TRINITY PUBLIC UTILITIES DISTRICT
Weaverville, California

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended June 30, 2017

TRINITY PUBLIC UTILITIES DISTRICT
Weaverville, California

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As of and for the Year Ended June 30, 2017

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Trinity Public Utilities District
Weaverville, California

Report on the Financial Statements

We have audited the accompanying financial statements of Trinity Public Utilities District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Trinity Public Utilities 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.

Auditors' 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 standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 auditors' 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 over financial reporting relevant to the Trinity Public Utilities District'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 Trinity Public Utilities District'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 Trinity Public Utilities District as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Trinity Public Utilities District

Emphasis of Matters

As discussed in Note 12 to the financial statements, net position as of June 30, 2016 has been restated to correct a material misstatement related to writing off prior unamortized debt issuance costs per the requirements of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and recording the prior year contributions made after the measurement date as a deferred outflow of resources per GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

The financial statements of the Trinity Public Utilities District as of June 30, 2016, prior to restatement, were audited by other auditors whose report dated November 10, 2016, expressed an unmodified opinion on those statements.

As part of the audit of the June 30, 2017 financial statements, we also audited the adjustments described in Note 12 that were applied to restate the 2016 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2016 financial statements of the Trinity Public Utilities District other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2016 financial statements as a whole.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Directors
Trinity Public Utilities District

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The other information as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have issued our report dated December 14, 2017 on our consideration of the Trinity Public Utilities District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard*s in considering the Trinity Public Utilities District's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
December 14, 2017

MANAGEMENT‘S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

As management of the Trinity Public Utilities District, we offer readers of the District's financial statement this narrative overview and analysis of the District's financial performance during the fiscal year ending June 30, 2017. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $20.741 million (net position). This amount may be used to meet the District's ongoing obligations to citizens and creditors.
- Total assets and deferred outflows of resources increased $1.852 million over the course of 2017. Total liabilities and deferred inflows of resources decreased $0.089 million for a net increase to net position of $1.941 million.
- The Balance Sheet for fiscal year ended June 30, 2016 was restated to reflect an adjustment to the GASB 68 entry and for the treatment of the 2010 Debt Issuance Costs per GASB 65. See Footnote 12.
- The District's Retail sales revenues increased $0.717 million in 2017 primarily due to weather conditions. Other revenues decreased by $0.188 million. This decrease is attributable to lower Joint Pole Revenues after the 2016 catch-up.
- The District's net operating expenses decreased by $0.711 million due to a combination of decreased and increased costs. Power Acquisition decreased $0.968 million (attributable to the end of a five year drought) and Administrative and General Expenses decreased $0.019 million. Increases include Operations & Maintenance Expenses $0.209 million, Customer Accounts $0.037 million and Depreciation and Amortization $0.030 million.
- The District's net non-operating expenses decreased by $0.010 million due primarily to a decrease in Interest Expense as debt is paid down.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes management's discussion and analysis report, the independent auditors' report, the basic financial statements of the District and supplemental information disclosed annually to comply with continuing disclosure requirements of the 2010 Bonds. The financial statements also include notes that explain in more detail some of the information in the financial statements.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the District are designed to provide readers with a broad overview of the District's finances similar to a private-sector business. They have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP). Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred, regardless of the timing of related cash flows. These statements offer short and long-term financial information about the District's activities.

The *Balance Sheet* includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to the District's creditors (liabilities). It also provides a basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The *Statement of Revenues, Expenses, and Changes in Net Position* accounts for all of the current year's revenues and expenses. This statement provides information on the District's operations over the past year and could be used to determine whether the District has recovered all of its costs through its rates and other charges.

The *Statement of Cash Flows* reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities. When used with related disclosures and information in the other financial statements, the statement of cash flows should provide insight into such questions as: where did the cash come from, what was cash used for, and what the change in the cash balance was during the reporting period.

Notes to the Financial Statements

The notes provide additional information that is essential to fully understand the data provided in the required financial statements. The notes to the financial statements can be found on pages 15 through 34 of this report.

Supplementary information

In addition to the required financial statements and accompanying notes, this report also presents certain supplementary information, which can be found on pages 38 through 41 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT

Over time, increases or decreases in the District's net assets are one indicator of its financial health. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, changes in state and national energy policy, changes in federal management of water and other new or modified government regulation. A summary of the District's Statement of Net Position is presented in Table I below.

BALANCE SHEET

Table I
Condensed Balance Sheet

	2017	2016
Current and other assets	$ 11,307,223	$ 10,228,572
Non-current assets	38,108,950	37,606,602
Total Assets	49,416,173	47,835,174
Deferred outflows of resources	1,189,741	918,394
Total Assets and Deferred Outflows of Resources	$ 50,605,914	$ 48,753,568
Current liabilities	$ 2,148,363	$ 1,897,832
Noncurrent liabilities	27,619,400	27,418,196
Total Liabilities	29,767,763	29,316,028
Deferred inflows of resources	97,415	637,967
Total Liabilities and Deferred Inflows of Resources	29,865,178	29,953,995
Net position:		
Net investment in capital assets	12,871,164	10,407,844
Unrestricted net position	7,869,572	8,391,729
Total net position	20,740,736	18,799,573
Total liabilities and net position	$ 50,605,914	$ 48,753,568

Certain amounts in 2017 had been reclassified from the 2016 presentation. 2016 amounts are disclosed above as originally reported.

BALANCE SHEET (cont.)

Changes in assets included:

- Current assets - increased from $10.229 million to $11.307 million during the current fiscal year. This $1.078 million increase was primarily due to an increase to cash reserves and prepaid power expenses due to significantly decreased power costs.
- Noncurrent assets - increase of $0.502 million, due primarily to an increase to notes receivable and ongoing capital improvements and replacements.

Changes in liabilities included:

- Current liabilities – a net increase in overall current liabilities of $0.251 million due mainly to an increase to compensated absences and construction advances at year-end.
- Noncurrent liabilities – an increase of $0.201 million primarily due to an increase to notes payable which is directly offset by the above increase to notes receivable.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

While the Balance Sheet shows the change in financial position of the District, the Statement of Revenues, Expenses and Changes in Net Position shows the nature and source of these changes. A summary of the District's Changes in Net Position is presented in Table II below.

Table II
Condensed Statement of Revenues, Expenses and Changes in Net Position

	2017	2016
Operating revenues	$ 12,458,946	$ 11,929,766
Operating expenses	9,978,060	10,689,348
Operating Income	2,480,886	1,240,418
Non-operating revenues (expenses)	(931,170)	(941,507)
Capital Contributions	131,708	232,646
Changes in net position	**1,681,424**	**531,557**
Net position, beginning of the year, as restated	19,059,312	18,268,016
Net position, end of the year	**$ 20,740,736**	**$ 18,799,573**

As discussed in Note 12, net position at June 30, 2016 was restated. 2016 information is presented in the table above as originally reported.

