



External Audit Shows MID on Solid Footing

For Immediate Release: July 10, 2012

Contact: Mike Jensen

209-354-2856

mjensen@mercedid.org

MERCED, CA – An external audit of Merced Irrigation District’s finances has given the agency the highest possible financial opinion. Spanning 59 pages, the report also shows the District to be in good financial standing with healthy reserves and meeting all of its debt service requirements.

The annual audit for the 2010-2011 calendar years shows the District’s net assets increased by \$11.6 million while long-term debt decreased by \$1.8 million.

“These are difficult economic times and have required difficult decisions throughout MID,” said General Manager John Sweigard. “It is clear that we have made the right decisions for the fiscal health of the District and all of its stakeholders – especially our ratepayers. This report is particularly important this year as we look ahead and begin to face the reality of paying for bonds and debt associated with our hydroelectric relicensing.”

According to the audit, MID had \$71.5 million in operating revenue and \$62.7 million in expenses for the year. The result was a net income from operations to the District of \$8.8 million, which will be used to pay down debt and investment in capital improvements. The audit balance sheet shows MID has \$230 million in assets and \$131 million in liabilities.

The intense outside review of MID's finances was conducted over several months by Burr, Pilger, Mayer, Inc., based in San Francisco. The firm was selected following a formal request for proposals in 2011. MID was given an "unqualified opinion" following the firm's audit, the highest opinion an auditor can give.

"MID has successfully improved the District's financial standing by implementing cost and control measures and taking other actions to rein in spending during difficult economic times," said MID Director of Finance Brian Stubbart. "I am extremely pleased to see the results of this audit, as should MID's ratepayers, bond holders and other stakeholders."

MID's external audit is conducted each year and is required to provide assurance that the financial position of the District is being correctly reported. The financial statements are also used by the bond market and are part of the annual bond disclosure requirements ensuring proper debt coverage.

The full report may be viewed on MID's website by clicking [here](#).

###