

DUNNIGAN WATER DISTRICT

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
for the year ended December 31, 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Dunnigan Water District
Dunnigan, California

Report on the Financial Statements

We have audited the accompanying financial statements of Dunnigan Water District, as of and for the year ended December 31, 2017, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dunnigan Water District as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

Other-Matters

Required Supplementary Information

The Management's Discussion and Analysis is not a required part of the financial statements but is supplemental information required by the Government Auditing Standards Board. Management has elected to omit the Management's Discussion and Analysis.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Robert W. Johnson, A Accounting Corporation

Citrus Heights, California
March 7, 2018

LIABILITIES AND NET POSITION (DEFICIENCY)

Current liabilities:

Current portion of long-term debt (Note 5)	\$ 170,435
Accounts payable	4,414
Accrued vacation	5,576
Customers prepayments	59,512
Landowners trust - sites	<u>84,339</u>

Total current liabilities 324,276

Long-term liabilities, net of current portion (Note 5) 4,558,788

Accrued post employment benefits (Note 11) 26,621

Total liabilities 4,909,685

Net position (deficit):

Net investment in capital assets	\$ 291,264
Restricted (Note 8)	44,753
Unrestricted	<u>(2,004,718)</u>
	<u>(1,668,701)</u>

\$ 3,240,984

DUNNIGAN WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
for the year ended December 31, 2017

Operating revenues:		
Water sales		\$ 790,040
Assessments		361,210
Bureau refund		-
Penalties and interest		-
Other		<u>5,509</u>
Total operating revenues		1,156,759
Operating expenses:		
Source of supply	\$ 529,590	
Transmission and distribution	137,035	
Administrative	86,607	
Depreciation and amortization	<u>182,744</u>	
Total operating expenses		<u>935,976</u>
Operating income (loss)		220,783
Non-operating revenue (expense):		
Interest income	3,941	
Interest expense	-	
Expense – Sites Reservoir (Note 12)	(32,568)	
CVP debt reduction (Note 5)	<u>81,180</u>	
		<u>52,553</u>
Income (loss) before contributions (carried forward)		273,336

See notes to financial statements

DUNNIGAN WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, continued
for the year ended December 31, 2017

Income (loss) before contributions (brought forward)	\$ 273,336
Capital contributions	<u> -</u>
Change in net position	273,336
Total net position:	
Beginning, deficit	<u>(1,942,037)</u>
Ending, deficit	<u>\$(1,668,701)</u>

See notes to financial statements

DUNNIGAN WATER DISTRICT
STATEMENT OF CASH FLOWS
for the year ended December 31, 2017

Cash flows from operating activities:		
Receipts from customers		\$1,086,412
Payments to suppliers		(679,885)
Payments to employees		<u>(98,290)</u>
Net cash provided by operating activities		308,237
Cash flows from capital and related financing activities:		
Capital expenditures	\$(8,923)	
Sites Reservoir expense	(32,568)	
Principal paid on capital debt	(170,435)	
Interest paid on capital debt	<u> -</u>	
		(211,926)
Cash flows from investing activities:		
Interest income		<u>3,941</u>
Net increase in cash and cash equivalents		100,252
Cash and cash equivalents:		
Beginning of year		<u>804,557</u>
End of year		<u>\$ 904,809</u>

See notes to financial statements

DUNNIGAN WATER DISTRICT
 STATEMENT OF CASH FLOWS, continued
 for the year ended December 31, 2017

Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	\$ 220,783

Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization expense	\$ 182,744

Changes in operating assets and liabilities:	
Receivables	(17,200)
Prepays	66,167
Accounts payable and accrued expenses	(40,181)
Accrued post employment benefits	6,736
Customer prepayments	(51,439)
Landowners trust - sites	<u>(59,373)</u>
	<u>87,454</u>

Net cash provided by operating activities	\$ <u>308,237</u>
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Supplementary information:	
Cash paid for interest	\$ <u> </u>

Noncash financing activities:

In 2017, the District recorded debt relief of \$81,180 from the Bureau of Reclamation – Central Valley Project. The debt relief reduction resulted from the change in allocated construction costs, cumulative construction relief and the District’s purchased water rate from the Bureau of Reclamation.