CAPITAL ASSETS

As of June 30, 2017, the District had $34.721 million invested in a variety of capital assets, net of accumulated depreciation, as shown in Table III below.

Table III
Capital Assets

	2017	2016
Distribution system	$46,302,022	$44,002,642
Substations	6,401,337	6,374,655
Buildings & improvements	2,585,027	2,585,027
Vehicles, tools and other equipment	4,978,026	4,840,234
	60,266,412	57,802,558
Less accumulated depreciation	(29,887,754)	(28,088,426)
Land	1,341,129	1,191,736
Work in progress	3,001,168	3,578,989
Net capital assets	$34,720,955	$34,484,857

The District invested a net total of $2.464 million in capital improvements before depreciation in 2017.

BUDGETARY HIGHLIGHTS

The District adopts an annual operating budget that includes proposed expenses and the sources of revenue to finance them. The District's operating budget remains in effect the entire year, and may be amended by Board action. The District's budget is prepared on a modified cash basis for cash flow and monitoring purposes, and is used throughout the year to monitor the District's monthly activity on a comparative basis.

FY 16/17 Budget projected a decrease to reserves of $1,610,720. However, FY 16/17 ended with an increase in total reserves of $877,524. The increase to reserves is primarily due to reduced power costs resulting from the end of the drought and capital projects proceeding at a slower pace than anticipated in the budget.

Additional information on the District's budget comparison for 2016/2017 can be found on page 40 of the financial statements, Supplemental Schedule of Revenues and Expenses – Budget and Actual.

LONG TERM DEBT

At the end of fiscal year 2017, the District had total long-term debt outstanding of $23.8 million, including current maturities. $17.955 million is comprised of 2010 Electric Revenue Bonds issued during fiscal year 2011, $5.436 million from the 2003 installment sale agreement with the California Infrastructure and Economic Development Bank (CIEDB) and $0.383 million note payable to the United States Department of Agriculture.

Additional information on the District's long-term debt can be found in Note 6 on pages 22 through 24 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The economic factor with the largest potential impact to the District remains the uncertainty of power acquisition costs. The largest determinant affecting power costs continues to be tied to the amount of precipitation, and could swing between $1 and $3 million per year. Western Area Power Administration (Western) power charges are based on two components: 1) Power Revenue Requirements (PRR), and 2) the District's First Preference Percentage (FPP), which is based on forecasts of the District's load as a percentage of forecasted Western generation. The District pays the result of multiplying these two components. During a dry year, the District's load is not affected, but Western's generation is greatly reduced. Thus, during a dry year the PRR does not change, but the FPP increases. Consecutive dry years compound this problem.

The Federal Government's management of water is also a significant determinant affecting power costs. When water is released down the river instead of being diverted through Carr Power House, less power is generated. When less power is generated, power costs increase.

The five-year financial forecast projects a positive financial outlook for the District. However, it should be noted, that any number of events, particularly legislative or regulatory mandates, can dramatically alter the financial outlook. Nevertheless, the District is in little danger of losing its favorable comparison of rates with other California utilities. Staff expects that the total price the District's customer/owners pay for their electric service will remain among the lowest, if not be the lowest, in California for many years into the future.

BASIC FINANCIAL STATEMENTS

TRINITY PUBLIC UTILITIES DISTRICT

BALANCE SHEET
As of June 30, 2017

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 8,004,582
Accounts receivable, net	1,838,836
Other receivables	33,195
Inventories	808,341
Prepaid expenses	431,591
Due from other governments, current portion	150,000
Note receivable, current portion	40,678
Total Current Assets	11,307,223
NONCURRENT ASSETS	
Restricted cash and cash equivalents	1,790,202
Investment in retirement annuity	591,832
Due from other governments, long-term portion	249,178
Interest receivable - due from other governments	414,410
Note receivable, long-term portion	342,373
Capital Assets	
Land	1,341,129
Depreciable capital assets	60,266,412
Less: Accumulated depreciation	(29,887,754)
Construction in progress	3,001,168
Total Noncurrent Assets	38,108,950
Total Assets	49,416,173
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on refunding	30,455
Deferred outflows related to pension	1,159,286
Total Deferred Outflows of Resources	1,189,741
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 50,605,914

LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	$ 163,579
Wages payable	122,635
Compensated absences payable	353,920
Retirement plan payable	17,181
Customer deposits	178,516
Construction advances	201,536
Other accrued liabilities	7,376
Accrued interest	286,460
Current portion of revenue bonds	776,482
Current portion of note payable	40,678
Total Current Liabilities	2,148,363
NONCURRENT LIABILITIES	
Revenue debt	22,866,582
Note payable	342,373
Net pension liability	2,881,546
Retirement compensation plan	591,832
Other postemployment benefits liability	937,067
Total Noncurrent Liabilities	27,619,400
Total Liabilities	29,767,763
DEFERRED INFLOWS OF RESOURCES	
Pension deferred inflows of resources	97,415
NET POSITION	
Net investment in capital assets	12,871,164
Unrestricted net position	7,869,572
Total Net Position	20,740,736
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 50,605,914

See accompanying notes to financial statements.

TRINITY PUBLIC UTILITIES DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2017

OPERATING REVENUES	
Retail sales	$ 9,842,100
Fees and charges	120,095
Other revenue	2,496,751
Total Operating Revenues	12,458,946
OPERATING EXPENSES	
Power acquisition	3,196,486
Operations and maintenance	2,673,277
Customer accounts	908,741
Administrative and general	1,220,683
Depreciation and amortization	1,978,873
Total Operating Expenses	9,978,060
Operating Income	2,480,886
NONOPERATING REVENUES (EXPENSES)	
Investment income	50,806
Gain on sale of assets	-
Interest expense	(981,976)
Total Nonoperating Revenues (Expenses)	(931,170)
CAPITAL CONTRIBUTIONS	131,708
Change in Net Position	1,681,424
NET POSITION - Beginning of Year, as restated	19,059,312
NET POSITION - END OF YEAR	$ 20,740,736

See accompanying notes to financial statements.

