



Financial Statements
and
Independent Auditor's Reports
December 31, 2018

BROWNS VALLEY IRRIGATION DISTRICT

Financial Statements December 31, 2018 and 2017

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BROWNS VALLEY IRRIGATION DISTRICT

Management's Discussion and Analysis

December 31, 2018 and 2017

This discussion and analysis are intended to be a summarized analysis and interpretation of the Browns Valley Irrigation District's financial activities for the years ended December 31, 2018, based on currently known facts, decisions or conditions.

2018 was a great year for the Browns Valley Irrigation District. Blessed with plenty of water, Collins Lake was able to deliver a full irrigation season with no shortages. Despite good water supplies, in most wet years the District actually suffers from a shortage of revenue resulting from the lack of a Conserved Water Transfer. Fortunately, that was not the case in 2018 as the District was able to broker such a deal despite the State being in good condition hydrologically. As a result, the District did not have to utilize reserves to balance the budget. As in recent years, the District's ability to draw from reserves built in prior years, including 2018, ensures it remains in a financially sound position, especially when coupled with proposed rate increase to account for uncertain revenues in 2019 and beyond.

Basic Financial Statements:

The District's basic financial statements include four components:

- Statement of Net Position
- Statement of Activities, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements

The statement of net position includes all of the District's assets and liabilities, with the difference between the two reported as net position.

The statement of net position provides the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility.

The statement of activities and changes in net position presents information, which shows how, the District's net position changed during each year. All of the year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The statement of activities and changes in net position measure the success of the District's operations during the year and determine whether the District has recovered its costs through user fees and other charges.

The statement of cash flows provides information regarding the District's cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

- Operating
- Non-capital financing

BROWNS VALLEY IRRIGATION DISTRICT

Management's Discussion and Analysis

December 31, 2018 and 2017

Basic Financial Statement: (Continued)

- Capital financing and related financing
- Investing

This statement differentiates from the statement of activities and changes in net position by only accounting for transactions that result in cash receipts or cash disbursements.

The notes to the financial statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements.

District Financial Statements:

The statement of net position includes all the District's assets and liabilities and provides information about the nature and amount of investments in resources and the obligation to creditors. This statement provides the basis for evaluating the capital structure and assessing the liquidity and the financial flexibility of the District.

A summary of the District's statement of net position is presented as follows:

| | <u>Statement of Net Position</u> | | | |
|------------------------------------|----------------------------------|----------------------|--------------------------|---------------------------|
| | <u>12/31/18</u> | <u>12/31/17</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
| Current Assets | \$ 5,494,331 | \$ 4,378,707 | \$ 1,115,624 | 25.48% |
| Capital Assets | 7,122,566 | 7,349,291 | (226,725) | -3.08% |
| Construction in Progress | 1,356,647 | 1,790,702 | (434,055) | -24.24% |
| Other Assets | 604,835 | 241,657 | 363,178 | 150.29% |
| Total Assets | <u>\$ 14,578,379</u> | <u>\$ 13,760,357</u> | <u>\$ 818,022</u> | <u>5.94%</u> |
| Liabilities | \$ 1,741,873 | \$ 1,467,604 | \$ 274,269 | 18.69% |
| Net Position: | | | | |
| Contributed Capital | 540,440 | 540,440 | - | 0.00% |
| Invested in Capital Assets | 8,479,213 | 9,139,993 | (660,780) | -7.23% |
| Unrestricted/Unassigned | 3,816,853 | 2,612,320 | 1,204,533 | 46.11% |
| Total Liabilities and Net Position | <u>\$ 14,578,379</u> | <u>\$ 13,760,357</u> | <u>\$ 818,022</u> | <u>5.94%</u> |

BROWNS VALLEY IRRIGATION DISTRICT

Management's Discussion and Analysis

December 31, 2018 and 2017

District Financial Statements (Continued)

Condensed Statement of Activities and Changes in Net Position

| | <u>12/31/18</u> | <u>12/31/17</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|---------------------------------------|----------------------|----------------------|----------------------|-----------------------|
| Operating Revenues | \$ 3,007,214 | \$ 1,741,602 | \$ 1,265,612 | 72.67% |
| Less Operating Expenses | (1,964,826) | (1,425,765) | 539,061 | 37.81% |
| Less Administrative Expenses | (778,978) | (726,740) | 52,238 | -7.19% |
| Less Depreciation | (244,434) | (248,122) | (3,688) | 1.49% |
| Add Non-Operating Revenues (Expenses) | <u>524,777</u> | <u>194,516</u> | <u>330,261</u> | <u>-169.79%</u> |
| Increase (Decrease) in Net Position | 543,753 | (464,509) | 1,008,262 | 217.06% |
| Net Position - Beginning of year | <u>12,292,753</u> | <u>12,757,262</u> | <u>(464,509)</u> | <u>-3.64%</u> |
| Net Position - End of year | <u>\$ 12,836,506</u> | <u>\$ 12,292,753</u> | <u>\$ 543,753</u> | <u>4.42%</u> |

During the year ended December 31, 2018 the District's operating revenues increased by 72.67% due to increase in the District's water sales to other water District's and power sales.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the year ended December 31, 2018 by \$12,836,506. Of this amount, \$3,816,853 is in *Unrestricted/Unassigned Net Position*.
- The District's total net position increased by \$543,753 from the previous year.
- The District's operating expenses totaled \$2,743,804 for the current year an increase of \$591,299 over previous year. Included in total operating expense was \$479,455 for the Dry Creek Capital Project abandonment.
- The District's current year total revenues increased compared to the prior year by \$1,595,873 to a total of \$3,531,991 for the year ended December 31, 2018. Total revenue for the prior year was \$1,936,118. *Out of District Water Sales* increased by \$1,042,709 in 2018 compared to the prior year. Grant revenues received during 2018 were \$309,968.
- The cash and investment balance available at the end of the current year was \$5,368,291, an increase of \$1,115,791 from the prior period.