See notes to financial statements

DUNNIGAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. Organization:

Dunnigan Water District (the "District") was formed in 1956 and currently consists of 10,000 acres, located in Yolo County. The District is governed by a Board of Directors which is elected by landowners of the District.

2. Summary of Significant Accounting Policies:

The basic financial statements of Dunnigan Water District have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Fund Accounting

The District is an enterprise fund. All operations are accounted for as an enterprise fund.

Enterprise Fund – The enterprise fund is used to account for water operations that are financed and operated in a manner similar to private business enterprises. The intent of the District is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

The basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The District's books and accounts are based upon the Uniform System of Accounts for Public Utilities as prescribed by the Division of Local Government Fiscal Affairs of the State of California. The records are maintained and the accompanying financial statements are presented on the accrual basis of accounting.

DUNNIGAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies, continued:

Depreciation and Amortization

Capital assets are recorded on the basis of purchase cost. Assets acquired by contribution are recorded at estimated cost or fair market value at the date of acquisition.

Depreciation is calculated by the straight-line method over the estimated useful lives of the respective assets which range from five to forty years.

Amortization on the right to use the distribution system is calculated by the straight line method over forty years.

Statement of Cash Flows

All highly liquid investments with a maturity of three months or less when purchased, are considered to be cash equivalents. The investment with the State Treasurer's Local Agency Investment Fund (LAIF) is also considered to be the equivalent of cash.

Compensated Absences

Vested or accumulated vacation that is expected to be liquidated with expendable available financial resources is reported as an expense and as a current liability.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Budget and Budgetary Accounting

The Board of Directors annually adopts an operating budget. The operating budgets are prepared on the accrual basis to match the operating statements.

DUNNIGAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies, continued:

Investments

Investments consist of LAIF (State of California pooled investment fund) and certificates of deposit. Investments are stated at market value. Such investments are within the State statutes and the District's investment policy.

3. Cash and Investments:

Cash and investments consist of the following at December 31, 2017:

Unrestricted	\$860,056
Restricted	<u>44,753</u>
Total cash and investments	<u>\$904,809</u>

Deposits:

At year-end the carrying amount of the District's deposits was \$462,226 and the bank balance was \$499,406. The bank balance was covered by Federal depository insurance and by collateral held in the pledging bank's trust department as mandated by State law.

	Balance December 31, <u>2017</u>
Checking (2)	\$286,071
Certificates of deposit	<u>176,155</u>
Total deposits	<u>\$462,226</u>

DUNNIGAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

3. Cash and Investments, continued:

Investments:

California statutes authorize the District to invest in a variety of credit instruments as provided for in the California Government Code Section 53600, Chapter 4 – Financial Affairs. The Government Code allows investments in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standard & Poor’s or P-1 by Moody’s Commercial Paper Record, bankers’ acceptances, repurchase agreements, medium-term corporate notes, mutual funds and the State Treasurer’s Local Agency Investment Fund (LAIF). The investment in LAIF is reported at fair value.

	<u>Carrying Amount</u>	<u>Market Value</u>
Balance, December 31, 2017		
Local Agency Investment Fund	\$ <u>442,583</u>	\$ <u>442,583</u>

Pursuant to Government Accounting Standards Board Statement 3, the investment in LAIF is not classified in categories of credit risk. The District’s funds in LAIF are invested in a diversified portfolio (of underlying investments e.g. U.S. Treasury obligations) such that it considers the risk of material loss to be minimal. The funds held in LAIF can be withdrawn on demand.

