



WESTERN AREA
WATER SUPPLY AUTHORITY

INDUSTRIAL WATER SALES

WATER TOPICS OVERVIEW COMMITTEE

Jaret Wirtz, Executive Director



INDUSTRIAL WATER SALES

Water Topics Overview Committee

WAWSA OPERATES NINE DEPOTS

- › **Reduced from Original Plan**
- › **Currently No Plans for Future Depots**

VARIOUS DIRECT PIPELINE CONNECTION LOCATIONS

- › **Temporary Connections**
- › **Permanent Connections**

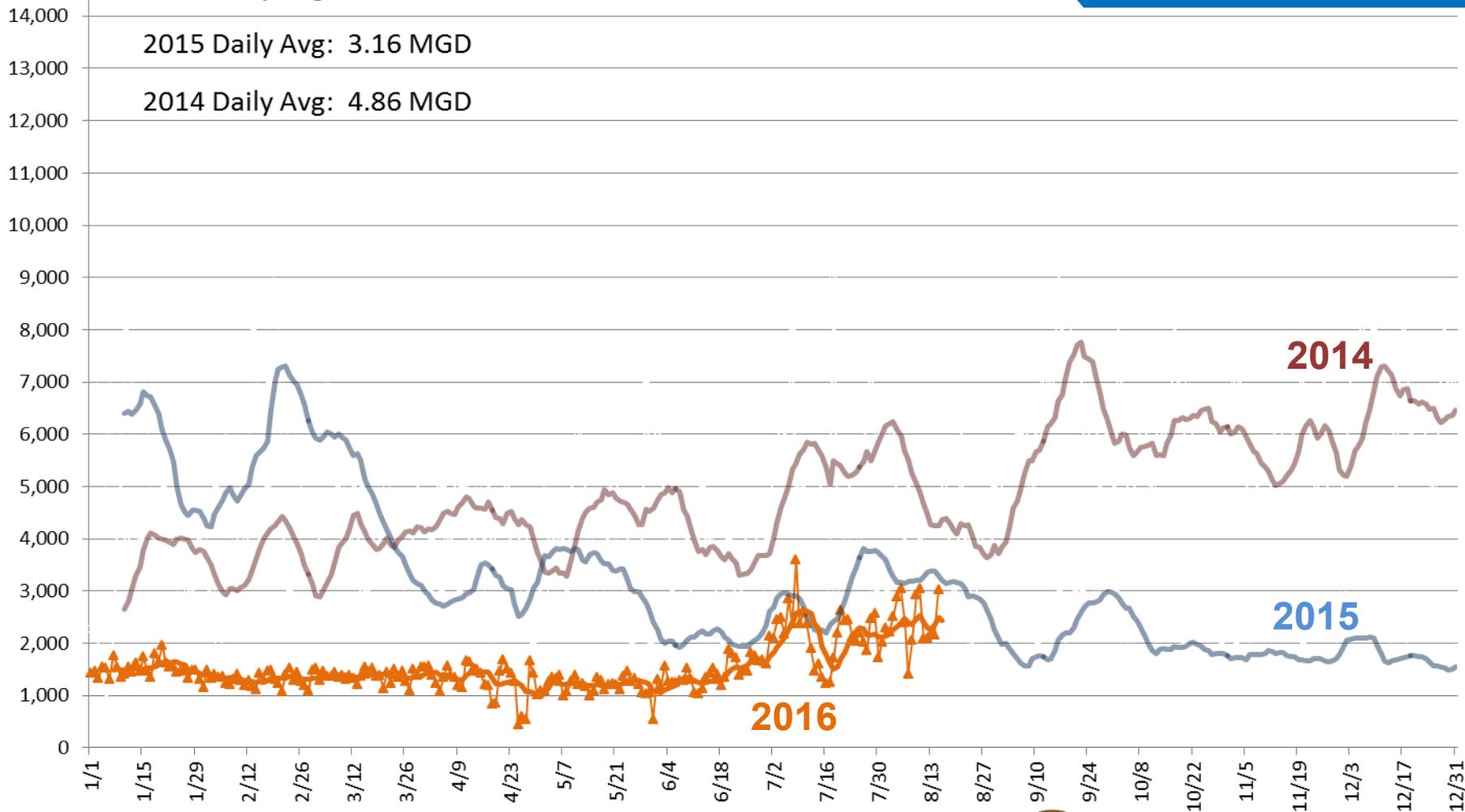
WAWSA INDUSTRIAL WATER DEMAND REPORT

Water Topics Overview Committee

2016 Daily Avg: 1.54 MGD

2015 Daily Avg: 3.16 MGD

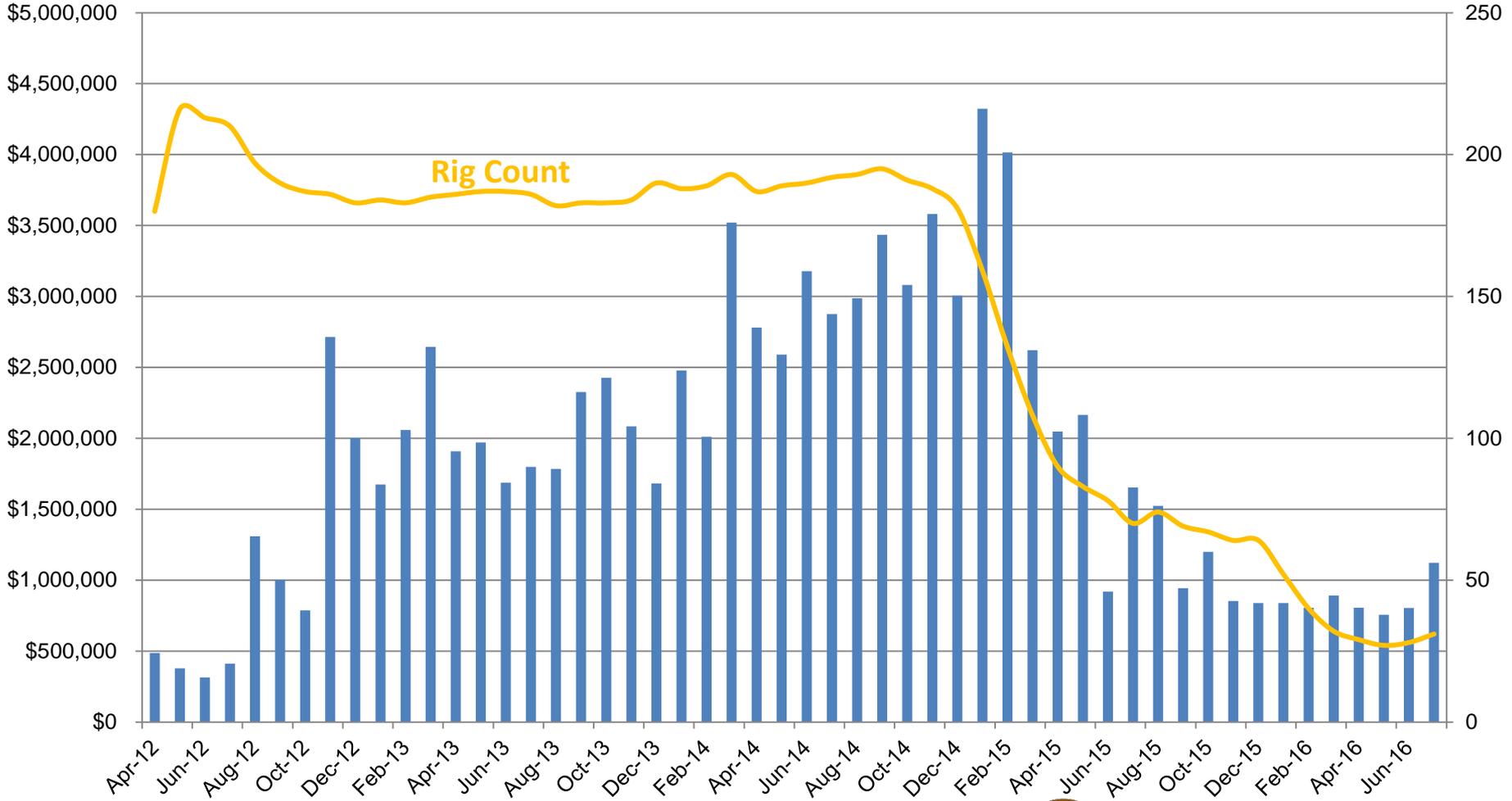
