



**Oildale
Mutual
Water
Company**

INCORPORATED OCTOBER 30, 1919

Phone (661) 399-5516
2836 McCray St.

P.O. Box 5638
Oildale, CA 93388-5638

TO THE STOCKHOLDERS:

You are cordially invited to attend the Annual Meeting of Stockholders of the Oildale Mutual Water Company to be held at the Oildale Mutual Water Company, 2836 McCray St. on October 6, 2014 at 7:00 p.m. This meeting is being held for the purpose of (1) electing a Board of five Directors, and (2) transacting other business, including taking action upon stockholder proposals as may properly come before the meeting.

In order to meet the requirements of a quorum, 20% of the shares of this corporation must be represented in person or by proxy at this meeting. For your convenience, we have enclosed a proxy card with this Notice of Annual Meeting and Financial Statement. Regardless of the number of shares you own, it is important that your shares be represented. Accordingly, **we hope that you will complete and sign the proxy card which requires no postage and return it to us promptly**, whether or not you are planning to be present. It is intended that the proxies received by Management will be voted in favor of the election of the five persons named below to serve as Directors for a term of one year or until the next Annual Meeting of Shareholders. If any of them is not a candidate at the time the election occurs, it is intended that such proxies will be voted for the election of the other nominees named and may be voted for substituted nominees. **Please sign and return the blue proxy card before September 30, 2014.**

The Board of Directors would like to express their thanks to the Stockholders for the very fine cooperation during the past year.

Respectfully Submitted,

WILLIAM PURKISER, President
LONNY BOLLER, Vice President
FRED HUPP
HUGH PEARSON
DON WATTENBARGER

DOUGLAS R. NUNNELEY, Secretary-Manager

OILDALE MUTUAL WATER COMPANY
Comparative Statement of Financial Condition
June 30, 2014 and June 30, 2013

ASSETS

	June 30 2014	June 30 2013	Increase (Decrease)
CURRENT ASSETS			
Cash on Hand and in Bank	2,512,802	2,394,448	118,354
Funded Reserve			
Emergency/Contingency Fund	896,811	857,852	38,959
Plant Expansion Fund	1,868,357	1,787,191	81,166
Plant Repair & Replacement Fund	971,545	929,339	42,206
Accounts Receivable			
Water Assessments	621,145	382,217	238,928
Interest Receivable	1,551	625	926
Inventory - Materials & Supplies	84,345	60,274	24,071
Total Current Assets	6,956,556	6,411,946	544,610
GENERAL PLANT AND EQUIPMENT			
Wells and Pumping Equipment	1,207,824	1,205,310	2,514
Distribution System	9,504,808	9,331,586	173,222
Transportation Equipment	482,259	482,259	0
Building and Improvements	1,017,605	1,017,605	0
Other Equipment	167,910	167,229	681
	12,380,406	12,203,989	176,417
Less Accumulated Depreciation	6,856,854	6,558,417	298,437
	5,523,552	5,645,572	(122,020)
Land	578,579	578,579	0
Net General Plant and Equipment	6,102,131	6,224,151	(122,020)
Groundwater Storage	359,567	333,271	26,296
Total Assets	13,418,254	12,969,368	448,886

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>June 30 2014</u>	<u>June 30 2013</u>	<u>Increase (Decrease)</u>
CURRENT LIABILITIES			
Accounts Payable	577,765	929,035	(351,270)
Consumer Prepayments	80,649	65,035	15,614
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Total Current Liabilities	658,414	994,070	(335,656)
Contributions in Aid of Const.	3,279,611	3,418,945	(139,334)
STOCKHOLDERS' EQUITY			
Common Stock-Authorized 3,000,000 shares	1,359,170	1,294,494	64,676
Deposit on Stock	28,835	37,486	(8,651)
Additional Contributed Capital	1,260,282	1,260,282	0
Retained Earnings	6,831,942	5,964,091	867,851
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Total Stockholders' Equity	9,480,229	8,556,353	923,876
Total Liabilities and Equity	<u>\$13,418,254</u>	<u>\$12,969,368</u>	<u>\$448,886</u>

**OILDALE MUTUAL WATER COMPANY
INCOME STATEMENT
YEAR ENDED JUNE 30, 2014**

OPERATING REVENUE

Water Sales and Related Charges \$6,118,612

OPERATING EXPENSE

Water Supply Costs 3,061,993

OPERATION AND MAINTENANCE COSTS

Field Salaries	387,614
Repair and Maintenance	146,939
Operations	21,721
Utilities	189,475
Fuel and Lubricants	27,530
Engineering	15,114
Laboratory Testing	9,581
Employee Benefits	<u>196,137</u>

994,111

ADMINISTRATIVE AND GENERAL EXPENSE

Salaries	402,855
Professional Fees	196,465
Health Benefits	11,323
Public Relations	35,221
Postage and Printing	55,530
Insurance	25,346
Pension Plan	25,740
Payroll and County Taxes	177,193
Office Expense and Supplies	<u>120,850</u>

1,050,523

Depreciation Expense 159,104

Operating Income 852,881

OTHER INCOME

Interest Income 14,970

Income Before Tax 867,851

INCOME TAXES

Current Income Tax 0

NET INCOME \$867,851