Restricted Cash and Investments:

The District sets aside funds from proceeds of debt issues and subsequent repayment of such debt as set forth by applicable loan covenants. At December 31, 2017, the District had set aside the following in cash and investments for special purposes:

	Balance December 31, <u>2017</u>
System emergency	\$ <u>44,753</u>

DUNNIGAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

4. Capital Assets:

Changes in capital assets of the District at December 31, 2017 consist of the following:

	<u>Balance,</u> <u>1/1/17</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance,</u> <u>12/31/17</u>
Distribution system rights	\$6,817,416	\$ -	\$ -	\$6,817,416
Equipment	98,008	8,923	664	106,267
Monitoring Wells	248,820	-	-	248,820
SCADA system	<u>75,308</u>	<u>-</u>	<u>-</u>	<u>75,308</u>
	<u>\$7,239,552</u>	<u>\$ 8,923</u>	<u>\$ 664</u>	<u>\$7,247,811</u>

5. Long-term Debt:

Water Distribution Rights

In February, 2005 the District executed a contract with the Bureau of Reclamation for project water service for the period March 1, 2005 through February 28, 2030.

On December 5, 1975, the District entered into a contract with the U.S. Department of the Interior, Bureau of Reclamation to construct a water delivery system. The cost of the project which entitled the District to distribution system rights was \$6,817,416.

In accordance with Article 17 of the contract, title to the distribution system shall remain in the name of the United States Government until otherwise provided for by Congress, notwithstanding the fact of full repayment of the obligation.

The obligation of \$2,215,660 is being repaid in semi-annual installments of \$85,218, at no interest, through December, 2028.

DUNNIGAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

5. Long-term Debt, continued:

Central Valley Project

The liability of the District's share of Central Valley Project costs in the amount of \$2,935,613 is to be paid from projected deliveries of water, 2014-2030, at varying rates per acre foot. The District pays this debt through their irrigation water rate to the Bureau of Reclamation and through construction relief.

The following is a summary of changes in long-term debt for the year ended December 31, 2017:

	<u>Balance</u> <u>1-1-17</u>	<u>New Debt</u> <u>Issued</u>	<u>Debt</u> <u>Retired</u>	<u>Balance</u> <u>12-31-17</u>	<u>Current</u> <u>Portion</u>
Distribution System	\$2,045,225	\$ -	\$ 170,435	\$1,874,790	\$ 170,435
CVP	<u>2,935,613</u>	<u>-</u>	<u>81,180</u>	<u>2,854,433</u>	<u>-</u>
	<u>\$4,980,838</u>	<u>\$ -</u>	<u>\$ 251,615</u>	<u>\$4,729,223</u>	<u>\$ 170,435</u>

The future annual maturities of long-term borrowings as of December 31, 2017 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Total</u>
2018	\$ 170,435	\$ 170,435
2019	170,435	170,435
2020	170,435	170,435
2021	170,435	170,435
2022	170,435	170,435
2023-2027	852,175	852,175
2028-2030	<u>3,024,873</u>	<u>3,024,873</u>
	<u>\$4,729,223</u>	<u>\$4,729,223</u>

DUNNIGAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

6. Joint Venture Organization:

Tehama-Colusa Canal Authority

The District is a member of the Tehama-Colusa Canal Authority ("Authority"). The Authority is comprised of 17 districts and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Authority is to assume the operation and maintenance of the Tehama-Colusa Canal.

Each member has an appointed director and an alternate director on the Authority Board.

The District does not have an equity interest in the Authority; therefore, no amount has been reported in the financial statements. However, the District does have an on-going financial interest because the District is able to influence the operations of the Authority so that the Authority uses its resources on behalf of the District. Also, an ongoing financial responsibility exists because the Authority is dependent on the continued funding from the District.

7. Pension Plan:

The District established a Simplified Employees Pension Plan for the benefit of its eligible employees. The District contributes a percentage of each eligible employee's gross compensation to the plan. The percentage rate is determined annually by the Board. The 2017 pension contribution expense of \$3,325 was the provision for 2016.

DUNNIGAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

8. Restricted Net Assets:

Reserves at December 31, 2017 consist of:

Reserve for system emergency, Bureau of Reclamation	\$ <u>44,753</u>
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9. Risk of Loss:

Dunnigan Water District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2017 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

10. Subsequent Events:

Management has evaluated subsequent events through March 7, 2018, the date these December 31, 2017 financial statements were available to be issued.

DUNNIGAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

11. Other Post-Employment Benefits (OPEB):

Plan Description: The District provides lifetime healthcare insurance for eligible retirees and their spouses through the PERS membership plan, which covers both active and qualified retired members. Benefit provisions are established by the Board of Directors.

The District's contribution for each eligible retiree will be \$100 per month and shall be increased by 5% annually. To be eligible, the employee must be age 55 with at least twenty years of service.

At December 31, 2017, the District had one retiree that received benefits at a cost of \$3,903.

Annual OPEB Cost and Net OPEB Obligation: The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension*. The District's ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Retiree Healthcare Plan:

In December 31, 2017, the District contributed \$3,903, or 36.69%, of the actuarially required contributions to the retiree healthcare program.

Funding Policy

The District is currently funding the OPEB plan on a pay-as-you-go basis. These financial statements assume that pay-as-you-go funding will continue.

DUNNIGAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

11. Other Post-Employment Benefits (OPEB), continued:

Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the District's annual OPEB cost for the year, the amounts actually contributed to the plan, and changes in the District's Net OPEB obligation for the year ended December 31, 2017:

	2017
Annual required contribution	\$ 10,803
Interest on net OPEB obligation	597
Adjustment of annual required contribution	(761)
Annual OPEB cost	10,639
Contributions made	3,903
Change in net OPEB obligation	6,736
Net OPEB obligation beginning of year	19,885
Net OPEB obligation end of year	\$ 26,621

The District's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the Plan (as described in the funding policy above), and the Net OPEB Obligation for December 31, 2017 is as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Actual Employer</u> <u>Contribution</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
12-31-16	\$ 10,695	\$ 3,891	36.38%	\$ 19,885
12-31-17	\$ 10,639	\$ 3,903	36.69%	\$ 26,621

Funded Status and Funding Progress

The funded status of the plan, based on an actuarial valuation as of January 1, 2016 the plan's most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$209,322
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$209,322</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll	\$ 80,000
UAAL as percentage of covered payroll	261.7%

DUNNIGAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

11. Other Post-Employment Benefits (OPEB), continued:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

In the January 1, 2016 actuarial valuation, the Alternative Measurement Method was used. The OPEB plan's unfunded actuarial accrued liability is being amortized by level percent of payroll contributions over 30 years. The remaining amortization period at December 31, 2017, was 24 years.

DUNNIGAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

12. Sites Reservoir Project:

In 2010 local water agencies and counties united to create Sites Joint Powers Authority (the "JPA") to pursue development and construction of the Sites Reservoir Project. The Project would be located 10 miles west of the town of Maxwell in Colusa County. The reservoir would hold approximately 1.2 million to 1.8 million acre-feet.

The JPA board has begun collecting funds to provide a staff, settle governance issues, prepare grant applications, develop environmental documents and seek Prop 1 funding. The JPA has developed a budget to cover these costs for the next 3 years. These costs are approximately \$60 per acre-foot. These funds are necessary up front funding, but must be considered "at risk" as there is no guarantee that the project will move past the submission of Prop 1 funding application. This is a critical time for the project, because without these funds, the JPA will not be able to move forward on the project.

Due to the continued drought conditions and the potential of reduction of surface and groundwater supply due to regulations, the Dunnigan Water District has been supportive of the Sites Reservoir Project. The District has stated an interest in 5,000 acre-feet of water in the Sites Project which is an estimate of potential demand. In addition the Dunnigan Board has elected to let Dunnigan landowners determine if they wish to purchase their own water directly from Site Reservoir.