2014 Daily Avg: 4.86 MGD





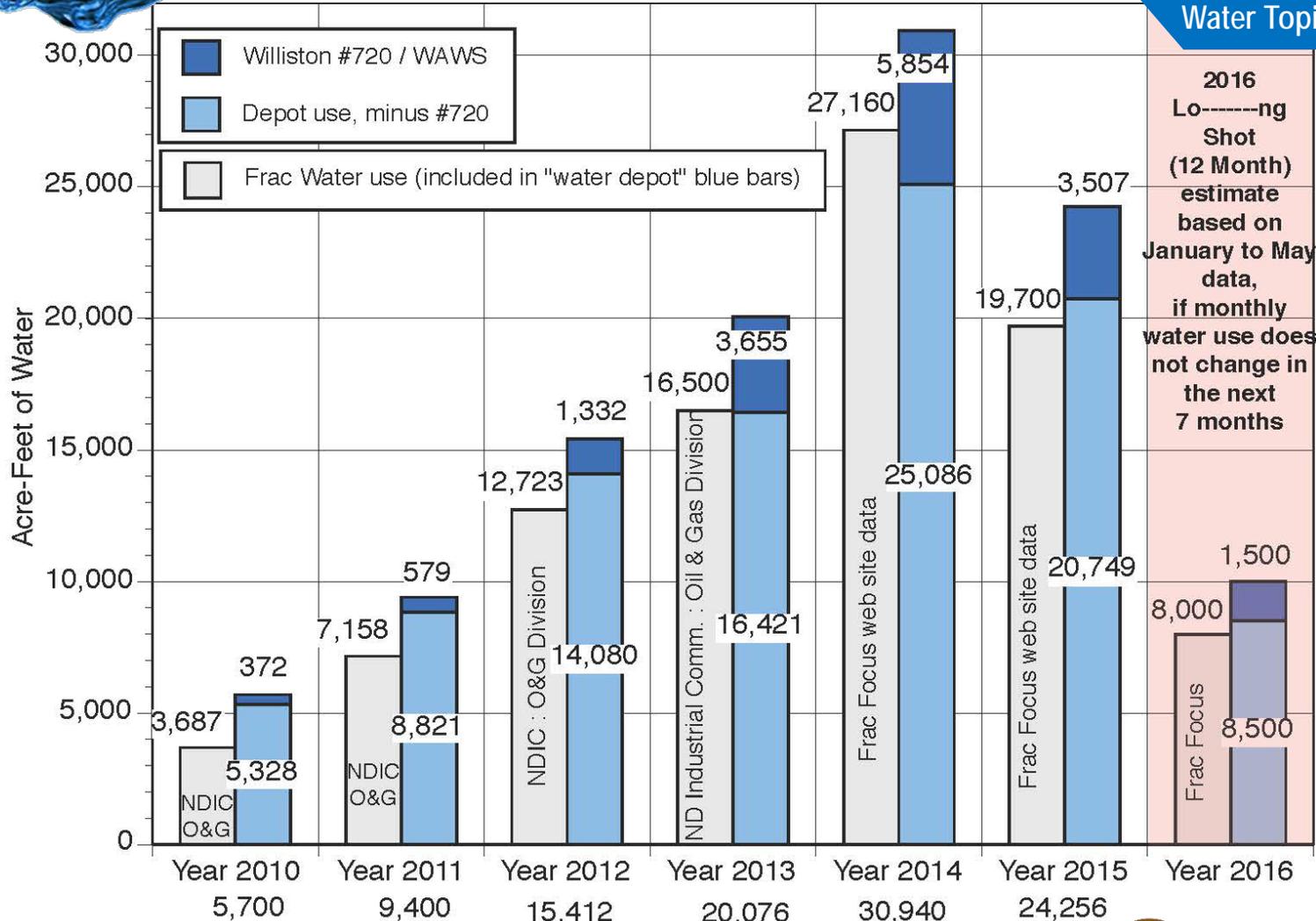
WAWSA GROSS MONTHLY INDUSTRIAL REVENUE

Water Topics Overview Committee



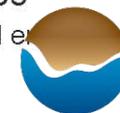
REPORTED ND OIL & GAS INDUSTRIAL WATER USAGE

Water Topics Overview Committee



2016 Long Shot (12 Month) estimate based on January to May data, if monthly water use does not change in the next 7 months

Sources: North Dakota Office of the State Engineer (O.S.E.); includes estimates for tribal and
 North Dakota Industrial Commission - Oil & Gas Division
 Frac Focus web site (FracFocus.org)



