EQUITY		
Common stock, no par value; 50,000 shares authorized, 50,000 shares outstanding	\$ 256,193	\$ 256,193
Retained earnings	<u>7,389,743</u>	<u>6,440,352</u>
Total Stockholders' Equity	7,645,936	6,696,545
CURRENT LIABILITIES		
Current portion of long-term debt	290,465	227,503
Line of credit	6,000	
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	<u>1,226,431</u>	<u>1,306,395</u>
Total Current Liabilities	1,786,484	1,801,384
LONG-TERM DEBT, less portion classified as current liability	4,273,976	3,985,300
CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC), net of accumulated amortization of \$7,795,130 and \$7,022,698 at December 31, 2014 and 2013, respectively	20,835,475	21,455,372
CONTRIBUTIONS IN AID OF CONSTRUCTION Supplemental facilities	<u>15,387,043</u>	<u>15,254,413</u>
Total Liabilities	<u>42,282,978</u>	<u>42,496,469</u>
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

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Water sales	\$ 5,631,715	\$ 5,452,470
Other water revenues	<u>113,738</u>	<u>128,977</u>
Total Operating Revenues	5,745,453	5,581,447
OPERATING EXPENSES		
Source of supply and expenses - operations	14,725	10,350
Source of supply and expenses - maintenance	128,655	158,348
Water treatment expenses - operations	82,150	93,554
Water treatment expenses - maintenance	255,995	262,332
Transportation and distribution expenses - operations	2,673	4,240
Transportation and distribution expenses - maintenance	168,360	256,372
Customer accounts expenses	1,023,131	964,673
Administrative and general expenses	2,753,317	2,753,816
Depreciation	1,248,528	1,191,325
Amortization of CIAC	<u>(772,432)</u>	<u>(763,064)</u>
Total Operating Expenses	<u>4,905,102</u>	<u>4,931,946</u>
OPERATING INCOME	840,351	649,501
OTHER INCOME (EXPENSE)		
Interest income	42,784	45,381
Interest expense	(106,782)	(100,132)
Rental income	<u>154,032</u>	<u>154,032</u>
Other Income, Net	<u>90,034</u>	<u>99,281</u>
INCOME BEFORE INCOME TAX	930,385	748,782
Income Tax Expense	<u>(19,006)</u>	<u>24,612</u>
NET INCOME	\$ <u>949,391</u>	\$ <u>724,170</u>

Will update once the taxes are computed.

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