TRINITY PUBLIC UTILITIES DISTRICT

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 13,069,187
Cash paid to suppliers	(6,702,101)
Cash paid to employees for services	(2,184,438)
Net Cash Flows From Operating Activities	4,182,648
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds received from note payable, net of current year repayment	342,373
Cash paid for note receivable, net of current year repayment	(342,373)
Payments from other governments	150,830
Net Cash Flows From Noncapital and Related Financing Activities	150,830
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of utility plant and construction in progress	(2,230,075)
Contributions received for construction	255,239
Repayment of long-term debt	(747,908)
Interest paid	(992,718)
Net Cash Flows From Capital and Related Financing Activities	(3,715,462)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	46,362
Net Change in Cash and Cash Equivalents	664,378
CASH AND CASH EQUIVALENTS – Beginning of Year	9,130,406
CASH AND CASH EQUIVALENTS – END OF YEAR	$ 9,794,784
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES	
Amortization	$ 1,587

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$	2,480,886
Adjustments to reconcile operating income to net cash flows provided by operating activities		
Depreciation and amortization		1,978,873
Change in operating assets and liabilities		
Accounts receivable		(44,887)
Other receivable		12,602
Inventories		71,300
Prepaid expenses		(276,920)
Accounts payable		(148,528)
Accrued wages and related costs		191,056
Customer deposits		36,753
Post employment retirement benefit		88,356
Pension related deferrals and liabilities		(209,569)
Other liabilities		2,726
Total Adjustments		1,701,762
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	4,182,648

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION		
Cash and cash equivalents	$	8,004,582
Restricted cash and cash equivalents		1,790,202
TOTAL CASH AND CASH EQUIVALENTS, END OF YEAR	$	9,794,784

See accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Trinity Public Utilities District (the "District") are prepared in accordance with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by the District are described below.

REPORTING ENTITY

The District was established by general election in 1981 to provide electrical power to the Trinity County area. The District is managed by a Board of Directors.

The Trinity County Public Utilities District Financing Corporation (the "Corporation") and Trinity Public Utilities District Financing Authority (the "Authority") were formed for the sole purpose of providing financing assistance to the District for the construction and acquisition of major capital facilities, The Trinity Public Utilities District, the Corporation, and the Authority have a financial and operational relationship, which meets the reporting entity definition criteria of GASB Statement No.14, The Financial Reporting Entity, for inclusion of the Corporation and the Authority as a component unit of the District. Accordingly, the financing activities of the Corporation and the Authority have been included in the basic financial statements of the District. As of June 30, 2017, the Corporation has had no activity. Activity and balances related to the Authority are included in Note 9.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The District is presented as an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The preparation of basic financial statements in conformity with generally accepted accounting principles 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 could differ from those estimates.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (cont.)

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Net position is classified into three components — Net investment in capital assets, restricted net position, and unrestricted net position. These classifications are defined as follows:

- *Net Investment in Capital Assets* — This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net asset component as the unspent proceeds.

- *Restricted Position* — This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Position* —This component of net position consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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.

CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less to be cash and cash equivalents.

RESTRICTED CASH AND CASH EQUIVALENTS

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

ACCOUNTS RECEIVABLE

The District utilizes the allowance for doubtful accounts method with respect to its accounts receivable. The allowance was $459,842 at June 30, 2017.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

INVENTORIES

Inventories are generally used for construction, operation, and maintenance work, not for resale. The account consist of poles, transformers, wires, and other electrical utility supplies. They are valued at the lower of cost or market and utilizing the first-in, first-out (FIFO) method and charged to construction or expense when used.

PREPAID EXPENSES

This represents amounts paid for services or insurance coverage to be provided in future periods.

NOTE RECEIVABLE

The District received a $400,000 loan from the United States Department of Agriculture (USDA) which was disbursed to a local business in exchange for a note receivable with similar repayment terms. See Note 6 for information on the loan from the USDA.

CAPITAL ASSETS

Capital assets are generally defined by the utility as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year.

All capital assets purchased by the District are capitalized at historical cost. Maintenance and repairs are expensed as incurred. Contributed assets are valued at their estimated acquisition value on the date contributed. Interest incurred during the construction phase is reflected in the capitalized value of the capital assets constructed, net of interest earned on the invested proceeds over the same period. Capital assets in service are depreciated or amortized using the straight-line method over the following useful lives:

Electric system assets	30 years
Buildings	30 years
Equipment	5 years

INVESTMENT IN RETIREMENT ANNUITY AND DEFERRED COMPENSATION

The District's investment in the retirement annuity is for certain employees' deferred compensation plans subject to the Federal Insurance Contributions Act and is recorded at fair value.

COMPENSATED ABSENCES PAYABLE

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. Vacation, which is based upon the employee's length of service, may be accumulated and carried over up to a maximum of 500 hours of accrued vacation leave.

Accumulated employee compensatory time benefits are recognized as liabilities of the District. In lieu of receiving overtime pay, hourly employees may elect to accrue compensatory time. Compensatory time accrues at the rate of overtime pay foregone — for example, one hour of overtime at the double time rate of pay would be exchanged for two hours of compensatory time at the regular rate of pay. An employee's compensatory time may be accumulated and carried up to a maximum of 160 hours.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Compensated Absences Payable (cont.)

Accumulated sick leave benefits are recognized as a liability for the electric superintendent whose sick leave benefits are 50% vested and office administrator whose sick leave benefits are 25% vested. All other employee sick leave benefits are not recognized as liabilities since benefits do not vest.

Construction Advances

The balance represents fees collected for future capital improvements. The fees may be refundable based on agreements with customers.

Customer Deposits

This account represents amounts deposited with the District by customers as security for payments of bills.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources which represent a consumption of net position that applies to future period(s), and as such will not be recognized as an outflow of resources (expense) until that future time.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources which represent acquisition of net position that applies to future period(s) and as such will not be recognized as an inflow of resources (revenue) until that future time.

Unamortized Loss on Refunding

The deferred charge resulting from the refunding of debt is amortized over the shorter of the term of the refunding issue or the original term of the refunded debt.

Pension Plan

All full-time District employees are members of a risk pool of the State of California Public Employees' Retirement System, a cost-sharing multiple-employer defined benefits pension plan. The District's policy is to fund all pension costs accrued; such costs to be funded are determined annually as of July 1st by the System's actuary. However, the agreement with the Employee's Association sets the District's cost of funding pension costs at a floor of 13.25% and a cap of 25.1% of base wages. See Note 7 for a detailed explanation of the District's pension funding policy.

Charges for Service

Billings are rendered and recorded monthly based on metered usage. The utility does accrue revenues beyond billing dates.

Current electric rates were approved on November 10, 2016.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

GASB has approved GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, Statement No. 81, *Irrevocable Split-Interest Agreements*, Statement No. 83, *Certain Asset Retirement Obligations*, Statement No. 84, *Fiduciary Activities*, Statement No. 85, *Omnibus 2017*, Statement No. 86, *Certain Debt Extinguishment Issues*, and Statement No. 87, *Leases*. When they become effective, application of these standards may restate portions of these financial statements.

NOTE 2 – CASH AND INVESTMENTS

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings accounts (including Negotiable Order of Withdrawal (NOW) accounts) and $250,000 for demand deposit accounts (interest bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of $250,000 for the combined amount of all deposit accounts.

