



**Oildale
Mutual
Water
Company**

INCORPORATED OCTOBER 30, 1919

Phone (661) 399-5516
2836 McCray St.

P.O. Box 5638
Oildale, CA 93388

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 1, 2018 at 7:00 p.m. This meeting is being held for the purpose of (1) electing a Board of five Directors, (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 22, 2018.**

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
ROSS JOHNSON, Vice President
LONNY BOLLER
DON WATTENBARGER
HUGH PEARSON

DOUGLAS R. NUNNELEY, Secretary-Manager

OILDALE MUTUAL WATER COMPANY
COMPARATIVE STATEMENT OF FINANCIAL CONDITION
JUNE 30, 2018 AND JUNE 30, 2017

ASSETS

	<u>June 30</u> 2018	<u>June 30</u> 2017	<u>Increase</u> (Decrease)
CURRENT ASSETS			
Cash on Hand and in Bank	3,531,987	4,453,640	(921,653)
Funded Reserve			
Emergency Contingency Fund	1,398,993	1,392,184	6,809
Plant Expansion Fund	2,797,985	2,784,370	13,615
Plant Repair & Replacement Fund	5,129,639	5,104,678	24,961
Accounts Receivable	509,117	480,397	28,720
Interest Receivable	486	9,300	(8,814)
Prepaid Income Tax	1,200	0	1,200
Inventory - Materials & Supplies	102,854	125,174	(22,320)
	<u>13,472,261</u>	<u>14,349,743</u>	<u>-877,482</u>
PROPERTY, PLANT & EQUIPMENT			
Wells and Pumping Equipment	1,926,402	1,926,402	0
Distribution System	21,549,131	16,992,465	4,556,666
Transportation Equipment	649,846	649,846	0
Building and Improvements	1,017,605	1,017,605	0
Other Equipment	324,325	276,113	48,212
Land	722,773	722,773	0
	<u>26,190,082</u>	<u>21,585,204</u>	<u>4,604,878</u>
Less Accumulated Depreciation	9,191,371	8,469,912	721,459
	<u>16,998,711</u>	<u>13,115,292</u>	<u>3,883,419</u>
	<u>30,470,972</u>	<u>27,465,035</u>	<u>3,005,937</u>
TOTAL ASSETS	30,470,972	27,465,035	3,005,937

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>June 30</u> <u>2018</u>	<u>June 30</u> <u>2017</u>	<u>Increase</u> <u>(Decrease)</u>
CURRENT LIABILITIES			
Accounts Payable	523,693	352,983	170,710
Income Tax Payable	0	1,194	-1,194
Current Portion of Long Term Debt	1,559	1,559	0
Consumer Prepayments	<u>127,864</u>	<u>113,096</u>	<u>14,768</u>
Total Current Liabilities	653,116	468,832	184,284
Long Term Debt, Less Current Portion	49,903	54,581	-4,678
Contributions in Aid of Const.	7,835,417	4,713,704	3,121,713
STOCKHOLDERS' EQUITY			
Common Stock-Authorized 3,000,000 shares	3,106,148	3,091,416	14,732
Deposit on Stock	59,750	54,646	5,104
Additional Contributed Capital	5,731,277	5,731,277	0
Retained Earnings	<u>13,035,361</u>	<u>13,350,579</u>	<u>-315,218</u>
Total Stockholders' Equity	21,932,536	22,227,918	-295,382
Total Liabilities and Equity	<u>\$30,470,972</u>	<u>\$27,465,035</u>	<u>\$3,005,937</u>

OILDALE MUTUAL WATER COMPANY
INCOME STATEMENT
YEAR ENDED JUNE 30, 2018

OPERATING REVENUE

Water Sales and Related Charges \$7,902,068

OPERATING EXPENSE

Water Supply Costs \$5,089,187

OPERATION AND MAINTENANCE COSTS

Field Salaries \$547,834

Repair and Maintenance \$292,448

Operations \$28,042

Utilities \$174,025

Fuel and Lubricants \$39,178

Engineering \$18,127

Laboratory Testing \$17,300

Employee Benefits \$235,282

\$1,352,236

ADMINISTRATIVE AND GENERAL EXPENSE

Salaries \$573,359

Professional Fees \$45,234

Health Benefits \$49,130

Public Relations \$34,785

Postage and Printing \$54,890

Insurance \$40,565

Pension Plan \$51,863

Payroll and County Taxes \$194,626

Office Expense and Supplies \$295,511

\$1,339,963

Depreciation Expense \$472,005

Operating Income -\$351,323

OTHER INCOME & EXPENSES

Interest Income \$36,905

Current Income Tax \$800

NET INCOME **-\$315,218**