BROWNS VALLEY IRRIGATION DISTRICT

Management's Discussion and Analysis

December 31, 2018 and 2017

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of the following components: 1) Independent Auditor's Report, 2) Management's Discussion and Analysis, 3) Statement of Net Position, 4) Statement of Activities, 5) Statement of Cash Flows, and 6) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements. Items 3, 4, 5 and the supplemental statement of operating expenses are in comparative format, showing both the current year and the prior year.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 12-20 of this report.

Supplemental Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information: 1) Schedule of Operating Expenses and 2) Statement of Revenue and Expenditures -Budget and Actual. These reports can be found on pages 19 and 20.

Budgetary Highlights

- 2018 revenues of the District were more than the budgeted revenues by \$613,965 mainly due to increased water sales.
- Management and general expenses were lower than budgeted amounts by \$136,082.
- Operations expenditures were less than the budgeted amounts by \$119,285 primarily due to decreased capital project expenditures.

BROWNS VALLEY IRRIGATION DISTRICT

Management's Discussion and Analysis

December 31, 2018 and 2017

Capital Assets

The District owns real property at its office and yard location on Browns Valley School Road. The District also owns the Collins Lake recreation area, including the dam and powerhouse. Also owned are a fish screen and a pumping facility on the Yuba River, miscellaneous booster pumps, a hydro powered lift pump, and an open ditch and pipeline delivery system. In addition, the District owns a considerable amount of vehicles and District maintenance equipment. These fixed assets, along with additions, deletions, and accumulated depreciation, are detailed in the Notes to the Financial Statements, Note 3.

The Table below provides a comparative Summary:

Capital Asset Activity:

| <u>Description</u> | <u>Capital Assets</u> | | <u>Dollar Change</u> | <u>Percent Change</u> |
|---|--|--|----------------------|-----------------------|
| | <u>Balance December 31, 2018</u> | <u>Balance December 31, 2017</u> | | |
| Property and Equipment: | | | | |
| Distribution System | \$ 11,611,091 | \$ 11,611,091 | \$ - | 0.00% |
| Building/Equipment | 1,968,640 | 1,950,933 | 17,707 | 0.91% |
| Recreation Property | 11,508 | 11,508 | - | 0.00% |
| Fish Screens | 204,819 | 204,819 | - | 0.00% |
| Construction in Progress | 1,356,647 | 1,790,702 | (434,055) | -24.24% |
| Accumulated Depreciation | <u>(6,673,492)</u> | <u>(6,429,059)</u> | <u>(244,433)</u> | <u>3.80%</u> |
| Total Property, Plant and Equipment - Net | <u>\$ 8,479,213</u> | <u>\$ 9,139,994</u> | <u>\$ (660,781)</u> | <u>-7.23%</u> |

Capital Debt:

At December 31, 2018, the District had no bonds outstanding. The District has no expected need for future capital debt.

Economic Factors:

The District shows a net position increase of \$543,753 for the calendar year ended December 31, 2018 due to revenue exceeding expenses.

Debt Administration

Long-term debt: There was no new debt incurred during the current year.

BROWNS VALLEY IRRIGATION DISTRICT

Management's Discussion and Analysis

December 31, 2018 and 2017

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Browns Valley Irrigation District, General Manager at P.O. Box 6, Browns Valley, CA 95918.



Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Browns Valley Irrigation District
Browns Valley, California

Report on the Financial Statements

We have audited the accompanying financial statements of Browns Valley Irrigation District as of and for the year's ended December 31, 2018 and 2017 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 opinions 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 District*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Browns Valley Irrigation District, as of December 31, 2018 and 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 6, statement of revenues and expenditures – budget vs actual (pages 22-23), and schedule of required supplementary information- Miscellaneous pension plan (page 24) to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Blomberg & Griffin A.C.