The California Government Code authorizes the District to invest in obligations of the United States Treasury in the form of notes, bonds, bills or instruments for which the faith and credit of the United States are pledged for payment. The District may also invest in registered treasury notes, or bonds of the State of California and commercial paper of "prime" quality as defined by California Government Codes Section 53635 and as rated by Standard and Poors Corporation or Moody's Commercial Paper Record.

The District participates in the Local Agency Investment Fund (LAIF), a voluntary program created by statute (California Government Code Section 16429). The Local Investment Advisory Board provides oversight for LAIF. Market valuation is conducted monthly and fund policies, goals, and objectives are reviewed annually. All securities are purchased under Government Code Sections 16430 and 16480A and are held by a third party custodian. The District has the right to withdraw its deposited monies from LAIF upon demand. The fair value of District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio in relation to the amortized cost of that portfolio. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state agencies, floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. As of June 30, 2017, less than 5% of LAIF's investment portfolio was invested in structured notes and other asset-backed securities. Due to the portfolio's characteristics, LAIF's exposure and the District's related exposure to credit, market, and legal risk is considered minimal.

The District holds a portion of its investment funds in a local Agency Pool Account with Umpqua Bank. Local agency deposits in the account are collateralized with eligible securities pursuant to California Government Code Sections 53630-53686.The securities held as collateral must have a market value level of no less that 110% of the funds held in the Pool, The account funds and collateral are held by a third party custodian. The District has the right to withdraw its deposited monies from the Pool upon demand.

Pursuant to Government Code Sections 53658 and 53665, the District has an undivided security interest in the pooled securities equal to the percentage the Districts' funds and accrued interest is to the total of the local agency funds on deposit in the pool.

NOTE 2 – CASH AND INVESTMENTS (cont.)

The District has adopted an investment policy. That policy follows California Government Code Sections 53600-53609. The policy defines allowable short-term and long-term investments, maximum maturities, and limits investments issued by public agencies to a maximum of 5% per issuer diversification.

CUSTODIAL CREDIT RISK

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District.

As of June 30, 2017, the District did not have any deposits exposed to custodial credit risk.

CREDIT RISK

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations.

As of June 30, 2017, the District's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Dreyfus Government Cash Management Fund	AAAm	Aaa-mf

The District also held investments in LAIF which is an external pool that is not rated.

NOTE 3 – RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents are classified as follows:

	2017
Reserve	$ 1,762,818
Section 125 Plan Fund	27,384
Total	$ 1,790,202

DEBT RELATED ACCOUNTS

Certain proceeds of the District's debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited. The following accounts are reported as restricted assets:

Reserve – Used to report resources set aside to make up potential future deficiencies in the timely payment of installment payments on the related debt issues.

NOTE 3 – RESTRICTED CASH AND CASH EQUIVALENTS (cont.)

SECTION 125 PLAN FUND

The District prefunds the Plan annually based on employee elections. The District is reimbursed through biweekly payroll deductions.

NOTE 4 – DUE FROM OTHER GOVERNMENTS

Pursuant to an agreement (Project Agreements No.1 and No. 2) with Trinity County, the District provided financial support for the direction and control of Mountain Communities Healthcare District's (MCHD) operations and committed funds for operating expenses totaling $2,789,000. As of June 30, 2017, the current outstanding principal balance due is $399,178. Pursuant to Project Agreement No. 2, amounts provided to MCHD accrue interest at a rate equal to the District's earnings rate on the Local Agency Investment Fund (LAIF). As of June 30, 2017, the LAIF's rate was 0.78% and accrued interest due was $414,410. This amount is shown on the balance sheet as interest receivable — due from other governments.

Pursuant to Project Agreement No. 2, beginning February 2006, the County commenced returning District reserves used to help MCHD carry out its obligations, by paying the District $150,000 per year, by way of increased rates for its electric services. Such payments will continue until the District' reserves, including accrued interest, are restored. As of June 30, 2017, the District has recouped a total of $1,698,166.

Due from other governments at June 30, 2017, are comprised of the following:

Trinity County, principal	$	399,178
Trinity County, interest		414,410
Total Due from Other Governments		813,588
Less: Current portion		(150,000)
Less: Interest receivable – due from other governments		(414,410)
Total Due From Other Governments, Long-Term Portion	$	249,178

NOTE 5 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2017 is as follows:

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets not being depreciated				
Land	$ 1,191,736	$ 149,393	$ -	$ 1,341,129
Construction in progress	3,578,989	16,324	594,145	3,001,168
Total Capital Assets Not Being Depreciated	4,770,725	165,717	594,145	4,342,297
Capital assets being depreciated				
Utility plant	50,377,297	2,326,062	-	52,703,359
Buildings and improvements	2,585,027	-	-	2,585,027
Equipment	4,840,234	317,337	179,545	4,978,026
Total Capital Assets Being Depreciated	57,802,558	2,643,399	179,545	60,266,412
Less: Accumulated depreciation for				
Utility plant	(21,973,604)	(1,557,689)	-	(23,531,293)
Buildings and improvements	(2,005,963)	(120,992)	-	(2,126,955)
Equipment	(4,108,859)	(300,192)	(179,545)	(4,229,506)
Total Accumulated Depreciation	(28,088,426)	(1,978,873)	(179,545)	(29,887,754)
Total Capital Assets Being Depreciated, Net	29,714,132	664,526	-	30,378,658
Net Capital Assets	$ 34,484,857	$ 830,243	$ 594,145	$ 34,720,955

NOTE 6 – LONG-TERM OBLIGATIONS

REVENUE DEBT

2010 ELECTRIC REVENUE BONDS

The bonds were issued by the Trinity Public Utilities District Financing Authority under a resolution adopted by the Board of Directors of the Authority in the amount of $19,940,000. The bonds were structured as serial bonds for maturities 2011 through 2030 and three term bonds maturing in 2032, 2035 and 2040. Yields on serial bonds range from 0.6% in 2011 to 4.37% in 2030. Interest rates range from 4.50% to 6.00%. The bonds maturing on or before April 1, 2020 are not subject to optional redemption prior to their respective stated maturity dates. The 2010 bonds maturing on April 1, 2032, April 1, 2034 and April 1, 2040 are subject to mandatory redemption in part by lot from sinking funds and payable from and secured by a pledge of net electric systems revenues.

The certificates were delivered pursuant to a trust agreement, dated as of October 1, 2010, among the Authority and the Bank of New York. As a condition of the 2010 Electric Revenue Bonds, the District was required to set up a reserve account. The reserve account balance at June 30, 2017 is $1,308,452.

NOTE 6 – LONG-TERM LIABILITIES (cont.)

REVENUE DEBT (cont.)

