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TRINITY PUBLIC UTILITIES DISTRICT

Weaverville, California

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended June 30, 2020 and 2019

TRINITY PUBLIC UTILITIES DISTRICT
Weaverville, California

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As of and for the Years Ended June 30, 2020 and 2019

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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 years ended June 30, 2020 and 2019, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 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, 2020 and 2019, 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.

Other Matters

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.

Baker Tilly US, LLP

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Madison, Wisconsin
December 10, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2020. 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 $23.910 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 $0.433 million over the course of 2020. Total liabilities and deferred inflows of resources decreased $0.707 million for a net increase to net position of $1.140 million.
- The District's Retail sales revenues increased $0.884 million in 2020 primarily due to a 6.1% increase in load as well as weather conditions. Other revenues decreased by $0.841 million. This decrease is attributable to the removal of the Drought Relief Surcharge during May 2019.
- The District's net operating expenses increased by $1.204 million due to increased expense in every cost category. The increases are as follows: Power Acquisition $0.531 million, Operations & Maintenance Expenses $0.175 million, Customer Accounts $0.109 million, Administrative and General Expenses $0.254 million and Depreciation and Amortization $0.135 million.
- The District's net non-operating expenses decreased by $0.339 million due primarily to the retirement of the old meter system in the prior fiscal year.

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 2017 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 14 through 39 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 40 to 43 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT

Over time, increases or decreases in the District's net position 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

	2020	2019	2018
Current and other assets	$ 9,997,098	$ 11,559,216	$ 11,005,378
Non-current assets	41,023,325	38,877,177	38,427,718
Total assets	51,020,423	50,436,393	49,433,096
Deferred outflows of resources	2,184,538	2,335,637	2,531,381
Total Assets and Deferred Outflows of Resources	$ 53,204,961	$ 52,772,030	$ 51,964,477
Current liabilities	$ 3,839,561	$ 3,154,666	$ 2,363,787
Non-current liabilities	25,000,800	26,324,145	28,270,048
Total Liabilities	28,840,361	29,478,811	30,633,835
Deferred inflows of resources	454,181	522,758	236,117
Total Liabilities and Deferred Inflows of Resources	29,294,542	30,001,569	30,869,952
Net position:			
Net investment in capital assets	17,411,028	13,796,085	12,131,143
Unrestricted net position	6,499,391	8,974,376	8,963,382
Total Net Position	23,910,419	22,770,461	21,094,525
Total Liabilities and Net Position	$ 53,204,961	$ 52,772,030	$ 51,964,477

Total assets and deferred outflows of resources increased $0.433 million over the course of fiscal 2020. Total liabilities and deferred inflows of resources decreased $0.707 million for a net increase to net position of $1.140 million.

Changes in assets included:

- Current assets - decreased from $11.559 million to $9.997 million during the current fiscal year. This $1.562 million decrease was primarily due to a decrease to cash and cash equivalents and the capitalization of inventories. These decreases were partially offset with an increase to accounts receivable.
- Noncurrent assets - increase of $2.146 million, due primarily to an increase to capital improvements and replacements that are federal and state mandated.

Changes in liabilities included:

- Current liabilities – a net increase in overall current liabilities of $0.685 million due increases to accounts payable, customer deposits and construction advances. These increases were partially offset by decreases to the current portion of long-term debt and compensated absences.
- Noncurrent liabilities – a decrease of $1.323 million primarily due to decrease to long-term debt and the retirement compensation plan which were partially offset by increases to the District's net pension liability and other postemployment benefits liability.

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.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

	2020	2019	2018
Operating revenues	$ 12,840,600	$ 12,796,923	$ 11,227,459
Operating expenses	11,708,833	10,504,721	8,491,742
Operating Income	1,131,767	2,292,202	2,735,717
Non-operating revenues (expenses)	(501,292)	(839,912)	(1,694,350)
Capital Contributions	509,483	223,646	432,907
Changes in Net Position	**1,139,958**	**1,675,936**	**1,474,274**
Net position, beginning of the year, as restated	22,770,461	21,094,525	20,740,736
Cumulative effect of change in accounting principle	-	-	(1,120,485)
Net Position, end of the year	**$ 23,910,419**	**$ 22,770,461**	**$ 21,094,525**

CAPITAL ASSETS

As of June 30, 2020, the District had $40.737 million invested in a variety of capital assets, net of accumulated depreciation, as shown in Table III below.

