

**Pajaro Valley
Water Management Agency**

Board of Directors

Presentation of 2018 Audit Results

Fedak & Brown LLP



The Audit

- **The Audit was Performed in Accordance with Auditing Standards Generally Accepted in the United States of America**
 - **Our Audit Procedure Include:**
 - **Assess the Agency's Internal Controls**
 - **Agree Balance to Supporting Documentation**
 - **Perform Analysis of Key Relationships**



The Reports

Independent Auditor's Report

- **Unmodified “CLEAN” Opinion**
 - In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Pajaro Valley Water Management Agency** as of June 30, 2018....

Management Report

- **Communication to Those Charged With Governance**

Communication to Governing Board

- **Auditor's Responsibility Under U.S. GAAS**
- **Planned Scope of Audit – Audit Engagement Letter**
- **Corrected and/or Uncorrected Misstatements**
- **Difficulties Encountered in Performing the Audit**
- **Disagreements with Management**

Our Findings

- **We did not Identify Material Weakness Within the Agency's Internal Control Structure**

Financial Highlights

In 2018:

Net Position - Increased by \$5,552,263 to \$57,948,284 from ongoing operations.

Total Revenues - Increased by \$220,547 to \$14,404,141.

- **Program Revenues** – Increased by \$221,102 to \$13,910,897 primarily due to a \$2,092,690 increase in charges for service which was offset by a \$1,871,638 decrease in capital grants.
- **General Revenues** – Decreased by \$555 to \$493,244.

Total Expenses - Increased \$459,298 to \$8,851,878 primarily due to an increase of \$570,547 in water basin management; and was offset by a decreased by \$111,249 in interest on long-term debt.

Financial Highlights

Condensed Statements of Net Position

	<u>2018</u>	<u>As Restated 2017</u>	<u>Change</u>
Assets:			
Current assets	\$ 15,599,078	13,645,994	1,953,084
Capital assets, net	<u>75,740,465</u>	<u>74,934,267</u>	<u>806,198</u>
Total assets	<u>91,339,543</u>	<u>88,580,261</u>	<u>2,759,282</u>
Deferred outflows of resources	<u>493,065</u>	<u>431,674</u>	<u>61,391</u>
Liabilities:			
Current liabilities	4,132,161	4,571,859	(439,698)
Non-current liabilities	<u>29,728,137</u>	<u>31,991,720</u>	<u>(2,263,583)</u>
Total liabilities	<u>33,860,298</u>	<u>36,563,579</u>	<u>(2,703,281)</u>
Deferred inflows of resources	<u>24,026</u>	<u>52,335</u>	<u>(28,309)</u>
Net position:			
Net investment in capital assets	45,200,690	42,028,667	3,172,023
Restricted	253,681	253,553	128
Unrestricted	<u>12,493,913</u>	<u>10,113,801</u>	<u>2,380,112</u>
Total net position	<u>\$ 57,948,284</u>	<u>52,396,021</u>	<u>5,552,263</u>

Financial Highlights

Condensed Statements of Activities

	<u>2018</u>	<u>As Restated 2017</u>	<u>Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 12,544,903	10,452,213	2,092,690
Capital grants and contributions	1,365,994	3,237,582	(1,871,588)
Total program revenues	<u>13,910,897</u>	<u>13,689,795</u>	<u>221,102</u>
General revenues:			
Management fees	375,592	383,998	(8,406)
Investment earnings	87,079	53,183	33,896
Other revenues	30,573	56,618	(26,045)
Total general revenues	<u>493,244</u>	<u>493,799</u>	<u>(555)</u>
Total revenues	<u>14,404,141</u>	<u>14,183,594</u>	<u>220,547</u>
Expenses:			
Water basin management	7,911,675	7,341,128	570,547
Interest on long-term debt	940,203	1,051,452	(111,249)
Total expenses	<u>8,851,878</u>	<u>8,392,580</u>	<u>459,298</u>
Changes in net position	5,552,263	5,791,014	(238,751)
Net position, beginning of year	<u>52,396,021</u>	<u>46,605,007</u>	<u>5,791,014</u>
Net position, end of year	<u>\$ 57,948,284</u>	<u>52,396,021</u>	<u>5,552,263</u>