Blomberg & Griffin A.C.
Stockton, CA
May 21, 2019

BROWNS VALLEY IRRIGATION DISTRICT

Statement of Net Position December 31, 2018 and 2017

| | 2018 | 2017 |
|--|----------------------|----------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash & Investments (Note 2) | \$ 5,368,291 | \$ 4,252,500 |
| Accounts Receivable | 25,006 | 40,405 |
| Interest Receivable | 22,670 | 12,887 |
| Inventory | 37,350 | 31,150 |
| Prepaid Insurance | 41,014 | 41,765 |
| Total Current Assets | <u>5,494,331</u> | <u>4,378,707</u> |
| Property and Equipment - Net of Accumulated | | |
| Depreciation (Note 3) | 8,479,213 | 9,139,993 |
| Sources of Deferred Outflows of Resources | | |
| Pension Contributions | <u>604,835</u> | <u>241,657</u> |
| Total Assets | <u>\$ 14,578,379</u> | <u>\$ 13,760,357</u> |
| LIABILITIES AND NET POSITION | | |
| CURRENT LIABILITIES | | |
| Accounts Payable & Accrued Payroll | \$ 47,637 | \$ 99,330 |
| Accord Conjunctive Liability (Note 4) | 102,283 | 65,233 |
| Compensated Absences | <u>164,779</u> | <u>243,727</u> |
| Total Current Liabilities | <u>314,699</u> | <u>408,290</u> |
| LONG-TERM LIABILITIES | | |
| Net Pension Liability | 1,209,624 | 929,780 |
| Sources of Deferred Inflows of Resources | | |
| Pension Plan Deferred (GASB 68) | <u>217,550</u> | <u>129,534</u> |
| Total Long-Term Liability | <u>1,427,174</u> | <u>1,059,314</u> |
| NET POSITION | | |
| Contributed Capital (Note 7) | 540,440 | 540,440 |
| Invested in Capital Assets, (Note 7) | 8,479,213 | 9,139,993 |
| Unrestricted/Unassigned | <u>3,816,853</u> | <u>2,612,320</u> |
| Total Net Position | <u>12,836,506</u> | <u>12,292,753</u> |
| Total Liabilities and Net Position | <u>\$ 14,578,379</u> | <u>\$ 13,760,357</u> |

See accompanying notes to financial statements.

BROWNS VALLEY IRRIGATION DISTRICT
Statement of Activities and Changes in Net Position
For the Years Ended December 31, 2018 and 2017

| | 2018 | 2017 |
|---|----------------------|----------------------|
| OPERATING REVENUES: | | |
| Water Sales: | | |
| Other Water Agencies | \$ 1,059,663 | \$ 16,954 |
| Accord Conjunctive Use | 145,900 | 42,780 |
| Landowners | 1,085,914 | 953,707 |
| Hydro-electric Sales | 657,513 | 685,003 |
| Standby Charges | 6,851 | 4,851 |
| Pipeline Income | 51,373 | 38,307 |
| | <u>3,007,214</u> | <u>1,741,602</u> |
| | | |
| Operating Expenses | <u>2,743,804</u> | <u>2,152,505</u> |
| Operating Income (Loss) Before Depreciation | <u>263,410</u> | <u>(410,903)</u> |
| | | |
| Depreciation | <u>(244,434)</u> | <u>(248,122)</u> |
| | | |
| Total Operating Income (Loss) | <u>18,976</u> | <u>(659,025)</u> |
| | | |
| NON-OPERATING REVENUE AND EXPENSE: | | |
| Grant Income | 309,968 | - |
| Interest Income | 63,531 | 46,875 |
| Redhill East Assessment | 5,160 | 360 |
| Rental Income | 12,766 | 9,527 |
| Miscellaneous Income | 7,616 | 6,459 |
| Refunds | 39,959 | 50,006 |
| Recreation | 85,777 | 80,489 |
| Sale of Assets | - | 800 |
| | <u>524,777</u> | <u>194,516</u> |
| Net Non-Operating Revenue and Expenses | <u>524,777</u> | <u>194,516</u> |
| | | |
| Net Income | 543,753 | (464,509) |
| | | |
| Net Position - Beginning of Year | <u>12,292,753</u> | <u>12,757,262</u> |
| | | |
| Net Position - End of Year | <u>\$ 12,836,506</u> | <u>\$ 12,292,753</u> |

See accompanying notes to financial statements.

BROWNS VALLEY IRRIGATION DISTRICT

Statement of Cash Flows

For the Year's ended December 31, 2018 and 2017

| | <u>2018</u> | <u>2017</u> |
|---|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Operating Income (Loss) | \$ 18,976 | \$ (659,025) |
| Non-Cash Items Included in Operating Income: | | |
| Depreciation | 244,434 | 248,122 |
| Writeoff Capital Project (Note 3) | 479,455 | - |
| Changes in Current Assets and Liabilities: | | |
| (Increase) Decrease in Receivables | 15,399 | (12,502) |
| (Increase) Decrease in Prepaid Insurance | 751 | 765 |
| (Increase) Decrease in Inventory | (6,200) | 5,325 |
| Increase (Decrease) in Pension Liability | 4,682 | (114,889) |
| Increase (Decrease) in Accounts and Payroll Payables | (51,693) | 9,919 |
| Increase (Decrease) in Accord Groundwater Liability | 37,050 | (32,550) |
| Increase (Decrease) in Compensated Absences | (78,948) | (41,191) |
| Net Cash Provided (Used) by Operating Activities | <u>663,906</u> | <u>(596,026)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest Income | <u>53,747</u> | <u>46,877</u> |
| Cash Flows From Non-Capital Financing Activities: | | |
| Grant Income | 309,968 | - |
| Redhill East Assessment | 5,160 | 360 |
| Rental Income | 12,766 | 9,527 |
| Miscellaneous Income | 7,616 | 6,459 |
| Refunds | 39,959 | 50,005 |
| Recreation Property Income | <u>85,778</u> | <u>80,489</u> |
| Net Cash Flows Provided by Non-Capital Financing Activities | <u>461,247</u> | <u>146,840</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES: | | |
| Purchases of Fixed Assets | (63,109) | (96,417) |
| Proceeds from the Sale of Assets | <u>-</u> | <u>800</u> |
| Net Cash Provided by (Used in) Capital Financing Activities | <u>(63,109)</u> | <u>(95,617)</u> |
| Increase (Decrease) in Cash and Cash Equivalents | 1,115,791 | (497,926) |
| Cash and Cash Equivalent at Beginning of Year | <u>4,252,500</u> | <u>4,750,426</u> |
| Cash and Cash Equivalent at End of Year | <u><u>\$ 5,368,291</u></u> | <u><u>\$ 4,252,500</u></u> |

See accompanying notes to financial statements.