Table III
Capital Assets

	2020	2019	2018
Distribution system	$ 49,865,272	$ 46,889,281	$ 44,421,681
Substations	7,537,265	6,740,630	6,641,432
Buildings & improvements	2,689,977	2,581,464	2,571,533
Vehicles, tools and other equipment	3,667,983	2,580,710	3,204,000
	63,760,497	58,792,085	56,838,646
Less accumulated depreciation	(28,207,204)	(25,955,159)	(24,842,674)
Land	1,364,088	1,364,088	1,364,088
Work in progress	3,819,377	3,001,168	3,001,168
Net capital assets	$ 40,736,758	$ 37,202,182	$ 36,361,228

The District capitalized $0.314 million of inventory and invested $5.473 million in capital improvements before depreciation in fiscal 2020.

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 if realization of economic data significantly differs from assumptions used to prepare the original budget. 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.

Fiscal year 2019/2020 ended with a decrease in total reserves of $3.230 million which is within $0.029 million of the amended Budget that reflected a decrease of $3.259 million. The decrease to reserves is primarily due to increased capital cost in order to comply with unfunded federal and state mandates.

Additional information on the District's budget comparison for fiscal year 2019/2020 can be found on page 43 of the financial statements, Supplemental Schedule of Revenues and Expenses – Budget and Actual.

LONG TERM DEBT

At the end of fiscal year 2019/2020, the District had total long-term debt outstanding of $19.831 million, including current maturities. $19.570 million is comprised of 2017 Series A Electric Revenue Bonds and $0.261 million note payable to the United States Department of Agriculture. During fiscal year 2019/2020 the District paid off the 2010 Electric Revenue Bonds Series A as well as the 2017 Electric Revenue Series B (Green) Bonds.

Additional information on the District's long-term debt can be found in Note 6 on pages 23 through 27 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 in California for many years into the future.

BASIC FINANCIAL STATEMENTS

TRINITY PUBLIC UTILITIES DISTRICT

BALANCE SHEET
As of June 30, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 8,067,858	$ 9,535,227
Accounts receivable, net	1,729,525	1,328,454
Other receivables	40,305	56,678
Inventories	-	313,959
Prepaid expenses	9,410	174,898
Due from other governments, current portion	-	105,010
Interest receivable - due from other governments, current portion	150,000	44,990
Total Current Assets	9,997,098	11,559,216
NONCURRENT ASSETS		
Restricted cash and cash equivalents	30,794	606,171
Investment in retirement annuity	-	676,018
Interest receivable - due from other governments	255,773	392,806
Preliminary survey and investigation	3,819,377	3,001,168
Capital Assets		
Land	1,364,088	1,364,088
Depreciable capital assets	63,760,497	58,792,085
Less: Accumulated depreciation	(28,207,204)	(25,955,159)
Total Noncurrent Assets	41,023,325	38,877,177
Total Assets	51,020,423	50,436,393
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on refunding	945,864	996,308
Deferred outflows related to OPEB	143,620	46,680
Deferred outflows related to pension	1,095,054	1,292,649
Total Deferred Outflows of Resources	2,184,538	2,335,637
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 53,204,961	$ 52,772,030

	2020	2019
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 1,410,809	$ 397,771
Wages payable	183,760	178,917
Compensated absences payable	406,623	440,960
Retirement plan payable	26,353	19,783
Customer deposits	356,839	252,519
Construction advances	319,581	165,218
Other accrued liabilities	13,343	12,093
Accrued interest	161,575	171,727
Current portion of revenue bonds	920,000	1,475,000
Current portion of note payable	40,678	40,678
Total Current Liabilities	3,839,561	3,154,666
NONCURRENT LIABILITIES		
Revenue debt	19,532,306	20,499,361
Note payable	220,339	261,017
Net pension liability	3,280,103	3,086,793
Retirement compensation plan	-	676,018
Other postemployment benefits liability	1,968,052	1,800,956
Total Noncurrent Liabilities	25,000,800	26,324,145
Total Liabilities	28,840,361	29,478,811
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB	323,737	396,211
Deferred inflows related to pension	130,444	126,547
Total Deferred Inflows of Resources	454,181	522,758
NET POSITION		
Net investment in capital assets	17,410,939	13,796,085
Unrestricted net position	6,499,480	8,974,376
Total Net Position	23,910,419	22,770,461
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 53,204,961	$ 52,772,030

See accompanying notes to financial statements.

TRINITY PUBLIC UTILITIES DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Retail sales	$ 10,616,534	$ 9,732,157
Fees and charges	78,062	78,361
Other revenue	2,146,004	2,986,405
Total Operating Revenues	12,840,600	12,796,923
OPERATING EXPENSES		
Power acquisition	3,124,991	2,594,472
Operations and maintenance	3,673,874	3,498,284
Customer accounts	838,478	729,709
Administrative and general	1,819,445	1,565,351
Depreciation and amortization	2,252,045	2,116,905
Total Operating Expenses	11,708,833	10,504,721
Operating Income	1,131,767	2,292,202
NONOPERATING REVENUES (EXPENSES)		
Investment income	153,851	203,817
Loss on retirement of assets	-	(330,542)
Gain on sale of assets	25,000	-
Interest expense	(680,143)	(713,187)
Total Nonoperating Revenues (Expenses)	(501,292)	(839,912)
CAPITAL CONTRIBUTIONS	509,483	223,646
Change in Net Position	1,139,958	1,675,936
NET POSITION - Beginning of Year	22,770,461	21,094,525
NET POSITION - END OF YEAR	$ 23,910,419	$ 22,770,461

See accompanying notes to financial statements.