2003 ENTERPRISE FUND INSTALLMENT SALE AGREEMENT

The Agreement was executed April 1, 2003 by the District and the California Infrastructure and Economic Development Bank (the "CIEDB"). The Agreement is a 30-year agreement providing for a maximum purchase price of $7,803,800. The Agreement is interest only until July 31, 2006. Proceeds will be used to upgrade and expand the electric distribution and transmission grid. The notes are payable from and secured by a pledge of net electric systems revenue. As a condition of the Agreement, the District was required to set up a reserve account upon CIEDB issuance of bonds. As of June 30, 2017, the reserve account balance is $454,366.

Revenue bonds debt service requirements to maturity are as follows:

Payable June 30:	Principal	Interest	Total
2018	$ 776,482	$ 964,199	$ 1,740,681
2019	805,346	934,585	1,739,931
2020	834,511	903,865	1,738,376
2021	863,986	877,579	1,741,565
2022	898,783	838,866	1,737,649
2023-2027	5,117,890	3,580,772	8,698,662
2028-2032	5,697,705	2,530,545	8,228,250
2033-2037	5,076,141	1,399,608	6,475,749
2038-2040	3,320,000	303,075	3,623,075
Total	23,390,844	$ 12,333,094	$ 35,723,938
Add: Premium	252,220		
Long term Debt, Net	$ 23,643,064		

OTHER LONG-TERM DEBT

USDA RURAL ECONOMIC DEVELOPMENT LOAN

The agreement was executed December 15, 2016 by the District and the USDA for $400,000 as part of the Rural Economic Development Loan and Grant Program, which provides funding for rural projects through local utility organizations. The loan is payable in monthly installments of $3,390 on the last day of the month beginning February 28, 2017 at zero percent interest until paid in full, within ten years. The proceeds of this USDA loan were distributed to a local business in exchange for a note receivable with similar payment terms.

NOTE 6 – LONG-TERM LIABILITIES (cont.)

LONG-TERM OBLIGATION SUMMARY

Long-term obligation activity for the year ended June 30, 2017 is as follows:

	June 30, 2016	Additions	Reductions	June 30, 2017	Due Within One Year
2003 Enterprise Fund Installment Sale	$ 5,688,752	$ -	$ 252,908	$ 5,435,844	$ 261,482
2010 Electric Revenue Bonds	18,450,000	-	495,000	17,955,000	515,000
Rural economic development loan	-	400,000	16,949	383,051	40,678
Unamortized premiums	262,825	-	10,605	252,220	-
Net pension liability	2,415,960	465,586	-	2,881,546	-
Retirement compensation plan	533,135	58,697	-	591,832	-
Other postemployment benefits liability	848,711	88,356	-	937,067	-
Totals	$ 28,199,383	$ 1,012,639	$ 775,462	$ 28,436,560	$ 817,160

NOTE 7 – RETIREMENT PLANS

DEFINED BENEFIT PLAN

Plan Description

Effective July 4, 2004, the District elected to become a participant in the California Public Employees Retirement System (CalPERS) and began making contributions into a cost-sharing, multiple-employer public employee defined benefit pension plan (PERF C or the Plan). PERF C provides retirement and retirement disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating entities within the State of California. Benefit provisions and all other requirements are established by state statute. CalPERS funding progress information for the District has been consolidated by CalPERS with other entities in the risk pool. Therefore, this information is not available solely for the District's funding progress and has not been presented in these financial statements. Copies of CalPERS' annual financial report may be obtained from their Executive Office, 400 Q Street, Sacramento, California 95811.

NOTE 7 – RETIREMENT PLANS (cont.)

DEFINED BENEFIT PLAN (cont.)

Contributions

The District is required to contribute at an actuarially determined rate for their participants. Required contributions for the Plan are based on a percentage of payroll plus a contribution to the employer unfunded accrued liability (UAL) (paid either monthly or in a lump sum). Total contributions are broken down as follows for the classic members of the Plan:

Employee Normal Cost Rate [1]	8.0%
Employer Normal Cost Rate	11.995%
Plus Annual Lump Sum Prepayment Option	$223,370

[1] - Per agreement with the Employee's Association, 3.32% of the employee's rate is paid by the employee through payroll deduction. The remaining balance is paid by the District.

Members hired after January 1, 2013, or members who were established as a CalPERS member prior to January 1, 2013 and were rehired by a different CalPERS employer after a break in service greater than six months fall under the California Public Employees' Pension Reform Act (PEPRA). Contribution rates for PEPRA members as of June 30, 2017 are:

Employee Payroll Deduction	6.250%
Employer Rate	6.555%

The contribution rates for plan members and the District are established, and may be amended by CalPERS. For the year ending June 30, 2017, the District's employer contributions were $569,927, equal to their required contribution for the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the District reported a net pension liability of $2,881,546 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating districts and the state, actuarially determined. At June 30, 2016, the District's proportion was 0.0829%, which was a decrease of 0.0052% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of $360,359.

NOTE 7 – RETIREMENT PLANS (cont.)

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ -	$ 95,111
Differences between expected and actual experience	10,053	2,304
Net difference between projected and actual earnings on pension plan investments	495,026	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	84,280	-
Employer contributions subsequent to the measurement date	569,927	-
Totals	$ 1,159,286	$ 97,415

Deferred outflows related to pension resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the subsequent year ended June 30, 2018. $569,927 was reported as contributions made after the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2018	$ 54,998
2019	64,450
2020	244,276
2021	128,220
Total	$ 491,944

NOTE 7 – RETIREMENT PLANS (cont.)

***Actuarial assumptions**.* The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2015
Measurement date of net pension liability (asset)	June 30, 2016
Actuarial cost method	Entry age
Asset valuation method	Fair market value
Discount rate	7.65%
Inflation	2.75%
Mortality rate table[1]	Derived using CalPERS' membership data for all funds
Postretirement benefit increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

[1] The mortality table used was developed based on CalPERS-specific date. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available online at https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2014.pdf.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on CalPERS' website.

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, the Plan took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11 – 60 years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

NOTE 7 – RETIREMENT PLANS (cont.)

The table below reflects long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Target Asset Allocation	Real Return Years 1-10[1]	Real Return Years 11+[2]
Global Equity	51.0%	5.25%	5.71%
Global Debt Securities	20.0	0.99	2.43
Inflation Assets	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Estate	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	1.0	(0.55)	(1.05)

1 An expected inflation of 2.50% used for this period.
2 An expected inflation of 3.00% used for this period.

Discount rate. The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans, the amortization and smoothing periods recently adopted by the Board were used. For the Plan, the crossover test was performed for a miscellaneous agent rate plan and a safety agent rate plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the rate plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The crossover test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained on CalPERS' website under the GASB 68 section.