WESTERN AREA
WATER SUPPLY AUTHORITY

REPORTED ND OIL & GAS INDUSTRIAL WATER USAGE

Water Topics Overview Committee

WESTERN NORTH DAKOTA INDUSTRIAL WATER SUPPLY MARKET SHARE

| Year | WAWSA | | IWP/non-WAWSA | |
|------|-------------|--------------|---------------|--------------|
| | Volume | Market Share | Volume | Market Share |
| 2012 | 1,507 ac-ft | 9.8% | 13,905 ac-ft | 90.8% |
| 2013 | 3,903 ac-ft | 19.4% | 16,172 ac-ft | 80.6% |
| 2014 | 6,100 ac-ft | 19.7% | 24,839 ac-ft | 80.3% |
| 2015 | 3,600 ac-ft | 14.8% | 20,656 ac-ft | 85.2% |



SB2233 INDUSTRIAL WATER SALES REVIEW

Water Topics Overview Committee

INDUSTRIAL WATER DEPOT & LATERAL SALES

SB2233 placed responsibility of industrial water sales on the State of North Dakota (administered by Water and Industrial Commissions)

- › State responsible for industrial sales
- › State sweeps all industrial water sales revenue
- › State Water and Industrial Commissions given oversight of industrial sales
- › Industrial Commission sets industrial water rates
- › SB2233 modified default language – State’s responsibility

INDUSTRIAL WATER SALES REVENUE PRIORITIES

- › \$150,000 per biennium to industrial commission
- › Water depot capital improvements
- › Cost for production and delivery of industrial water
- › Payments on existing member infrastructure debt (Pipelines, Reservoirs, Pump Stations, Water Treatment Plants - \$47.5M)
- › 2010 baseline industrial water sales (\$4.8M annually)
- › Payments on state-guaranteed loans (\$189.5M – Face Value)
- › Additional payments on state-guaranteed loans
- › Payments to the Resources Trust Fund (after all loans are paid)



SB2233 INDUSTRIAL WATER SALES REVIEW

Water Topics Overview Committee

WATER RATES

The authority shall develop an industrial water depot and lateral retail rate and present the rate to the Industrial Commission for approval. Any industrial water depot and lateral rate adjustment must have approval of the industrial commission before going into effect.

The authority shall develop domestic water rates that must include all costs for operations, maintenance, and operating and capital reserves, and debt repayment of all infrastructure managed or constructed by the authority, with the exception of the costs identified in Section 19 of this Act which are paid for by industrial water depot and lateral sales.

DEFAULT

*The industrial commission shall provide **written notification to the State Water Commission and direct the Bank of North Dakota to consider revision of the terms of the loan repayment.** If the authority is in default in the payment of the principal of or interest on the obligation to the Bank of North Dakota for a loan for which the Bank of North Dakota is the source of funds for the loan, **the state water commission shall request funding from the legislative assembly to repay the principal and interest due.***



CONSTRUCTION FUNDING

...In accepting construction funding, the authority and participating member entities agree to not hinder or prevent depot and lateral industrial water sales for oil and gas exploration and production.



CONSTRUCTION FUNDING

...In accepting construction funding, the authority and participating member entities agree to not hinder or prevent depot and lateral industrial water sales for oil and gas exploration and production.

FRANCHISE PROTECTION

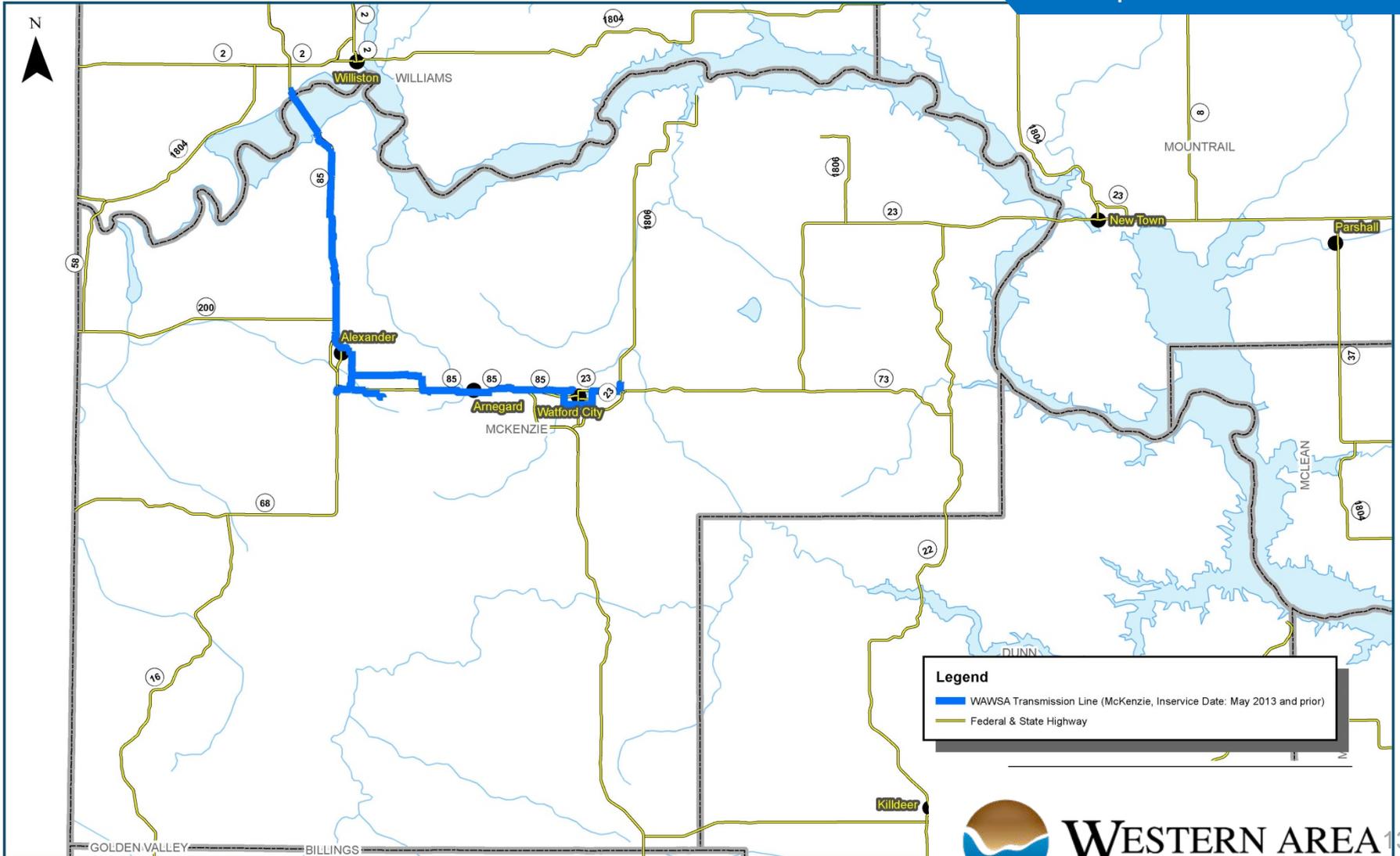
Notwithstanding any other provision of law, neither the authority nor its participating member entities may be required to waive the right to assert franchise protection under state or federal law with regard to water used for purposes other than industrial sales for oil and gas exploration and production.