TRINITY PUBLIC UTILITIES DISTRICT

STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 12,560,222	$ 12,929,463
Cash paid to suppliers	(5,937,674)	(5,175,007)
Cash paid to employees for services	(2,739,299)	(2,543,433)
Net Cash Flows From Operating Activities	3,883,249	5,211,023
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Principal and interest received on note receivable	-	342,373
Principal and interest paid on note payable	(40,678)	(40,678)
Payments from other governments	148,985	145,704
Net Cash Flows From Noncapital and Related Financing Activities	108,307	447,399
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of utility plant	(4,678,143)	(3,276,452)
Contributions received for construction	663,846	267,733
Repayment of long-term debt	(1,474,999)	(850,000)
Interest paid	(686,905)	(717,428)
Net Cash Flows From Capital and Related Financing Activities	(6,176,201)	(4,576,147)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	141,899	189,504
Net Change in Cash and Cash Equivalents	(2,042,746)	1,271,779
CASH AND CASH EQUIVALENTS – Beginning of Year	10,141,398	8,869,619
CASH AND CASH EQUIVALENTS – END OF YEAR	$ 8,098,652	$ 10,141,398
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Amortization	$ (3,390)	$ (3,390)

		2020		2019
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	$	1,131,767	$	2,292,202
Adjustments to reconcile operating income to net cash flows provided by operating activities				
Depreciation and amortization		2,252,045		2,116,905
Change in operating assets and liabilities				
Accounts receivable		(401,071)		110,520
Other receivable		16,373		(15,458)
Inventories		313,959		511,196
Prepaid expenses		165,488		91,883
Accounts payable		(70,442)		117,002
Accrued wages and related costs		(27,767)		22,184
Customer deposits		104,320		37,478
Post employment retirement benefit		167,096		(254,605)
Pension and Other Post Employment Benefits related deferrals and liabilities		225,388		240,906
Other liabilities		6,093		(59,190)
Total Adjustments		2,751,482		2,918,821
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	3,883,249	$	5,211,023
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION				
Cash and cash equivalents	$	8,067,858	$	9,535,227
Restricted cash and cash equivalents		30,794		606,171
TOTAL CASH AND CASH EQUIVALENTS, END OF YEAR	$	8,098,652	$	10,141,398

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, 2020 and 2019, the Corporation has had no activity. Activity and balances related to the Authority are included in Note 9. The Corporation was dissolved effective June 4, 2020.

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.

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.

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

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

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, 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 "net investment in capital assets."

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 $256,657 and $300,394 at June 30, 2020 and 2019, respectively.

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. As of July 1, 2018, the District changed accounting policies to capitalize transformers when purchased. Therefore, any transformers held in inventory were transferred to capital assets. As of July 1, 2019, the District changed accounting policies to stop tracking individual inventory items due to the small remaining balance in the account. The remaining inventory items were transferred to capital assets.

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

PREPAID EXPENSES

This represents amounts paid for future power costs.

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. In 2019, the local business paid the amount in full. The District will continue to make the scheduled payments to the USDA. See Note 6 for information on the loan from the USDA.

PRELIMINARY SURVEY AND INVESTIGATION

The balance represents initial project engineering costs related to utility plant construction. The balance will be capitalized upon commencement of the project.

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. 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
Meter equipment	15 years
Equipment	5 years

INVESTMENT IN RETIREMENT ANNUITY AND RETIREMENT COMPENSATION PLAN

The District's investment in the retirement annuity is for certain employees' retirement compensation plans subject to the Federal Insurance Contributions Act and is recorded at fair value. As of June 30, 2020 there are no remaining active employees on the plan.

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 75% vested. Office administrator retired and cashed out sick leave balance as of 12/31/2019. 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 balance sheet 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 balance sheet 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.

PENSION PLAN

All full-time District employees are members of a risk pool of the State of California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefits pension plan. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CalPERS and additions to/deductions from CalPERS' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, investments are reported at fair value.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the District OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

LONG-TERM OBLIGATIONS

Long-term debt and other obligations are reported as liabilities. Bond premiums are amortized over the life of the bonds using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year-end for premiums is shown as an increase in the liability section of the balance sheet. The balance at year-end for the loss on refunding is shown as a deferred outflow of resources in the balance sheet.