Sensitivity of the District's proportionate share of the net pension liability. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
District's proportionate share of the net pension liability	$ 4,489,373	$ 2,881,546	$ 1,552,757

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net positions is available in separately issued financial statements available at https://calpers.ca.gov/docs/forms-publications/cafr-2016.pdf

NOTE 7 – RETIREMENT PLANS (cont.)

DEFERRED COMPENSATION

The District has agreements with one current and one retired employee to provide for deferred compensation equal to the amount of the District's tax liability under the Federal Insurance Contributions Act as such employees are not contributing to FICA. For the year ended June 30, 2017, the District made total contributions of $9,933. The deferred compensation is not available to the employees until normal retirement age, or after termination, or death. Deferred compensation amounts under this plan, all property and rights purchased with those amounts, and all income attributed to those amounts are (until paid or made available to the employee or other beneficiary) solely the property and rights of the District (without being restricted to the provisions of benefits under the plan), subject only to the claims of the District's general creditors. Participant's rights under the plan are equal to those of the general creditors of the District, in an amount equal to the fair market value of the deferred account for each participant.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS

From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2010, the District recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability (benefit) from prior years, and provides information useful in assessing potential demands on the District's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years.

PLAN DESCRIPTION

The District provides postemployment healthcare benefits, in accordance with union agreements, to all employees who retire from the District that meet the criteria listed below:

- At least 15 or more years of service and the sum of an employee's age and number of years of full-time service equals 75 or more, upon retiring the employee may, with carrier approval, continue participation in the District medical insurance program for the employee and the employee's family.
- Employee must be receiving benefits from CalPERS.
- The retiree must agree to pay the District any amount of insurance premium that the District does not contribute.
- When an employee who was hired prior to September 12, 2014 terminates employment with the District, is eligible and elects to continue participation in the District's medical insurance program and reaches the age of eligibility for Medicare, the employee may elect, to receive a contribution from the District equal to one-third (1/3) of the amount provided in Article 26.3(b) except, however, if either the retiree or the retiree's spouse reached the age of eligibility for Medicare, but the other has not, the Districts contributions will be equal to one-half (1/2) of the amount provided for in Article 23.3(b) until both have reached the age of eligibility for Medicare. The District's contribution will be available through a qualified Health Reimbursement Account, Employees hired after September 12, 2014 will not be eligible for this contribution.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (cont.)

FUNDING POLICY

The contribution requirements of the District are established and may be amended by the District's Board of Directors. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the District. For fiscal year 2017, the District contributed $60,410 to the plan through payment of benefits.

ANNUAL OPEB COST AND NET OPEB OBLIGATION

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty 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:

Annual required contribution	$	184,660
Interest on net OPEB obligation		29,705
Adjustment to annual required contribution		(46,145)
Annual OPEB Cost (Expense)		168,220
Contributions made		(79,864)
Increase in Net OPEB Obligation		88,356
Net OPEB Obligation – Beginning of the Year		848,711
Net OPEB Obligation – End of the Year	$	937,067

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the preceding years were as follows:

Fiscal Year Ended		Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed		Net OPEB Obligation
6/30/15	$	141,467	46.60%	$	747,547
6/30/16		166,578	39.30		848,711
6/30/17		168,220	47.50		937,067

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (cont.)

FUNDED STATUS AND FUNDING PROGRESS

As of June 30, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability (AAL) for benefits was $1,940,177, and the actuarial value of assets was $-, resulting in an unfunded actuarial accrued liability (UAAL) of $1,940,177. The covered payroll (annual payroll of active employees covered by the plan) was $2,636,779, and the ratio of the UAAL to the covered payroll was 73.6%.

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.

ACTUARIAL METHODS AND ASSUMPTIONS

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 the calculations.

In the June 30, 2016 actuarial valuation, the Projected Unit Credit cost method was used. The actuarial assumptions included a 3.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5.3% after ten years, Both rates included a 2.75% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level dollar amount over a 30 year open period.

TRINITY PUBLIC UTILITIES DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2017

NOTE 9 – TRINITY PUBLIC UTILITIES DISTRICT FINANCING AUTHORITY

The Authority is a joint power authority that provides financing for public improvements of the District, and is accounted for as a component unit of the District. The revenues and expenses of the Authority are eliminated upon consolidation with the District. The Authority's summary financial information as of June 30, 2017 and for the year then ended is as follows:

Total assets	$ 18,372,854
Total deferred outflows of resources	30,455
Total Assets and Deferred Outflows of Resources	$ 18,403,309
Total liabilities	$ 18,403,309
Net position	-
Total Liabilities and Net Position	$ 18,403,309
Revenues and Expenses	
Revenues:	
Debt service contributions	$ 793,207
Interest income	4,412
Total Revenues	797,619
Interest expense	(797,619)
Change in net position	-
NET POSITION, Beginning of Year	-
NET POSITION, END OF YEAR	$ -
Cash Flows	
Net cash used by noncapital financing activities	$ -
Net cash provided by investing activities	4,412
Net Change in Cash and Cash Equivalents	4,412
CASH AND CASH EQUIVALENTS – Beginning of the Year	1,304,043
CASH AND CASH EQUIVALENTS – END OF THE YEAR	$ 1,308,455

NOTE 10 – COMMITMENTS AND CONTINGENCIES

LONG TERM POWER SUPPLY

The District purchases all of its power from the Western Area Power Administration at cost based on a first preference right granted by Congress in the 1955 Trinity River Division Act. The 1955 Act provided for the United States Government to build the Trinity Dam and reserves, in perpetuity, the first 25 percent of the resulting energy generated to be sold at cost for use in, and only within, Trinity County.

NOTE 10 – COMMITMENTS AND CONTINGENCIES (cont.)

CLAIMS AND JUDGMENTS

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the utility's financial position or results of operations.

NOTE 11 – RISK MANAGEMENT

The District manages its exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in risk pools described below.

The District participates in risk pools with the Special District Risk Management Authority (SDRMA) which provides property, liability, and workers' compensation insurance to its member districts. The District pays premiums commensurate with the levels of coverage requested. The authority is governed by a board consisting of members elected from the participating districts, which control the operations of the authorities independent of any influence by the District beyond the District's representation on the governing board. The District's share of year-end assets, liabilities, or fund equity is not calculated by the Joint Powers Authority.

NOTE 12 – RESTATEMENT OF NET POSITION

Net position as of June 30, 2016, has been restated for the following items:

- The correction of an error related to debt issuance costs that should have been expensed in prior years.
- The correction of error to record the fiscal year 2016 pension contributions made after the measurement date as a deferred outflow of resources.

Net position as previously reported – June 30, 2016	$ 18,799,573
Debt issuance costs	(346,034)
District contributions to pension made after the measurement date	605,773
Net Position as Restated – June 30, 2016	$ 19,059,312

Change in net position for the year ended June 30, 2016 would have been increased by $619,733.