BROWNS VALLEY IRRIGATION DISTRICT

Notes to Financial Statements

December 31, 2018 and 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Browns Valley Irrigation District (the District), all of which conform to generally accepted accounting principles as applicable to government units:

Reporting Entity: The District was established in 1888 to provide irrigation services in Yuba County, California. The District serves water to pasture and orchard lands as well as family orchards and gardens over an area of 55,000 acres, with 200 miles of open ditch and 70 miles of pipeline.

The financial reporting entity (the District) includes all funds of the District. As a Special District, Browns Valley Irrigation District is self-governed by an elected board of directors.

The State of California, The County of Yuba, the Public Employees Retirement System (PERS), and various school and other districts provide services within the District. Each of these agencies is dependent on an independently elected board other than the Board of Directors of the District. As a result, financial information for these agencies is not included within the scope of these financial statements.

Government-Wide Statements: The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information of the District's activities as a whole. The District only engages in enterprise activities, which are normally supported by sales revenue and supplemented by county tax revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers within the District or other districts/users who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirement of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Measurement Focus and Basis of Accounting: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All events and transactions that occurred during the fiscal period being reported that affect the economic condition of the entity are recorded in that fiscal period. Revenues are reported when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

BROWNS VALLEY IRRIGATION DISTRICT

Notes to Financial Statements

December 31, 2018 and 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other government entities or imposed by law through enabling legislature. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

During the year 2013, the District adopted the provision of GASB statement number 45 and 63 in the reporting of net equity position (fund balance). The Governing Board has not delegated authority to either commit or assign fund balance.

Budgets and Budgetary Accounting: The District's Governing Board must adopt a final budget no later than April 30 of the current fiscal year. The budget is revised by the District during the year to give recognition to unanticipated income or expenditures.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the District considers all temporary cash investments with a maturity of three months or less to be cash equivalents.

Accounts Receivable: The District uses the direct write-off method for bad debts. The method does not materially differ from the allowance method.

Capital Assets: Capital assets purchased by the District are recorded at historical cost or estimated historical cost when the original cost is not available. Donated capital assets are recorded at market value on the date donated. Repair and maintenance items that do not significantly extend the useful life of an asset are expensed when incurred.

Capital improvements to the distribution system can be under construction for multiple years. Improvements or additions to the distribution system that are partially completed at the end of the fiscal year are capitalized in Construction in Progress. When the project is completed, the total costs, minus any unused inventory, are removed from Construction in Progress, capitalized in the Distribution System account and depreciated over the life of the asset.

Depreciation of capital assets is computed and recorded on the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

| | |
|---------------------|----------------|
| Distribution System | 30 - 100 Years |
| Buildings | 10 - 40 Years |
| Equipment | 7 - 15 Years |
| Vehicles | 7 - 10 Years |

BROWNS VALLEY IRRIGATION DISTRICT

Notes to Financial Statements

December 31, 2018 and 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory: Inventory is valued at cost using the First in/First out (FIFO) method.

General Liability Insurance: The District is a member of Association of California Water Agencies (ACWA) under a Joint Powers Insurance Authority (JPIA). The authority provides general liability insurance under a self-insured program.

Workers Compensation Insurance: The District is covered as a member of ACWA-JPIA for workers compensation insurance. The authority provides a funding pool for self-insurance for workers compensation insurance for ACWA members.

Vacation and Sick Pay: Vacation pay is vested to the employees as it accrues and is payable upon retirement or termination. Sick leave does not vest to the employees until employed for ten years and is payable only when sick leave is taken. There is no maximum on sick leave. One half of any unused accumulated sick leave can be converted to additional service credit after retirement in PERS. The District pays 50% of accrued, but unpaid sick leave upon termination or retirement.

NOTE 2: CASH AND INVESTMENTS

At December 31, cash and investments consisted of the following:

| | <u>2018</u> | <u>2017</u> |
|-----------------------------------|---------------------|---------------------|
| Petty Cash | \$ 200 | \$ 200 |
| General Checking | 180,658 | 109,727 |
| County Treasurer Savings | 3,644,956 | 3,892,254 |
| Money Market Accounts | <u>1,542,477</u> | <u>250,319</u> |
| Unrestricted Cash and Investments | <u>\$ 5,368,291</u> | <u>\$ 4,252,500</u> |

Funds of the District deposited in the general checking and savings are insured by federal depository insurance up to \$250,000 and collateralized for the remainder of the total deposits. The funds held by the Yuba County Treasurer consist of a pooled fund of diversified investments in accordance with investment policies complying with the California Government Code. Pooled funds are not required to be categorized by risk. There was no restricted cash as of December 31, 2018 and 2017.