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

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 April 11, 2020.

EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following statements:

- Statement No. 84, *Fiduciary Activities*
- Statement No. 87, *Leases*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years. When they become effective, application of these standards may restate portions of these financial statements.

COMPARATIVE DATA

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

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 sections 53600-53609 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.

NOTE 2 – CASH AND INVESTMENTS (cont.)

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, 2020 and 2019, 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 (Pool) 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 than 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.

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 not 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, 2020 and 2019, the District did not have any deposits exposed to custodial credit risk.

NOTE 2 – CASH AND INVESTMENTS (cont.)

CREDIT RISK

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

As of June 30, 2020 and 2019, the District's investments were rated as follows:

	2020		2019	
Investment Type	Standard & Poors	Moody's Investors Services	Standard & Poors	Moody's Investors Services
Dreyfus Government Cash Management Fund	AAAm	Aaa-mf	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:

	2020	2019
Reserve	$ -	$ 573,124
Section 125 Plan Fund	30,794	33,047
Total	$ 30,794	$ 606,171

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.

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, 2020 and 2019, the current outstanding principal balance due is $0 and $105,010, respectively. 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, 2020 and 2019, the LAIF's rate was 1.47% and 2.57%, respectively, and accrued interest due was $405,773 and $437,796, respectively. 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's reserves, including accrued interest, are restored. As of June 30, 2020 and 2019, the District has recouped a total of $2,141,319 and $1,992,334, respectively.

Due from other governments at June 30, 2020 and 2019, are comprised of the following:

	2020	2019
Trinity County, principal	$ -	$ 105,010
Trinity County, interest	405,773	437,796
Total Due from Other Governments	405,773	542,806
Less: Current portion	(150,000)	(105,010)
Less: Interest receivable – due from other governments	(255,773)	(437,796)
Total Due From Other Governments, Long-Term Portion	$ -	$ -

TRINITY PUBLIC UTILITIES DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 5 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets not being depreciated				
Land	$ 1,364,088	$ -	$ -	$ 1,364,088
Total Capital Assets Not Being Depreciated	1,364,088	-	-	1,364,088
Capital assets being depreciated				
Utility plant	53,629,911	3,772,626	-	57,402,537
Buildings and improvements	2,581,464	108,513	-	2,689,977
Equipment	2,580,710	1,087,273	-	3,667,983
Total Capital Assets Being Depreciated	58,792,085	4,968,412	-	63,760,497
Less: Accumulated depreciation for				
Utility plant	(21,711,134)	(1,871,995)	-	(23,583,129)
Buildings and improvements	(2,274,593)	(37,979)	-	(2,312,572)
Equipment	(1,969,432)	(342,071)	-	(2,311,503)
Total Accumulated Depreciation	(25,955,159)	(2,252,045)	-	(28,207,204)
Total Capital Assets Being Depreciated, Net	32,836,926	2,716,367	-	35,553,293
Net Capital Assets	$ 34,201,014	$ 2,716,367	$ -	$ 36,917,381

NOTE 5 – CHANGES IN CAPITAL ASSETS (cont.)

A summary of changes in capital assets for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets not being depreciated				
Land	$ 1,364,088	$ -	$ -	$ 1,364,088
Total Capital Assets Not Being Depreciated	1,364,088	-	-	1,364,088
Capital assets being depreciated				
Utility plant	51,063,113	2,968,589	401,792	53,629,911
Buildings and improvements	2,571,533	9,931	-	2,581,464
Equipment	3,204,000	309,882	933,171	2,580,710
Total Capital Assets Being Depreciated	56,838,646	3,288,402	1,334,963	58,792,085
Less: Accumulated depreciation for				
Utility plant	(20,022,977)	(1,759,406)	(71,249)	(21,711,134)
Buildings and improvements	(2,188,740)	(85,854)	-	(2,274,593)
Equipment	(2,630,957)	(271,645)	(933,171)	(1,969,432)
Total Accumulated Depreciation	(24,842,674)	(2,116,905)	(1,004,420)	(25,955,159)
Total Capital Assets Being Depreciated, Net	1,995,972	1,171,497	330,543	32,836,926
Net Capital Assets	$ 33,360,060	$ 1,171,497	$ 330,543	$ 34,201,014

NOTE 6 – LONG-TERM LIABILITIES

REVENUE DEBT

2017 ELECTRIC REVENUE BONDS

The bonds were issued by the Trinity Public Utilities District under a resolution adopted by the Board of Directors of the District in the amount of $20,835,000. The bonds were structured as serial bonds for maturities 2018 through 2039. Yields on serial bonds range from 0.97% to 3.32%. Interest rates range from 1.58% to 4%. The bonds maturing on or before April 1, 2027 are not subject to optional redemption prior to their respective stated maturity dates.