> FRANCHISE PROTECTION WAIVED FOR OIL & GAS PRODUCTION



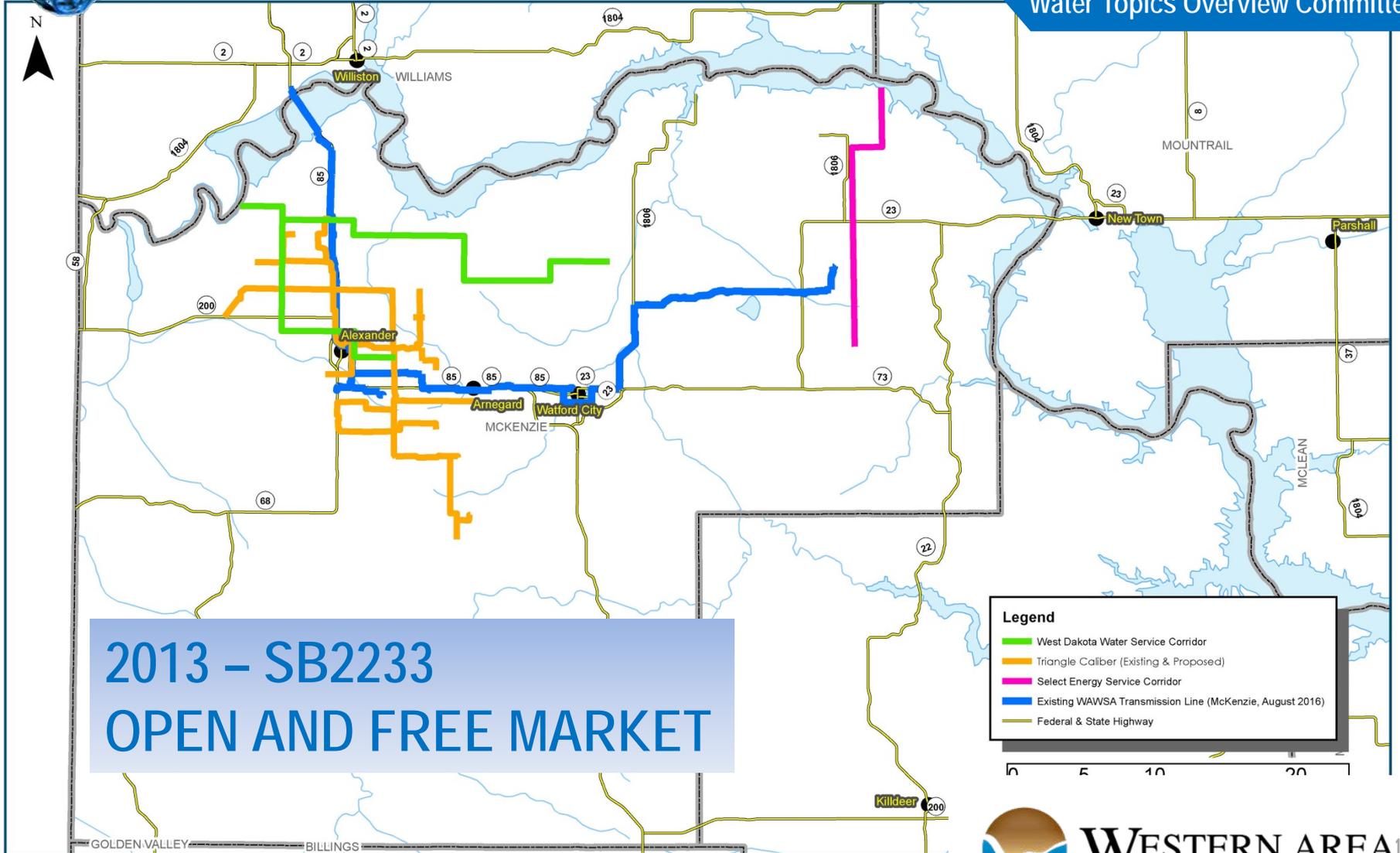
WATER PIPELINES MCKENZIE COUNTY 2012

Water Topics Overview Committee



WATER PIPELINES MCKENZIE COUNTY 2016

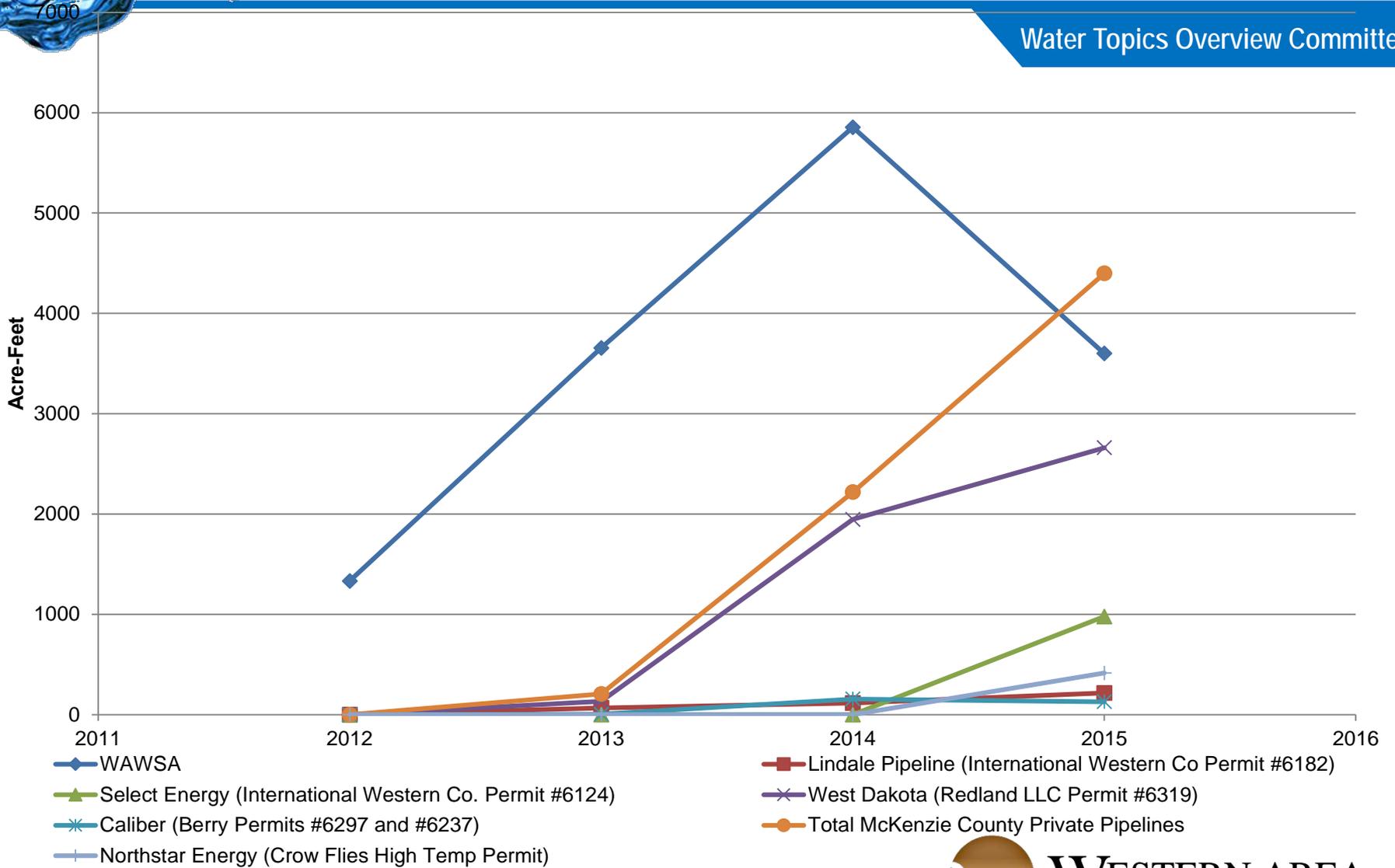
Water Topics Overview Committee



WESTERN AREA¹⁴
WATER SUPPLY AUTHORITY

IMPACTS OF SB2233 – MCKENZIE COUNTY

Water Topics Overview Committee



WAWSA PRINCIPAL & INTEREST PAYMENTS

Water Topics Overview Committee

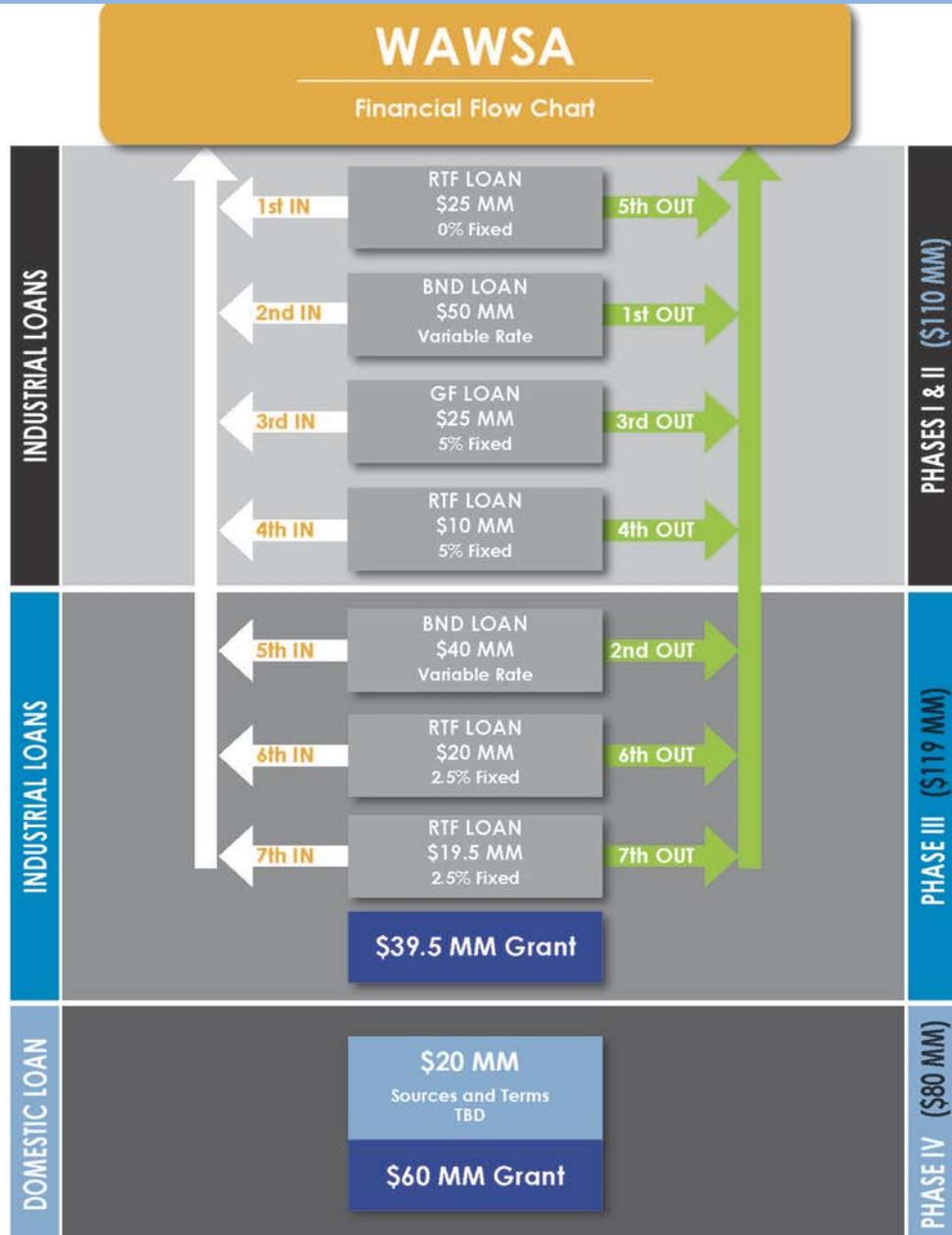
| Loan | Source | Amount | Rate | Interest Paid | Principal Paid | Balance |
|---------|--------|----------|-------------|---------------|----------------|---------------|
| Loan #1 | RTF | \$25M | 0.00% (F) | \$0 | \$0 | \$25,000,000 |
| Loan #2 | BND | \$50M | 2.00% (V) | \$3,127,667 | \$21,397,754 | \$28,602,246 |
| Loan #3 | NDGF | \$25M | 5.00% (F) | \$3,473,234 | \$0 | \$25,000,000 |
| Loan #4 | RTF | \$10M | 5.00% (F) | \$1,139,133 | \$0 | \$10,000,000 |
| Loan #5 | BND | \$40M | 1.9675% (V) | \$1,586,512 | \$2,763,564 | \$37,236,436 |
| Loan #6 | RTF | \$20M | 2.50% (F) | \$814,914 | \$0 | \$20,000,000 |
| Loan #7 | RTF | \$19.5M | 2.50% (F) | \$467,111 | \$0 | \$17,296,940 |
| Totals | | \$189.5M | | \$10,608,571 | \$24,161,318 | \$165,338,682 |