NOTE 13– SUBSEQUENT EVENTS

On November 1, 2017, the District issued $20,370,000 of 2017 Electric Revenue Refunding Bonds, Series A and $465,000 of 2017 Electric Revenue Refunding Bonds, Taxable Series B in order to refund the outstanding 2010 Electric Revenue Bonds and the 2003 Enterprise Fund Installment Sale Agreement.

REQUIRED SUPPLEMENTARY INFORMATION

TRINITY PUBLIC UTILITIES DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM - PERF C
For the Year Ended June 30, 2017

Information in the table below is presented as of the measurement date.

Fiscal Year Ending	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/17	0.0829%	$ 2,881,546	$ 2,148,429	134.12%	76%
6/30/16	0.0881%	2,415,960	1,993,596	121.19%	80%
6/30/15	0.0804%	2,067,193	1,992,151	103.77%	80%

SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the Year Ended June 30, 2017

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/17	$ 569,927	$ 569,927	$ -	$ 2,118,031	26.91%
6/30/16	605,773	605,773	-	2,148,429	28.20%
6/30/15	604,434	604,434	-	1,993,596	30.32%

See independent auditors' report and accompanying notes to the required supplementary information.

CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

The District is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms that applied to all members of the Public Agency Pool.

Changes in Assumptions. There were no changes in assumptions.

TRINITY PUBLIC UTILITIES DISTRICT

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS
For the Year Ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/16	$ -	$ 1,940,177	$ 1,940,177	0.00%	$ 2,636,779	73.6%
6/30/13	-	1,455,067	1,455,067	0.00%	2,430,107	59.9%
6/30/10	-	1,354,605	1,354,605	0.00%	1,830,186	74.0%

See independent auditors' report and accompanying notes to the required supplementary information.

SUPPLEMENTAL INFORMATION

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

To the Board of Directors
Trinity Public Utilities District
Weaverville, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Trinity Public Utilities District (the "District") as of and for the year ended June 30, 2017, and have issued our report thereon dated December 14, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Trinity Public Utilities District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Trinity Public Utilities District's internal control. Accordingly, we do not express an opinion on the effectiveness of Trinity Public Utilities District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described below to be a material weakness.

Criteria: AU section 325, *Communicating Internal Control Related Matters Identified in an Audit*, requires auditors to report a weakness if the District is not able to prepare its year-end financial statements, including the statement of cash flows and all footnote disclosures, or has material journal entries.

Condition: We, as your auditors, prepared the financial statements. In addition, for fiscal year 2017 we prepared material journal entries, including a restatement of prior year net position.

Cause / Effect: The accounting department has a limited number of staff and employees and do not have the time available or certain specialized expertise required to prepare GAAP financial statements. Without adequate internal control over financial reporting, the financial statements may not contain all of the required disclosures and account balances if prepared by the District.

To the Board of Directors
Trinity Public Utilities District

Recommendation: We recommend that the District review its resources and processes and evaluate the potential benefits associated with increased financial reporting capabilities and reviews.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of Trinity Public Utilities District are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Trinity Public Utilities District in a separate letter dated December 14, 2017.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
December 14, 2017

TRINITY PUBLIC UTILITIES DISTRICT

SCHEDULE OF REVENUES AND EXPENSES - BUDGET TO ACTUAL
For the Year Ended June 30, 2017

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
OPERATING REVENUES					
Retail sales	$ 9,842,100	$ (60,141)	$ 9,781,959	$ 9,063,195	$ 718,764
Fees and charges	120,095	(988)	119,107	104,396	14,711
Other revenue	2,496,751	(6,924)	2,489,827	2,806,785	(316,958)
Total Operating Revenues	12,458,946	(68,053)	12,390,893	11,974,376	416,517
OPERATING EXPENSES					
Power acquisition	3,196,486	-	3,196,486	4,182,077	(985,591)
Operations and maintenance	2,673,277	-	2,673,277	2,543,588	129,689
Customer accounts	908,741	(14,505)	894,236	733,354	160,882
Administrative and general	1,220,683	95,387	1,316,070	1,274,831	41,239
Depreciation and amortization	1,978,873	(1,978,873)	-	-	-
Total Operating Expenses	9,978,060	(1,897,991)	8,080,069	8,733,850	(653,781)
OPERATING INCOME	2,480,886	1,829,992	4,310,878	3,240,526	1,070,352
NONOPERATNIG INCOME (EXPENSE)					
Investment income	50,806	4,444	46,362	76,204	(29,842)
Other income	-	-	-	-	-
Interest Expense / Debt service	(981,976)	758,650	(1,740,626)	(1,740,626)	-
Capital outlay	-	1,994,278	(1,994,278)	(3,342,809)	1,348,531
Total Nonoperating Income (Expense)	(931,170)	2,757,372	(3,688,542)	(5,007,231)	1,318,689
CAPITAL CONTRIBUTIONS	131,708	123,532	255,240	155,985	99,255
Change in Net Position	$ 1,681,424	$ 4,710,896	$ 877,576	$ (1,610,720)	$ 2,488,296

TRINITY PUBLIC UTILITIES DISTRICT

NOTES TO SUPPLEMENTAL INFORMATION
As of and for the Year Ended June 30, 2017

NOTE 1 – SCHEDULE OF REVENUES AND EXPENSES – BUDGET TO ACTUAL

The District maintains its accounting records on a budgetary basis which differs from the basis used for financial statement purposes in the accompanying statement. The financial statements have been prepared using the accrual basis of accounting as prescribed by generally accepted accounting principles. The budget is prepared on a modified cash basis for cash flow and management's monitoring purposes. This budget is used throughout the year and compared with internal accounting reports prepared using the same method of accounting.

The differences relate primarily to the following:

- Accrual items at year-end, such as interest receivable and payable. Depreciation and amortization expense are not budgeted.

- Capital outlay is reflected as additions to utility plant in the audited financial statements, but included as expenses for budgeting purposes.

- Debt proceeds are reflected as an increase in the debt liability in the audited financial statements, but included as revenue for budgeting purposes.

- Principal retirement of debt is reflected as a reduction in the debt liability in the audited financial statements, but included as expenses for budgeting purposes.

OTHER INFORMATION

According to the Continuing Disclosure Certificate related to the 2010 Electric Revenue Bonds, amongst other information, the District is required to disclose certain financial information and operating data with respect to the preceding fiscal year. The information required to be disclosed is as follows:

(i) Comparative Monthly Base Electric Charges
(ii) Historical Customer Accounts, Energy Sales and Revenues
(iii) Largest Customers
(iv) Historical Debt Service Coverage and Reserves

This information is provided in the following tables and is provided by the District and is unaudited. The information is prepared on a cash basis and will differ from the financial statements prepared under accounting principles generally accepted in the United States of America.