The certificates were delivered pursuant to a trust agreement, dated as of November 1, 2017, among the Bank of New York.

NOTE 6 – LONG-TERM LIABILITIES (cont.)

REVENUE DEBT (cont.)

2017 ELECTRIC REVENUE BONDS (cont.)

On November 1, 2017, bonds in the amount of $20,835,000 were issued with an average interest rate of 1.58 - 4.0% to advance refund $16,350,000 of outstanding 2010 revenue bonds with an average interest rate of 4.0 - 5.0% and $5,174,361 of outstanding 2003 subordinate loan with an average interest rate of 3.39%. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, that portion of the old bonds are considered defeased and the liability for that portion of the old bonds has been removed from the statement of net position.

The cash flow requirements on the old bonds prior to the advance refunding was $33,014,361 from 2018 through 2040. The cash flow requirements on the new bonds are $29,790,162 from 2018 through 2039. The advance refunding resulted in an economic gain of $2,582,065. The bonds are callable on April 1, 2020. As of June 30, 2020, no amounts are considered defeased.

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. In 2017, all but $1,605,000 of the remaining bonds principal was refunded by the 2017 Electric Revenue Bonds. The remaining bond balance was paid off as of April 1, 2020.

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, 2019 was $573,124 and was $0 as of June 30, 2020 after the bonds were fully paid off.

TRINITY PUBLIC UTILITIES DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2020 and 2019

NOTE 6 – LONG-TERM LIABILITIES (cont.)

Revenue Debt (cont.)

Revenue bonds debt service requirements to maturity are as follows:

Payable June 30:	Principal	Interest	Total
2021	$ 920,000	$ 646,300	$ 1,566,300
2022	955,000	609,500	1,564,500
2023	975,000	588,012	1,563,012
2024	1,020,000	549,012	1,569,012
2025	1,055,000	508,212	1,563,212
2026-2030	5,595,000	1,962,313	7,557,313
2031-2035	5,095,000	1,044,213	6,139,213
2036-2039	3,955,000	312,569	4,267,569
Total	19,570,000	$ 6,220,131	$ 25,790,131
Add: Premium	882,306		
Long term Debt, Net	$ 20,452,306		

The District's outstanding debt noted above contains provisions that in an event of default, outstanding amounts may become immediately due and payable.

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. In 2019, the local business paid back the note receivable in full. The District is still making the scheduled payments to the USDA.

NOTE 6 – LONG-TERM LIABILITIES (cont.)

LONG-TERM OBLIGATION SUMMARY

Long-term obligation activity for the year ended June 30, 2020 is as follows:

	June 30, 2019	Additions	Reductions	June 30, 2020	Due Within One Year
2010 Electric Revenue Bonds	$ 555,000	$ -	$ 555,000	$ -	$ -
Rural economic development loan	301,695	-	40,678	261,017	40,678
2017A Electric Revenue Bonds	20,085,000	-	515,000	19,570,000	920,000
2017B Electric Revenue Bonds	405,000	-	405,000	-	-
Unamortized premiums	929,361	-	47,055	882,306	-
Net pension liability	3,086,793	193,310	-	3,280,103	-
Retirement compensation plan	676,018	-	676,018	-	-
Other postemployment benefits liability	1,800,956	167,096	-	1,968,052	-
Totals	$ 27,839,823	$ 360,406	$ 2,238,751	$ 25,961,478	$ 960,678

NOTE 6 – LONG-TERM LIABILITIES (cont.)

LONG-TERM OBLIGATION SUMMARY (cont.)

Long-term obligation activity for the year ended June 30, 2019 is as follows:

	June 30, 2018	Additions	Reductions	June 30, 2019	Due Within One Year
2010 Electric Revenue Bonds	$ 1,090,000	$ -	$ 535,000	$ 555,000	$ 555,000
Rural economic development loan	342,373	-	40,678	301,695	40,678
2017A Electric Revenue Bonds	20,370,000	-	285,000	20,085,000	515,000
2017B Electric Revenue Bonds	435,000	-	30,000	405,000	405,000
Unamortized premiums	976,416	-	47,055	929,361	-
Net pension liability	3,277,827	-	191,034	3,086,793	-
Retirement compensation plan	613,549	62,469	-	676,018	-
Other postemployment benefits liability	2,055,561	-	254,605	1,800,956	-
Totals	$ 29,160,726	$ 62,469	$ 1,383,372	$ 27,839,823	$ 1,515,678

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:

	2020	2019
Employee Normal Cost Rate[1]	8.0%	8.0%
Employer Normal Cost Rate	13.692%	12.759%
Plus Annual Lump Sum Prepayment Option	$178,398	$284,865

[1] Per agreement with the Employees' Association's, 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, 2020 and 2019 are:

	2020	2019
Employee Payroll Deduction	6.750%	6.250%
Employer Rate	6.985%	6.842%
Plus Annual Lump Sum Prepayment Option	$887	$749

The contribution rates for plan members and the District are established, and may be amended by CalPERS. For the year ending June 30, 2020 and 2019, the District's employer contributions were $516,244 and $614,365, respectively, equal to their required contribution for the year.