**TOTAL PRINCIPAL & INTEREST PAID UPON DEBT
RETIREMENT \$237M**



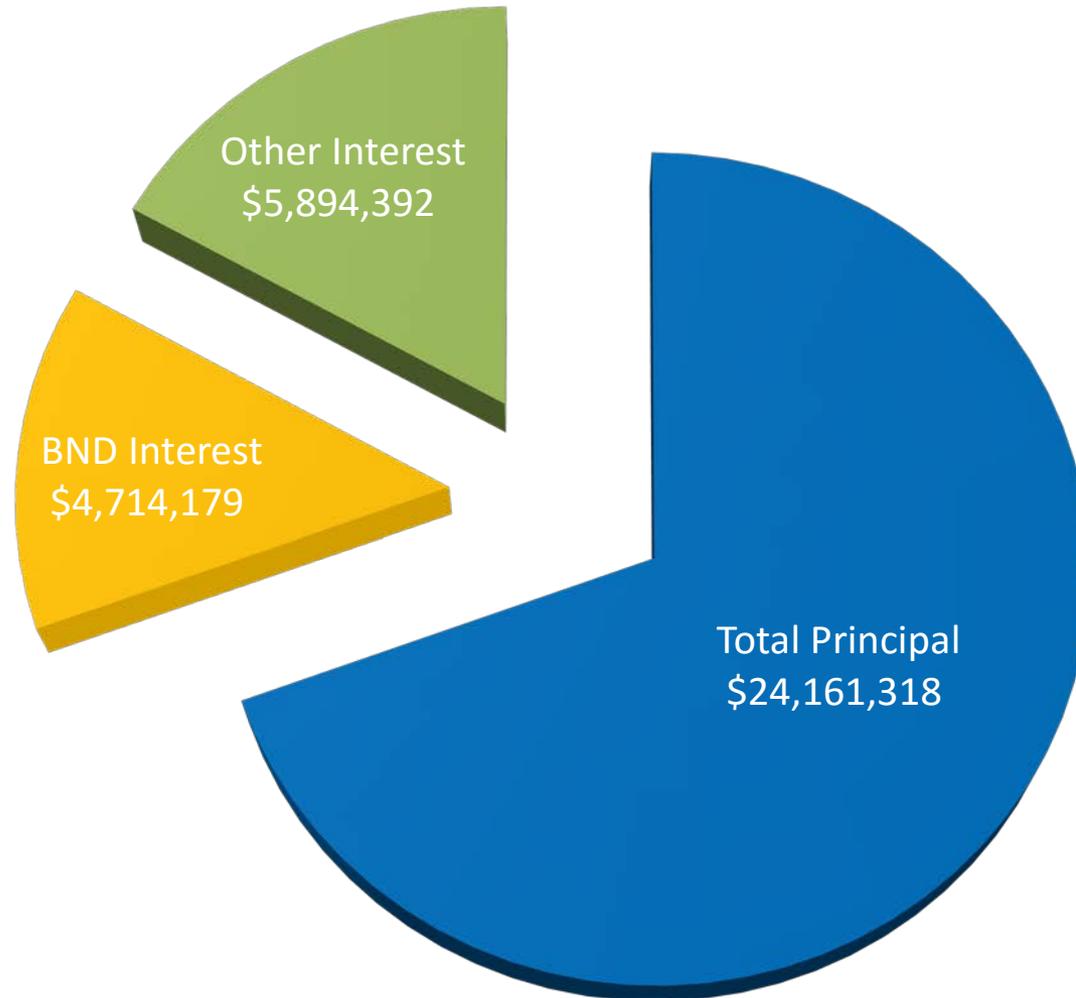
WAWSA LOAN PAYBACK

Water Topics Overview Committee



WAWSA PRINCIPAL & INTEREST

Water Topics Overview Committee



Since 2012
Total Principal &
Interest Payments
To Date:
\$34,769,889





WESTERN AREA
WATER SUPPLY AUTHORITY



QUESTIONS?

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Western North Dakota Industrial Water Supply Market Share

| Year | WAWSA | | IWP/non-WAWSA | |
|------|-------------|--------------|---------------|--------------|
| | Volume | Market Share | Volume | Market Share |
| 2012 | 1,332 ac-ft | 8.0% | 15,030 ac-ft | 92.0% |
| 2013 | 3,655 ac-ft | 18.5% | 16,079 ac-ft | 81.5% |
| 2014 | 5,854 ac-ft | 21.4% | 24,029 ac-ft | 80.4% |
| 2015 | 3,507 ac-ft | 14.5% | 20,749 ac-ft | 86.5% |

Western Area Water Supply Authority Domestic O&M Water Rates

| Entity | Domestic Water Rate Per 1,000 Gallons | | |
|---|---------------------------------------|-----------------|-------------|
| | 2011-2014 | 2015 | 2016 |
| City of Williston | \$1.83 | \$1.87 | \$1.91 |
| Williams Rural Water District | \$3.16 | \$3.31 | \$3.38 |
| R&T Water Supply Commerce Authority | \$3.16 | \$3.31 | \$3.38 |
| BDW Rural Water | \$3.16 | \$3.31 | \$3.38 |
| McKenzie County Water Resource District | \$3.87 | \$3.87 | \$3.95 |
| Annual Increase | n/a | 2 – 5% Increase | 2% Increase |

Western North Dakota Population Projections

| | Year | | | |
|-----------------------------|---------|---------|---------|-----------|
| | 2011 | 2012 | 2014 | 2015 |
| Peak Population | 48,000 | 100,000 | 160,000 | 125,000* |
| Rural Users (non-municipal) | 400 | 17,000+ | | 14,000* |
| Estimated Project Cost | \$150 M | \$350 M | \$479 M | \$471 M** |
| New Wells to be Drilled | 20,000 | 50,000 | 70,000 | 58,000 |

*Estimated based on reduction in number of wells projected to be drilled.