TRINITY PUBLIC UTILITIES DISTRICT

TOP TEN CUSTOMERS
ANNUAL REPORT DISCLOSURE FOR CONTINUING DISCLOSURE
FOR THE YEAR ENDED JUNE 30, 2017

CUSTOMER	Total MWh Usage	Percent of Total	Total Revenue ($000's)	Percent of Total
Trinity River Lumber Company	10,006	9.21%	578	5.86%
Trinity County	2,207	2.03%	191	1.94%
Top's Market	1,680	1.55%	122	1.24%
Trinity Alps Unified School District	1,669	1.54%	142	1.44%
Trinity Hospital	993	0.91%	77	0.78%
State of California Agencies	665	0.61%	73	0.74%
CVS	593	0.55%	43	0.44%
US Government Agencies	554	0.51%	61	0.62%
Mountain Valley School District	430	0.40%	37	0.38%
Frontier Southwest (formerly Verizon CA)	403	0.37%	30	0.30%
Total Top Ten:	19,200	17.67%	1,354	13.73%
Grand Total:	108,677	100.00%	9,861	100.00%

TRINITY PUBLIC UTILITIES DISTRICT

HISTORICAL CUSTOMER ACCOUNTS, ENERGY SALES AND REVENUES
ANNUAL REPORT DISCLOSURE FOR CONTINUING DISCLOSURE
FISCAL YEARS 2012-13 THROUGH 2106-17

	2012-13	2013-14	2014-15	2015-16	2016-17
Customers (Average)					
Residential	6,051	6,039	6,081	6,120	6,070
Commercial	1,186	1,184	1,192	1,199	1,256
Industrial	1	1	1	1	1
Total	7,238	7,224	7,274	7,320	7,327
Energy Sales (MWh)					
Residential	60,397	60,480	58,053	62,237	70,070
Commercial	29,185	29,237	27,553	30,075	28,645
Industrial	8,465	8,465	8,638	8,722	9,962
Total	98,047	98,182	94,244	101,034	108,677
Peak Demand (MW)					
Winter	22.9	21.3	20.6	21.2	21.2
Summer	16.9	18.7	18.7	18.6	18.6
Revenues ($1,000s)					
Residential	4,523	4,584	4,410	5,532	6,361
Commercial	2,225	2,263	2,156	2,838	2,762
Industrial	547	547	547	552	738
Total	7,295	7,394	7,113	8,922	9,861

TRINITY PUBLIC UTILITIES DISTRICT

HISTORICAL DEBT SERVICE COVERAGE AND RESERVES
(Fiscal Year Ending June 30)

	2012-13	2013-14	2014-15	2015-16	2016-17
OPERATING REVENUES [1]					
Electric Sales	$ 7,275,129	$ 7,421,540	$ 7,110,762	$ 8,922,073	$ 9,781,959
Drought surcharge	170,842	1,185,943	1,131,400	1,190,061	1,291,278
Dereg surcharge	1,388,858	1,385,173	1,321,131	104,877	-
Other Income [2]	970,922	1,373,725	1,087,386	1,967,411	1,572,897
Interest Income [3]	48,661	33,785	23,725	30,546	46,362
Total Revenues	**$ 9,854,412**	**$ 11,400,166**	**$ 10,674,404**	**$ 12,214,968**	**$ 12,692,496**
OPERATING EXPENSES [4]					
Purchased power	$ 2,480,251	$ 2,429,523	$ 3,318,857	$ 3,979,409	$ 3,020,017
Transmission (CAISO)	(1,838)	-	-	-	-
Other	184,515	204,544	218,207	231,244	176,469
Total Purchased Power	**$ 2,662,928**	**$ 2,634,067**	**$ 3,537,064**	**$ 4,210,653**	**$ 3,196,486**
Operations and Maintenance	2,472,493	2,371,399	2,168,556	2,527,206	2,673,277
Customer Accounts	784,822	811,823	780,340	863,070	894,235
Administrative and General	837,158	1,088,956	1,062,383	1,055,130	1,316,070
Total Expenses	**$ 6,757,401**	**$ 6,906,245**	**$ 7,548,343**	**$ 8,656,059**	**$ 8,080,068**
NET REVENUES	$ 3,097,011	$ 4,493,921	$ 3,126,061	$ 3,558,909	$ 4,612,428
Senior 2010 Bonds	94,538	907,019	1,300,406	1,302,906	1,299,156
2003 COPs	746,045	265,187	-	-	-
Subtotal Senior Debt Service:	840,583	1,172,206	1,300,406	1,302,906	1,299,156
CIEDB Installment sale	442,005	441,879	441,747	441,611	441,470
TOTAL DEBT SERVICE	**1,282,588**	**1,614,084**	**1,742,153**	**1,744,517**	**1,740,626**
SR DEBT SERVICE COVERAGE	**3.68**	**3.83**	**2.40**	**2.73**	**3.55**
TOTAL DEBT SERVICE COVERAGE	**2.41**	**2.78**	**1.79**	**2.04**	**2.65**
BEGINNING RESERVES	$ 15,985,371	$ 15,854,858	$ 10,899,249	$ 10,377,804	$ 9,853,525
Surplus Revenues	1,814,423	2,879,837	1,383,908	1,814,392	2,871,802
Capital Outlays	(2,092,567)	(2,242,217)	(2,055,863)	(2,484,498)	(1,994,278)
County/MCMS Funding	147,630	146,772	150,509	145,827	150,831
Bond/Loan Proceeds	-	(5,740,000)	-	-	-
TOTAL RESERVES	**$ 15,854,858**	**$ 10,899,249**	**$ 10,377,804**	**$ 9,853,525**	**$ 10,881,880**
Debt Reserves	(4,429,904)	(1,751,105)	(1,752,606)	(1,755,249)	(1,759,441)
Net Available Reserves	**11,424,954**	**9,148,144**	**8,625,198**	**8,098,276**	**9,122,439**

[1] Reflects all gross income and revenue received by the District
[2] Includes Fees and charges, Joint pole/contact income, line extensions and other miscellaneous transactions
[3] Interest earned on surplus District funds and on Reserve Funds
[4] Excludes depreciation, amortizations, accruals and other intangible bookkeeping entries

TRINITY PUBLIC UTILITIES DISTRICT

RATE COMPARISON
ANNUAL REPORT DISCLOSURE FOR CONTINUING DISCLOSURE
YEAR ENDED JUNE 30, 2017

Series 2010A

Comparative Monthly Base Electric Charges

Fiscal Year Ended June 30, 2017

	District			Sacramento	Lassen	City of
	A	B	City of Redding	MUD	MUD	Shasta Lake
Residential	55	78	153	w113/s129	130	151
Commercial	363	463	840	w645/s1017	725	842
Industrial	32,684	43,693	119,205	84,240	81,000	80,932