NOTE 7 – RETIREMENT PLANS (cont.)

DEFINED BENEFIT PLAN (cont.)

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

At June 30, 2020, the District reported a net pension liability of $3,280,103 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 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, 2019, the District's proportion was 0.0819%, which was an increase of 0.000005% from its proportion measured as of June 30, 2018.

At June 30, 2019, the District reported a net pension liability of $3,086,793 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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, 2018, the District's proportion was 0.0819%, which was a decrease of 0.0013% from its proportion measured as of June 30, 2017.

For the years ended June 30, 2020 and 2019, the District recognized pension expense of $911,039 and $589,705, respectively.

At June 30, 2020 and 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 156,411	$ 55,446	$ 351,904	$ 86,244
Differences between expected and actual experience	227,816	17,651	118,435	40,303
Net difference between projected and actual earnings on pension plan investments	-	57,347	15,259	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	194,583	-	192,686	-
Employer contributions subsequent to the measurement date	516,244	-	614,365	-
Totals	$ 1,095,054	$ 130,444	$ 1,292,649	$ 126,547

NOTE 7 – RETIREMENT PLANS (cont.)

DEFINED BENEFIT PLAN (cont.)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont.)

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, 2020. 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		
2021	$	347,335
2022		32,810
2023		56,635
2024		11,586
Total	$	448,366

Actuarial assumptions*.* The total pension liability in the actuarial valuation used in the current and prior year was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2020	2019
Actuarial valuation date	June 30, 2018	June 30, 2017
Measurement date of net pension liability (asset)	June 30, 2019	June 30, 2018
Actuarial cost method	Entry age	Entry age
Asset valuation method	Fair market value	Fair market value
Discount rate	7.15%	7.15%
Inflation	2.75%	2.75%
Mortality rate table[1]	Derived using CalPERS' membership data for all funds	Derived using CalPERS' membership data for all funds
Post-retirement adjustments	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

[1] The mortality table used was developed based on CalPERS-specific date. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

NOTE 7 – RETIREMENT PLANS (cont.)

All other actuarial assumptions used in the June 30, 2018 and 2017 valuations 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+ 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.

The table below reflects long-term expected real rates of return by asset class as of June 30, 2020. 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	50.0%	4.80%	5.98%
Fixed Income	28.0	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Assets	13.0	3.75	4.93
Liquidity	1.0	-	(0.92)

[1] An expected inflation of 2.00% used for this period.
[2] An expected inflation of 2.92% used for this period.

NOTE 7 – RETIREMENT PLANS (cont.)

The table below reflects long-term expected real rates of return by asset class as of June 30, 2019. 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	50.0%	4.80%	5.98%
Fixed Income	28.0	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Assets	13.0	3.75	4.93
Liquidity	1.0	-	(0.92)

[1] An expected inflation of 2.00% used for this period.
[2] An expected inflation of 2.92% used for this period.

Discount rate. The discount rate used to measure the total pension liability as of June 30, 2020 and June 30, 2019 was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at actuarially required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 for June 30, 2020 and June 30, 2019 calculated using the discount rate of 7.15%, 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 or one percentage point higher than the current rate.

The sensitivity analysis as of June 30, 2020 follows:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	$ 5,261,457	$ 3,280,103	$ 1,644,635

The sensitivity analysis as of June 30, 2019 follows:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	$ 4,958,246	$ 3,086,793	$ 1,541,939

NOTE 7 – RETIREMENT PLANS (cont.)

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://www.calpers.ca.gov/docs/forms-publications/cafr-2019.pdf

DEFERRED COMPENSATION

The District has agreements with two retired employees 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 years ended June 30, 2020 and 2019, the District made total contributions of $2,122 and $11,617, respectively. The deferred compensation is not available to the employees until normal retirement age, or after termination, or death. The plan is closed and no new employees have the ability to join the plan. 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. During 2020, the last active employee on the plan retired and the balance of the plan was paid out.

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

GENERAL INFORMATION ABOUT THE OPEB PLAN

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:

> 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.

> Employees who are CalPERS members must be receiving benefits from CaIPERS.

> 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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (cont.)

Benefits provided. The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of $703.39 per month towards medical, prescription drug, dental and vision care premiums. The dollar amount is effective July 1, 2019 and is assumed to increase with the consumer price index. When the retiree reaches Medicare eligibility, the District contribution is reduced to 1/3 of the full amount and payment will be placed in a qualified Health Reimbursement Account.