**Impact of population reduction on Estimated Project Cost, if any, to be determined.

Western Area Water Supply Authority Interest and Principal Payments***

| Loan | Source | Amount | Rate | Interest | Principal | Balance |
|---------------|--------|------------------|-----------|---------------------|---------------------|----------------------|
| Loan #1 | RTF | \$25 M | 0.00% (F) | \$0 | \$0 | \$25,000,000 |
| Loan #2 | BND | \$50 M | 2.00% (V) | \$3,079,082 | \$21,397,754 | \$28,602,246 |
| Loan #3 | NDGF | \$25 M | 5.00% (F) | \$3,473,234 | \$0 | \$25,000,000 |
| Loan #4 | RTF | \$10 M | 5.00% (F) | \$1,139,133 | \$0 | \$10,000,000 |
| Loan #5 | BND | \$40 M | 1.9675(V) | \$1,528,030 | \$2,529,696 | \$37,470,304 |
| Loan #6 | RTF | \$20 M | 2.50% (F) | \$772,449 | \$0 | \$20,000,000 |
| Loan #7 | RTF | \$19.5 M | 2.50% (F) | \$425,707 | \$0 | \$19,500,000 |
| Totals | | \$189.5 M | | \$10,417,635 | \$23,927,450 | \$165,572,550 |

***Table includes loans backed by industrial water sales revenues only.

Western Area Water Supply Authority
Profit & Loss
January through June 2016

Accrual Basis

| | <u>Jan - Jun 16</u> |
|--|---------------------|
| Ordinary Income/Expense | |
| Income | |
| 2010 Baseline Sales Reimb NDIC | 2,399,892.54 |
| Billing and Invoicing | 48,567.31 |
| Bulk Commercial Water Sales | 242,836.60 |
| Bulk Commercial Wtr Reimb - Mem | 52,107.46 |
| Debt Pmt Reimbursement - NDIC (Interest) | 475,211.64 |
| Domestic Water Sales | 2,894,482.15 |
| Indust Wtr Cost Reimb NDIC | 979,597.51 |
| Member Reimb Loan Interest | 29,958.32 |
| Miscellaneous Income | 126,127.43 |
| NDIC Reimb - Loan Interest | 1,142,195.64 |
| Sales | 6,023.66 |
| Total Income | 8,397,000.26 |
| Cost of Goods Sold | |
| 50000 · Cost of Goods Sold (Costs of items purchased and then sold to customers) | 6,023.66 |
| Total COGS | 6,023.66 |
| Gross Profit | 8,390,976.60 |
| Expense | |
| Advertising | 18,432.49 |
| Armstrong - MDU Deficiency Pmt | 15,000.00 |
| Bad Debt Expense | 3,434.26 |
| Bank Charges | 1,445.50 |
| BDW Water System Association | 130,171.00 |
| Board of Directors Expense | 9,114.37 |
| City of Williston | 3,033,446.98 |
| Computer Expense | 9,906.48 |
| Credit Card Fee | 341.80 |
| Dues & Subscriptions | 302.90 |
| Easement Expense | 169.00 |
| Employee Benefits | 147,749.88 |
| Freight | 1,442.06 |
| Gain/Loss on Disposal | -1,693.78 |
| Insurance | 32,731.31 |
| Interest Expense | 1,172,153.96 |
| Line Breaks | 46,890.24 |
| Line Locates | 1,191.70 |
| MCWRD | 1,037,539.50 |
| Meals and Entertainment | 3,062.74 |
| Office Expense | 18,320.23 |
| Operation Expense | 8,544.16 |
| Payroll Expenses | 555,059.74 |
| Postage Expense | 982.18 |

Western Area Water Supply Authority
Profit & Loss
January through June 2016

Accrual Basis

| | Jan - Jun 16 |
|---------------------------------|----------------------|
| Professional Fees | 86,976.93 |
| Promotional | 7,533.72 |
| Publications | 97.00 |
| R&T Water Supply Commerce Autho | 1,752,453.50 |
| Realestate Taxes | 15,329.58 |
| Reclamation | 36,013.35 |
| Rent or Lease | 65,048.94 |
| Shop Expense | 4,668.20 |
| Telemetry Expense | 67,051.54 |
| Telephone Expense | 5,607.00 |
| Training and Education | 4,842.00 |
| Travel - Employee | 7,625.72 |
| Uncategorized Expenses | 0.00 |
| Utilities | 10,850.75 |
| Vehicle | 32,003.15 |
| Water Sampling Expense | 550.00 |
| Website Design and Development | 420.00 |
| WRWD | 93,392.98 |
| Total Expense | 8,436,203.06 |
| Net Ordinary Income | -45,226.46 |
| Other Income/Expense | |
| Other Income | |
| NDIC Capital Reimbursements | 56,335.11 |
| NDIC Remb Principal Member Debt | 1,149,005.46 |
| SWC Grant \$39.5M | 683,162.50 |
| SWC Grant \$60M | 8,285,941.69 |
| Total Other Income | 10,174,444.76 |
| Other Expense | |
| Amortization Expense | 315,915.60 |
| Depreciation | 1,502,335.15 |
| Program Management Services | 42,486.70 |
| Total Other Expense | 1,860,737.45 |
| Net Other Income | 8,313,707.31 |
| Net Income | 8,268,480.85 |

Western Area Water Supply Authority
Profit & Loss Budget vs. Actual
January through June 2016