Site Reservoir expense for 2017 consists of:

Project contribution	\$ 7,094
Proberta WD (representation for Dunnigan WD)	<u>25,474</u>
	<u>\$ 32,568</u>

SUPPLEMENTAL INFORMATION

DUNNIGAN WATER DISTRICT
PRINCIPAL OFFICIALS

Board of Directors:

Blair Voelz

President

Cynthia Peterson

Vice President

Jake Spooner

David Schaad

George Burger

Management:

Donita Hendrix

District Secretary/Manager

Stephen Soares

Operations & Maintenance Manager

DUNNIGAN WATER DISTRICT
 OPERATING EXPENSES
 for the year ended December 31, 2017

Source of Supply:

Water purchases - BOR	\$267,061	
Water transfer purchases	-	
Bureau O&M	82,466	
Water fees	15,967	
Engineering – mapping	-	
TC Canal Authority	134,606	
Restoration charges	2,039	
Other	<u>27,451</u>	\$ 529,590

Transmission and distribution:

Salaries	22,361	
Payroll taxes	4,451	
Employee insurance	12,369	
Retirement	8,284	
Telephone	1,703	
Legal	34,095	
Organization dues	8,974	
WC and unemployment	1,326	
Liability insurance	6,262	
Other	5,329	
Maintenance	7,407	
Vehicle maintenance	2,974	
System maintenance	<u>21,500</u>	137,035

DUNNIGAN WATER DISTRICT
 OPERATING EXPENSES, continued
 for the year ended December 31, 2017

Administrative:

Salaries	\$ 52,501	
Payroll taxes	2,379	
Employee insurance	6,610	
Retirement	4,428	
WC and unemployment	709	
Postage	701	
Office expense	7,127	
Audit	6,500	
Professional fees – other	-	
Directors' meetings	258	
Property program ins.	2,051	
Operation maintenance	1,307	
Election/bad debt	1,911	
Annexation	-	
Other	<u>125</u>	\$ 86,607

Depreciation and amortization

182,744
\$ 935,976

DUNNIGAN WATER DISTRICT
STATEMENT OF REVENUES AND EXPENSES
COMPARED TO BUDGET
for the year ended December 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:			
Water sales	\$ 670,000	\$ 790,040	\$ 120,040
Assessments	366,931	361,210	(5,721)
Other	2,000	5,509	3,509
Interest	2,000	3,941	1,941
CVP debt reduction	<u>-</u>	<u>81,180</u>	<u>81,180</u>
Total revenues	<u>1,040,931</u>	<u>1,241,880</u>	<u>200,949</u>
Expenses:			
Water services	590,000	486,650	103,350
Salaries/wages	98,000	97,224	776
Benefits	34,000	45,570	(11,570)
Office	9,000	9,789	(789)
Professional fees	34,000	40,595	(6,595)
Dues	8,800	8,974	(174)
Insurance	12,200	8,438	3,762
Travel	1,000	77	923
O&M	7,500	8,715	(1,215)
Vehicles	5,000	2,974	2,026
System	8,000	15,688	(7,688)
Other	500	6,866	(6,366)
Groundwater	5,000	3,794	1,206
Depreciation	182,000	182,744	(744)
Election	-	1,911	(1,911)
Sites Reservoir	20,000	32,568	(12,568)
Water rights	<u>15,000</u>	<u>15,967</u>	<u>(967)</u>
Total expenses	<u>1,030,000</u>	<u>968,544</u>	<u>61,456</u>
Net income (loss)	<u>\$ 10,931</u>	<u>\$ 273,336</u>	<u>\$ 262,405</u>

DUNNIGAN WATER DISTRICT
 SCHEDULE OF FUNDING PROGRESS –
 Other Post-Employment Benefits (OPEB)
 For the year ended December 31, 2017

The table below shows an analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of December 31:

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio	(4) Unfunded Actuarial Accrued Liability (UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (4) / (5)
1/1/12	\$ -	\$ 125,904	0.00%	\$ 125,904	\$ 100,000	125.9%
1/1/16	\$ -	\$ 209,322	0.00%	\$ 209,322	\$ 80,000	261.7%