Collateral for Deposits

Under the provisions for the California Government Code, California banks and savings and loan associations are required to secure a District's deposits by pledging government securities as collateral. The market value of the pledged securities must equal at least 110% of a District's deposits. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of a District's total deposits.

BROWNS VALLEY IRRIGATION DISTRICT

Notes to Financial Statements

December 31, 2018 and 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Authorized Investments

In accordance with California Government Code Section 53601, the District may invest in the following types of investments:

- Bonds issued by the State of California and/or any local agency within the State of California.
- Securities of the U.S. Government, or its agencies
- Certificates of Deposit (or Time Deposits) placed with commercial banks or savings and loan companies.
- Negotiable Certificates of Deposit
- Bankers' Acceptance
- Commercial Acceptances
- Local Agency Investment Fund (State Pool) Demand Deposits
- Repurchase Agreements

NOTE 3: PROPERTY AND EQUIPMENT

A summary of changes in capital assets for the years ended December 31, 2018 and 2017 follows:

| | <u>12/31/2017</u> | <u>Additions</u> | <u>Deletions</u> | <u>12/31/2018</u> |
|-------------------------------|---------------------|---------------------|-------------------|---------------------|
| Distribution System | \$ 11,611,091 | \$ - | \$ - | \$ 11,611,091 |
| Building/Equipment | 1,950,931 | 17,709 | - | 1,968,640 |
| Recreation Property | 11,508 | - | - | 11,508 |
| Fish Screens | 204,819 | - | - | 204,819 |
| Construction in Progress | <u>1,790,702</u> | <u>45,400</u> | <u>479,455</u> | <u>1,356,647</u> |
| Total | 15,569,051 | 63,109 | 479,455 | 15,152,705 |
| Less Accumulated Depreciation | <u>(6,429,058)</u> | <u>(244,434)</u> | - | <u>(6,673,492)</u> |
| Net Capital Assets | <u>\$ 9,139,993</u> | <u>\$ (181,325)</u> | <u>\$ 479,455</u> | <u>\$ 8,479,213</u> |

Depreciation in the amount of \$244,434 and \$248,122 was charged to operating expense for the years ended December 31, 2018 and 2017, respectively. During year 2018, the Dry Creek Capital Project was abandoned due to financing and other factors. Accumulated construction in progress costs were charged to capital project expense account for \$479,455 and included in operating expenses.

BROWNS VALLEY IRRIGATION DISTRICT

Notes to Financial Statements

December 31, 2018 and 2017

NOTE 4: ACCORD CONJUNCTIVE FUNDS RECEIVABLE/LIABILITY

The District entered into an agreement known as the Yuba Accord Conjunctive Use Agreement to implement the District's groundwater substitution water transfer program. The agreement also provides for groundwater pumping by Member Units of the District when required to implement the Sacramento Valley Water Management Agreement. Under the agreement, the District receives funds from the Yuba County Water Agency to distribute to landowners in the District who participate in the pumping program. The District also participates in the pumping program and receives income for the number of acre-feet of water it pumps and a fee based on the total water pumped for administering the program.

NOTE 5 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

The District provides eligible employee's pension plans benefits through the Brown Valley Irrigation District – Miscellaneous Plan (The Plan).

Plan Description, Benefits Provided and Employees Covered

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2016 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2016 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and contribution rate of employees. For the measurement period ended June 30, 2017 (the measurement date); the active employee contribution rate is 6.896 percent of annual pay, and the average employer's contribution rate is 9.599 percent of annual payroll. Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution

BROWNS VALLEY IRRIGATION DISTRICT

Notes to Financial Statements

December 31, 2018 and 2017

NOTE 5 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. Both the June 30, 2017 total pension liability and the June 30, 2017 total pension liability were based on the following actuarial methods and assumptions.

| | |
|----------------------------------|---|
| Actuarial Cost Method | Entry Age Normal in accordance with the requirements of GASB Statement No. 68 |
| Actuarial Assumptions | |
| Discount Rate | 7.15% |
| Inflation | 2.75% |
| Salary Increases | Varies by Entry Age and Service |
| Mortality Rate Table | Delivered using CalPERS' Membership Data for all Funds |
| Post Retirement Benefit Increase | Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.75% thereafter. |

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely results in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

BROWNS VALLEY IRRIGATION DISTRICT

Notes to Financial Statements

December 31, 2018 and 2017

NOTE 5 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

The following presents the net pension liability/(assets) of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

| | <u>Discount Rate - 1 % (6.15 %)</u> | <u>Current Discount Rate (7.15 %)</u> | <u>Discount Rate + 1 % (8.15 %)</u> |
|---------------------------------------|---|---|---|
| Plan's Net Pension Liability/(Assets) | \$ 1,820,695 | \$ 1,209,624 | \$ 703,524 |