Employees covered by benefit terms. As of the actuarial valuation dates, June 30, 2018 and 2016, the following employees were covered by the benefit terms:

	2018	2016
Active plan members	22	21
Inactive plan members or beneficiaries currently receiving benefit payments	3	3
Total Plan Members	25	24

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2020	2019
Actuarial valuation date	June 30, 2018	June 30, 2018
Measurement date of net pension liability (asset)	June 30, 2019	June 30, 2018
Actuarial cost method	Entry age	Entry age
Discount rate	3.13%	3.62%
Inflation	2.50%	2.50%
Mortality rate table[1]	Based on assumptions for Public Agency Miscellaneous members published in the December 2017 CalPERS Experience Study.	Based on assumptions for Public Agency Miscellaneous members published in the December 2017 CalPERS Experience Study.
Healthcare cost trend rate	6.90% for 2019, gradually decreasing over several decades to an ultimate rate of 4.00% in 2076 and later years.	6.90% for 2019, gradually decreasing over several decades to an ultimate rate of 4.00% in 2076 and later years.
Increases in direct subsidy	Assumed to increase with healthcare trend rates. The flat dollar direct subsidy amount is assumed to increase with general inflation.	Assumed to increase with healthcare trend rates. The flat dollar direct subsidy amount is assumed to increase with general inflation.

The discount rates used were based on the Fidelity 20-Year Municipal GO AA Index.

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (cont.)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at 6/30/2018	$ 2,055,561
Changes for the year:	
Service cost	78,375
Interest	74,747
Differences between expected and actual experience	(215,726)
Changes in assumptions or other inputs	(123,385)
Benefit payments	(68,616)
Net changes	(254,605)
Balances at 6/30/2019	1,800,956
Changes for the year:	
Service cost	69,781
Interest	66,439
Differences between expected and actual experience	-
Changes in assumptions or other inputs	101,672
Benefit payments	(70,796)
Net changes	167,096
Balances at 6/30/2020	$ 1,968,052

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.13%)	Discount Rate (3.13%)	1% Increase (4.13%)
2020 Total OPEB liability	$ 2,203,412	$ 1,968,052	$ 1,768,808

	1% Decrease (2.62%)	Discount Rate (3.62%)	1% Increase (4.62%)
2019 Total OPEB liability	$ 2,013,714	$ 1,800,956	$ 1,620,369

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (cont.)

CHANGES IN THE TOTAL OPEB LIABILITY (cont.)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (5.9% Decreasing to 3.0%)	Healthcare Cost Trend Rates (6.9% Decreasing to 4.0%)	1% Increase (7.9% Decreasing to 5.0%)
2020 Total OPEB liability	$ 1,709,602	$ 1,968,052	$ 2,284,789

	1% Decrease (5.9% Decreasing to 3.0%)	Healthcare Cost Trend Rates (6.9% Decreasing to 4.0%)	1% Increase (7.9% Decreasing to 5.0%)
2019 Total OPEB liability	$ 1,580,785	$ 1,800,956	$ 2,069,239

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the years ended June 30, 2020 and 2019, the District recognized OPEB expense of $78,989 and $80,648, respectively.

At June 30, 2020 and 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 86,429	$ 172,697	$ -	$ 212,828
Differences between expected and actual experience	-	151,040	-	183,383
Employer contributions subsequent to the measurement date	57,191	-	46,680	-
Totals	$ 143,620	$ 323,737	$ 46,680	$ 396,211

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (cont.)

Deferred outflows related to OPEB contributions subsequent to the measurement date reported in the table above will be recognized as a reduction of the total OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:		
2021	$	(57,231)
2022		(57,231)
2023		(57,231)
2024		(57,013)
2025		(18,816)
Thereafter		10,214

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 activity in the Authority relates to the 2010 Electric Revenue Bonds, which were paid off in 2020.The Authority's summary financial information as of June 30, 2020 and 2019 and for the years then ended is as follows:

	2020	2019
Total assets	$ -	$ 573,124
Total deferred outflows of resources	-	-
Total Assets and Deferred Outflows of Resources	$ -	$ 573,124
Total liabilities	$ -	$ 573,124
Net position	-	-
Total Liabilities and Net Position	$ -	$ 573,124
Revenues and Expenses		
Revenues:		
Debt service contributions	$ 8,563	$ 20,931
Interest income	8,087	11,769
Total Revenues	16,650	32,700
Interest expense	(16,650)	(32,700)
Change in net position		-
NET POSITION, Beginning of Year	-	-
NET POSITION, End of Year	$ -	$ -

NOTE 9 – TRINITY PUBLIC UTILITIES DISTRICT FINANCING AUTHORITY (cont.)