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

PENSION EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS

For the fiscal year ended December 31, 2018 and 2017, pension expense recognized is as follows:

| | <u>2018</u> | <u>2017</u> |
|---|-------------------|-------------------|
| Service Cost | \$ 120,234 | \$ 97,169 |
| Interest on Total Pension Liability | 330,666 | 293,207 |
| Changes of Benefit Terms | 593 | 304 |
| Recognized Changes of Assumption | 53,696 | (18,085) |
| Recognized Differences b/w Projected and Actual Experience | (6,515) | 1,620 |
| Net Plan to Plan Resource Movement | 7,993 | (6,767) |
| Employee Contribution | (51,618) | (45,632) |
| Projected Earnings on Pension Plan Investments | (238,278) | (235,686) |
| Recognized Differences b/w Projected and Actual Earnings on Plan Investment | (942) | 24,605 |
| Administrative Expenses | 4,996 | 1,915 |
| Pension Expense (Income) | <u>\$ 220,825</u> | <u>\$ 112,650</u> |

BROWNS VALLEY IRRIGATION DISTRICT

Notes to Financial Statements

December 31, 2018 and 2017

NOTE 5 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

| | Deferred Outflows of Resources 2018 | Deferred Inflows of Resources 2018 | Deferred Inflows/ (Outflows) of Resources 2017 |
|--|--|---|---|
| Difference expected and Actual Experience | \$ 1,494 | \$ 21,406 | \$ 1,287 |
| Changes of Assumptions | 185,382 | 14,136 | (32,552) |
| Difference between projected and Actual | | | |
| Investment Earnings | 41,926 | - | 3,575 |
| Proportionate Share of Contribution | 3,773 | 144,160 | 8,711 |
| Changes in Employer's Proportion | 284,117 | 37,849 | - |
| Pension Contributions made Subsequent to Measurement Date | 88,143 | - | 131,102 |
| Total | \$ 604,835 | \$ 217,551 | \$ 112,123 |

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

| Measurement Period Ended June 30, | Deferred Outflows/(Inflows) of Resources 2018 | Deferred Outflows/(Inflows) of Resources 2017 |
|--|--|--|
| 2018 | - | 17,016 |
| 2019 | 221,719 | 19,546 |
| 2020 | 89,643 | 76,842 |
| 2021 | 84,780 | 34,331 |
| 2022 | 46,927 | - |
| Thereafter | - | - |

NOTE 6: DEFERRED COMPENSATION

The District sponsors an IRS Code Section 457 Plan ("Plan") for all eligible employees. The Plan is administered by CalPERS. The District matches employee contributions by 10%.



BROWNS VALLEY IRRIGATION DISTRICT

Notes to Financial Statements

December 31, 2018 and 2017

NOTE 7: NET POSITION (FUND BALANCES)

Fund Equity - 2018

Fund equity was segregated as follows for the year ended December 31, 2018:

| Description Segregated Amounts | Contributed Capital | Invested In Capital Assets | Unrestricted | Total |
|-----------------------------------|------------------------|----------------------------------|---------------------|----------------------|
| Connection Fees | \$ 234,676 | \$ - | \$ - | \$ 234,676 |
| Grant for Mahle Ditch | 305,764 | - | - | 305,764 |
| Investment in Fixed Assets | - | 8,479,213 | - | 8,479,213 |
| Remaining Unreserved Balance | - | - | 3,816,853 | 3,816,853 |
| Total Fund Equity | \$ 540,440 | \$ 8,479,213 | \$ 3,816,853 | \$ 12,836,506 |

Fund Equity—2017

Fund equity was segregated as follows for the year ended December 31, 2017:

| Description Segregated Amounts | Contributed Capital | Invested In Capital Assets | Unrestricted | Total |
|-----------------------------------|------------------------|----------------------------------|---------------------|----------------------|
| Connection Fees | \$ 234,676 | \$ - | \$ - | \$ 234,676 |
| Grant for Mahle Ditch | 305,764 | - | - | 305,764 |
| Investment in Fixed Assets | - | 9,139,993 | - | 9,139,993 |
| Remaining Unreserved Balance | - | - | 2,612,320 | 2,612,320 |
| Total Fund Equity | \$ 540,440 | \$ 9,139,993 | \$ 2,612,320 | \$ 12,292,753 |

Effective October 1, 1979, the District adopted a self-funded group liability property program administered by the Joint Power Insurance Authority (JPIA). The District also purchased workers compensation and unemployment coverage from JPIA. The District is insured by the pool for the first \$1,000,000 on each general liability, \$1,000,000 for each property claim and \$100,000 for fidelity coverage against the District. Amounts in excess of this are covered by other insurance carriers purchased by the pool up to a maximum amount of \$60,000,000 for liability, and \$60,000,000 for property. Workers Compensation coverage is provided up to \$2,000,000 by the pool and from \$2,000,000 to statutory limits by outside carriers. The District management has determined that there is no need for a reserve at year end for any potential liability of the District.

BROWNS VALLEY IRRIGATION DISTRICT

Schedules of Operating Expenses

For the Years Ended December 31, 2018 and 2017

| | <u>2018</u> | <u>2017</u> |
|--|----------------------------|----------------------------|
| Management and General: | | |
| Management and Administrative Payroll | \$ 370,047 | \$ 283,009 |
| Payroll Burden | 155,685 | 157,484 |
| Consulting | 25,877 | 27,068 |
| Dues and Memberships | 73,778 | 75,499 |
| Annexation/LAFCO | 16,000 | 6,050 |
| Insurance | 58,214 | 66,976 |
| Legal and Accounting | 27,542 | 46,491 |
| Miscellaneous Employee Expense | 11,485 | 8,168 |
| Office Maintenance | 3,261 | 2,680 |
| Office Supplies | 34,012 | 23,197 |
| Office Utilities | 2,580 | 3,015 |
| Other Fees | 1,603 | 45,663 |
| | <u>780,084</u> | <u>745,300</u> |
| Operations: | | |
| Operations Payroll | 623,190 | 556,337 |
| Payroll Burden | 230,000 | 278,688 |
| Water Sales Costs | 33,117 | - |
| Purchased Water | 25,035 | 27,746 |
| Hydro Expense | 39,165 | 60,056 |
| Fuel and Oil | 35,933 | 39,475 |
| Repairs and Maintenance | 290,462 | 253,906 |
| Small Tools | 3,260 | 1,234 |
| Utilities | 203,901 | 189,150 |
| Radio Expense | 203 | 613 |
| Capital Project Writeoff (Dry Creek Project) | 479,454 | - |
| | <u>1,963,720</u> | <u>1,407,205</u> |
| Total Operating Expenses (Excluding Depreciation) | <u><u>\$ 2,743,804</u></u> | <u><u>\$ 2,152,505</u></u> |

See independent auditor's report

BROWNS VALLEY IRRIGATION DISTRICT
Statement of Revenue and Expenditures-Budget vs Actual
2018

| | Budget | Actual | Over (Under) Budget |
|--|-------------------|---------------------|------------------------|
| REVENUES: | | | |
| Water Sales-In District | \$ 1,019,100 | \$ 1,085,914 | \$ 66,814 |
| Water sales-Out of District | 6,900 | 8,413 | 1,513 |
| Redhill East Assessment | 5,280 | 5,160 | (120) |
| Accord Conjunctive Use | 7,980 | 145,900 | 137,920 |
| Hydro-Electric Sales | 600,000 | 657,513 | 57,513 |
| Standby Charges | 2,000 | 6,851 | 4,851 |
| Pipeline Income | 40,000 | 51,373 | 11,373 |
| Interest Income | 30,000 | 63,531 | 33,531 |
| Rental Income | 10,000 | 12,766 | 2,766 |
| Miscellaneous Income/Refunds | 10,000 | 47,575 | 37,575 |
| Recreation | 80,000 | 85,778 | 5,778 |
| Grant Income | 10,000 | 309,968 | 299,968 |
| Sale of Assets | 2,500 | - | (2,500) |
| Trust Funds | 154,267 | - | (154,267) |
| Conserved Water Transfer | 940,000 | 1,051,250 | 111,250 |
| | <u>2,918,027</u> | <u>3,531,992</u> | <u>613,965</u> |
| Total Revenues | | | |
| EXPENDITURES: Management & General: | | | |
| Management and Administrative Payroll | 347,929 | 370,047 | 22,118 |
| Payroll Burden | 220,000 | 155,685 | (64,315) |
| Consulting | 34,000 | 25,877 | (8,123) |
| Dues and Memberships | 82,262 | 73,778 | (8,484) |
| Annexation/LAFCO | 20,475 | 16,000 | (4,475) |
| Insurance | 75,000 | 58,214 | (16,786) |
| Legal and Accounting | 50,000 | 27,542 | (22,458) |
| Miscellaneous Employee Expense | 16,000 | 11,485 | (4,515) |
| Office Maintenance | 3,000 | 3,261 | 261 |
| Office Supplies | 31,000 | 34,012 | 3,012 |
| Office Utilities | 5,000 | 2,580 | (2,420) |
| Other Fees (Includes History Book) | 31,500 | 1,603 | (29,897) |
| | <u>916,166</u> | <u>780,084</u> | <u>(136,082)</u> |
| Total Management & General | | | |
| Operations: | | | |
| Operational Payroll | 615,539 | 623,190 | 7,651 |
| Payroll Burden | 230,000 | 230,000 | - |
| Maintenance-Equipment | 15,000 | 18,075 | 3,075 |
| Maintenance-Pumps | 1,500 | 5,525 | 4,025 |
| Maintenance-Trucks | 15,000 | 7,948 | (7,052) |
| Distribution Maintenance | 61,500 | 86,093 | 24,593 |
| Hydro Expense | 122,000 | 39,165 | (82,835) |
| Utilities - Electric Pumps | 145,000 | 203,901 | 58,901 |
| Fuel and Oil | 45,000 | 35,933 | (9,067) |
| Small Tools | 5,020 | 3,260 | (1,760) |
| Radio Expense | 600 | 203 | (397) |
| Water Purchases | 45,000 | 58,152 | 13,152 |
| Capital Projects | 365,500 | 235,929 | (129,571) |
| | <u>1,666,659</u> | <u>1,547,374</u> | <u>(119,285)</u> |
| Total Expense | | | |
| | <u>2,582,825</u> | <u>2,327,458</u> | <u>(255,367)</u> |
| Total Expense | | | |
| Excess of Revenue Over (Under) Expenditures | <u>\$ 335,202</u> | <u>\$ 1,204,534</u> | <u>\$ 869,332</u> |