	2020	2019
Cash Flows		
Net cash used by noncapital financing activities	$ (581,211)	$ (17,950)
Net cash provided by investing activities	8,087	11,769
Net cash (used) / provided by capital and financing activities	-	-
Net Change in Cash and Cash Equivalents	(573,124)	(6,181)
CASH AND CASH EQUIVALENTS, Beginning of the Year	573,124	579,304
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ -	$ 573,124

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.

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.

The District has denied all claims it has received related to the Helena Fire of 2017. The District has compiled evidence that the District's power lines were not responsible for starting the fire, and therefore believes that claims made against the District as a result of the fire are unlikely to have a material adverse effect on the District's financial position.

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.

NOTE 11 – RISK MANAGEMENT (cont.)

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.

As of July 1, 2020, the District will be self-insured related to fire.

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, 2020

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
6/30/20	0.0819%	$ 3,280,103	$ 2,365,828	138.65%	78%
6/30/19	0.0819%	3,086,793	2,317,156	133.21%	78%
6/30/18	0.0832%	3,277,827	2,118,031	154.76%	75%
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, 2020

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
6/30/20	$ 529,563	$ 529,563	$ -	$ 2,380,688	22.24%
6/30/19	614,365	614,365	-	2,365,828	25.97%
6/30/18	555,604	555,604	-	2,317,156	23.98%
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. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

TRINITY PUBLIC UTILITIES DISTRICT

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2020

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 69,781	$ 78,375	$ 85,667
Interest	66,439	74,747	63,548
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	(215,726)	-
Changes of assumptions	101,672	(123,385)	(151,206)
Benefit payments	(70,796)	(68,616)	(66,192)
Net Change in Total OPEB Liability	167,096	(254,605)	(68,183)
Total OPEB Liability - Beginning	1,800,956	2,055,561	2,123,744
Total OPEB Liability - Ending	$ 1,968,052	$ 1,800,956	$ 2,055,561
Covered-employee payroll	$ 3,238,242	$ 2,852,514	$ 2,715,441
Total OPEB liability as a percentage of covered-employee payroll	60.78%	63.14%	75.70%

Notes to Schedule:
The District implemented GASB Statement No. 75 in fiscal year 2018. Information from 2011 - 2017 is not available and this schedule will be presented on a prospective basis.

Changes in benefit terms. There were no changes of benefit terms.

Changes in Assumptions.
The following discount rates were used in the period presented above:

2020	3.13%
2019	3.62%
2018	3.56%

The following inflation rates were used in the period presented above:

2020	2.50%
2019	2.50%
2018	2.75%

In addition, healthcare cost trend rates were 6.9% for 2020 and 2019, up from 6.8% in 2018.

SUPPLEMENTARY INFORMATION

TRINITY PUBLIC UTILITIES DISTRICT

SCHEDULE OF REVENUES AND EXPENSES - BUDGET TO ACTUAL
For the Year Ended June 30, 2020

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
OPERATING REVENUES					
Retail sales	$ 10,616,534	$ (91,390)	$ 10,525,144	$ 9,693,406	$ 831,738
Fees and charges	78,062	(1,156)	76,906	51,425	25,481
Other revenue	2,146,004	(67,665)	2,078,339	1,969,042	109,297
Total Operating Revenues	12,840,600	(160,211)	12,680,388	11,713,873	966,515
OPERATING EXPENSES					
Power acquisition	3,124,991	-	3,124,991	2,898,616	226,375
Operations and maintenance	3,673,874	-	3,673,874	3,002,509	671,365
Customer accounts	838,478	43,737	882,215	918,735	(36,520)
Administrative and general	1,819,445	(372,333)	1,447,112	1,523,035	(75,923)
Depreciation and amortization	2,252,045	(2,252,045)	-	-	-
Total Operating Expenses	11,708,833	(2,580,640)	9,128,191	8,342,895	785,296
Operating Income	1,131,767	2,420,429	3,552,197	3,370,978	181,219
NONOPERATING INCOME (EXPENSE)					
Investment income	153,851	(9,255)	163,106	94,143	68,963
Other income - Gain on Sale of Assets	25,000	25,000			-
Interest expense / Debt service	(680,143)	1,481,762	(2,161,905)	(2,161,905)	-
Other expense	-	-	-	-	-
Capital outlay	-	5,447,662	(5,447,662)	(4,960,389)	(487,273)
Total Nonoperating Revenues (Expense)	(501,292)	6,945,169	(7,446,460)	(7,028,151)	(418,309)
CAPITAL CONTRIBUTIONS	509,483	154,363	663,846	248,074	415,772
Change in Net Position	$ 1,139,958	$ (4,370,377)	$ (3,230,417)	$ (3,409,099)	$ 178,682