BROWNS VALLEY IRRIGATION DISTRICT
Statement of Revenue and Expenditures-Budget vs Actual
2017

| | | <u>Budget</u> | <u>Actual</u> | <u>Over (Under) Budget</u> |
|----------------------|---|---------------------|---------------------|--------------------------------|
| REVENUES: | | | | |
| | Water Sales-In District | \$ 954,742 | \$ 953,707 | \$ (1,035) |
| | Water sales-Out of District | 2,280 | 16,954 | 14,674 |
| | Redhill East Assessment | 5,400 | 360 | (5,040) |
| | Accord Conjunctive Use | 7,980 | 42,780 | 34,800 |
| | Hydro-Electric Sales | 800,000 | 685,003 | (114,997) |
| | Standby Charges | 3,800 | 4,851 | 1,051 |
| | Pipeline Income | 40,000 | 38,307 | (1,693) |
| | Interest Income | 20,000 | 46,877 | 26,877 |
| | Rental Income | 10,800 | 9,527 | (1,273) |
| | Miscellaneous Income/Refunds | 10,000 | 56,465 | 46,465 |
| | Recreation | 70,000 | 80,489 | 10,489 |
| | Grant Income | 10,000 | - | (10,000) |
| | Sale of Assets | 800 | 800 | - |
| | Trust Funds | 222,998 | - | (222,998) |
| | Conserved Water Transfer | 10,000 | - | (10,000) |
| | Prior Year Carryover | 88,003 | - | (88,003) |
| | Total Revenues | <u>2,256,803</u> | <u>1,936,120</u> | <u>(320,683)</u> |
| EXPENDITURES: | | | | |
| | Management & General: | | | |
| | Management and Administrative Payroll | 326,878 | 283,009 | (43,869) |
| | Payroll Burden | 207,631 | 157,484 | (50,147) |
| | Consulting | 22,000 | 27,068 | 5,068 |
| | Dues and Memberships | 71,795 | 75,499 | 3,704 |
| | Annexation/LAFCO | 26,525 | 6,050 | (20,475) |
| | Insurance | 75,000 | 66,976 | (8,024) |
| | Legal and Accounting | 40,000 | 46,491 | 6,491 |
| | Miscellaneous Employee Expense | 16,000 | 8,168 | (7,832) |
| | Office Maintenance | 3,000 | 2,680 | (320) |
| | Office Supplies | 31,000 | 23,197 | (7,803) |
| | Office Utilities | 10,000 | 3,015 | (6,985) |
| | Other Fees (Includes History Book) | 32,500 | 45,663 | 13,163 |
| | Total Management & General | <u>862,329</u> | <u>745,300</u> | <u>(117,029)</u> |
| | Operations: | | | |
| | Operational Payroll | 595,738 | 556,337 | (39,401) |
| | Payroll Burden | 238,000 | 278,688 | 40,688 |
| | Maintenance-Equipment | 15,000 | 11,024 | (3,976) |
| | Maintenance-Pumps | 3,000 | - | (3,000) |
| | Maintenance-Trucks | 15,000 | 12,191 | (2,809) |
| | Distribution Maintenance | 56,500 | 53,234 | (3,266) |
| | Hydro Expense | 90,000 | 60,055 | (29,945) |
| | Utilities - Electric Pumps | 200,000 | 189,150 | (10,850) |
| | Fuel and Oil | 55,000 | 39,475 | (15,525) |
| | Small Tools | 2,500 | 1,234 | (1,266) |
| | Radio Expense | 600 | 613 | 13 |
| | Water Purchases | 25,000 | 27,746 | 2,746 |
| | Capital Projects | 472,140 | 273,875 | (198,265) |
| | Total Expense | <u>2,630,807</u> | <u>1,503,622</u> | <u>(264,856)</u> |
| | Excess of Revenue Over (Under) Expenditures | <u>\$ (374,004)</u> | <u>\$ (312,802)</u> | <u>\$ 61,202</u> |

BROWNS VALLEY IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION- MISCELLANEOUS PLAN
December 31, 2018, 2017 2016

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERF C

| | <u>June 30, 2017</u> | <u>June 30, 2016</u> | <u>June 30, 2015</u> |
|---|----------------------|----------------------|----------------------|
| Plan's Proportion of the Net Pension Liability/(Asset) | 0.00755% | 0.00646% | 0.00587% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | \$ 1,209,624 | \$ 929,780 | \$ 770,619 |
| Plan's Covered-Employee Payroll | \$ 753,347 | \$ 601,662 | \$ 612,290 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | 160.57% | 154.54% | 125.86% |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 0.020185% | 0.028906% | 0.00% |
| Plan's Proportionate Share of Aggregate Employer Contributions | \$ - | \$ - | \$ - |

Schedule of Plan Contributions

| | <u>Fiscal Year 2016-17</u> | <u>Fiscal Year 2016-17</u> | <u>Fiscal Year 2015-16</u> |
|--|----------------------------|----------------------------|----------------------------|
| Actuarially Determined Contribution | \$ 75,371 | \$ 72,695 | \$ 63,451 |
| Contributions in Relation to the Actuarially Determined Contribution | (75,371) | (72,695) | (63,451) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - |
| Covered-Employee Payroll | \$ 753,347 | \$ 612,290 | \$ 612,290 |
| Contributions as a Percentage of Covered-Employee Payroll | 10.00% | 11.87% | 10.36% |

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016 as they have minimal cost impact.

Change in Assumptions: None