Accrual Basis

| | Jan - Jun 16 | Budget | \$ Over Budget | % of Budget |
|--|--------------------------|---------------|----------------|-------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 2010 Baseline Sales Reimb NDIC | 2,399,892.54 | 2,399,889.96 | 2.58 | 100.0% |
| Billing and Invoicing | 48,567.31 | 139,000.02 | -90,432.71 | 34.9% |
| Bulk Commercial Water Sales | 242,836.60 | 694,999.98 | -452,163.38 | 34.9% |
| Bulk Commercial Wtr Reimb - Mem | 52,107.46 | 117,717.48 | -65,610.02 | 44.3% |
| Debt Pmt Reimbursement - NDIC (Interest) | 475,211.64 | 482,952.00 | -7,740.36 | 98.4% |
| Domestic Water Sales | 2,894,482.15 | 4,054,521.72 | -1,160,039.57 | 71.4% |
| Indust Wtr Cost Reimb NDIC | 979,597.51 | 1,414,777.50 | -435,179.99 | 69.2% |
| Member Reimb Loan Interest | 29,958.32 | 107,499.96 | -77,541.64 | 27.9% |
| Miscellaneous Income | 126,127.43 | 116,700.00 | 9,427.43 | 108.1% |
| NDIC Reimb - Loan Interest Sales | 1,142,195.64 6,023.66 | 1,945,818.00 | -803,622.36 | 58.7% |
| Total Income | 8,397,000.26 | 11,473,876.62 | -3,076,876.36 | 73.2% |
| Cost of Goods Sold | | | | |
| 50000 · Cost of Goods Sold (Costs of items purchased and then sold to customers) | 6,023.66 | | | |
| Total COGS | 6,023.66 | | | |
| Gross Profit | 8,390,976.60 | 11,473,876.62 | -3,082,900.02 | 73.1% |
| Expense | | | | |
| Advertising | 18,432.49 | 10,925.04 | 7,507.45 | 168.7% |
| Armstrong - MDU Deficiency Pmt | 15,000.00 | 32,500.02 | -17,500.02 | 46.2% |
| Bad Debt Expense | 3,434.26 | 2,500.02 | 934.24 | 137.4% |
| Bank Charges | 1,445.50 | 799.98 | 645.52 | 180.7% |
| BDW Water System Association | 130,171.00 | 129,875.46 | 295.54 | 100.2% |
| Billable/Reimbursable | 0.00 | 0.00 | 0.00 | 0.0% |
| Board of Directors Expense | 9,114.37 | 1,350.00 | 7,764.37 | 675.1% |
| City of Williston | 3,033,446.98 | 3,207,724.02 | -174,277.04 | 94.6% |
| Computer Expense | 9,906.48 | 9,150.00 | 756.48 | 108.3% |
| Credit Card Fee | 341.80 | 124.98 | 216.82 | 273.5% |
| Dues & Subscriptions | 302.90 | 2,500.02 | -2,197.12 | 12.1% |
| Easement Expense | 169.00 | 250.02 | -81.02 | 67.6% |
| Employee Benefits | 147,749.88 | 145,508.04 | 2,241.84 | 101.5% |
| Freight | 1,442.06 | 424.98 | 1,017.08 | 339.3% |
| Gain/Loss on Disposal | -1,693.78 | 10,000.02 | -11,693.80 | -16.9% |
| Insurance | 32,731.31 | 31,339.92 | 1,391.39 | 104.4% |
| Interest Expense | 1,172,153.96 | 2,053,318.02 | -881,164.06 | 57.1% |
| Line Breaks | 46,890.24 | 149,999.94 | -103,109.70 | 31.3% |
| Line Locates | 1,191.70 | 14,125.02 | -12,933.32 | 8.4% |
| MCWRD | 1,037,539.50 | 1,345,343.58 | -307,804.08 | 77.1% |
| Meals and Entertainment | 3,062.74 | 2,124.96 | 937.78 | 144.1% |
| Office Expense | 18,320.23 | 28,050.00 | -9,729.77 | 65.3% |
| Operation Expense | 8,544.16 | 42,300.00 | -33,755.84 | 20.2% |
| Payroll Expenses | 555,059.74 | 617,612.46 | -62,552.72 | 89.9% |
| Postage Expense | 982.18 | 1,000.02 | -17.84 | 98.2% |
| Professional Fees | 86,976.93 | 161,500.02 | -74,523.09 | 53.9% |
| Promotional | 7,533.72 | 38,749.98 | -31,216.26 | 19.4% |
| Publications | 97.00 | | | |
| R&T Water Supply Commerce Autho | 1,752,453.50 | 1,814,255.96 | -61,802.46 | 96.6% |
| Realestate Taxes | 15,329.58 | 10,050.00 | 5,279.58 | 152.5% |
| Reclamation | 36,013.35 | 10,000.02 | 26,013.33 | 360.1% |

Western Area Water Supply Authority
Profit & Loss Budget vs. Actual
January through June 2016

Accrual Basis

| | Jan - Jun 16 | Budget | \$ Over Budget | % of Budget |
|---------------------------------|----------------------|----------------------|-----------------------|---------------|
| Rent or Lease | 65,048.94 | 64,999.98 | 48.96 | 100.1% |
| Shop Expense | 4,668.20 | | | |
| Telemetry Expense | 67,051.54 | 63,750.00 | 3,301.54 | 105.2% |
| Telephone Expense | 5,607.00 | 7,299.96 | -1,692.96 | 76.8% |
| Training and Education | 4,842.00 | 9,249.96 | -4,407.96 | 52.3% |
| Travel - Employee | 7,625.72 | 6,250.08 | 1,375.64 | 122.0% |
| Uncategorized Expenses | 0.00 | | | |
| Utilities | 10,850.75 | 32,499.96 | -21,649.21 | 33.4% |
| Vehicle | 32,003.15 | 39,000.00 | -6,996.85 | 82.1% |
| Water Sampling Expense | 550.00 | 1,500.00 | -950.00 | 36.7% |
| Website Design and Development | 420.00 | | | |
| WRWD | 93,392.98 | 200,949.84 | -107,556.86 | 46.5% |
| Total Expense | 8,436,203.06 | 10,298,902.28 | -1,862,699.22 | 81.9% |
| Net Ordinary Income | -45,226.46 | 1,174,974.34 | -1,220,200.80 | -3.8% |
| Other Income/Expense | | | | |
| Other Income | | | | |
| Member Entities Loan Prin. Reim | 0.00 | 499,999.98 | -499,999.98 | 0.0% |
| NDIC Capital Reimbursements | 56,335.11 | 499,999.98 | -443,664.87 | 11.3% |
| NDIC Remb Principal Member Debt | 1,149,005.46 | 1,156,500.00 | -7,494.54 | 99.4% |
| SWC Grant \$39.5M | 683,162.50 | 600,000.00 | 83,162.50 | 113.9% |
| SWC Grant \$60M | 8,285,941.69 | 22,500,000.00 | -14,214,058.31 | 36.8% |
| Total Other Income | 10,174,444.76 | 25,256,499.96 | -15,082,055.20 | 40.3% |
| Other Expense | | | | |
| Amortization Expense | 315,915.60 | 310,000.02 | 5,915.58 | 101.9% |
| Depreciation | 1,502,335.15 | 1,397,500.02 | 104,835.13 | 107.5% |
| Program Management Services | 42,486.70 | 29,749.98 | 12,736.72 | 142.8% |
| Total Other Expense | 1,860,737.45 | 1,737,250.02 | 123,487.43 | 107.1% |
| Net Other Income | 8,313,707.31 | 23,519,249.94 | -15,205,542.63 | 35.3% |
| Net Income | 8,268,480.85 | 24,694,224.28 | -16,425,743.43 | 33.5% |

Western Area Water Supply Authority
Balance Sheet
As of June 30, 2016

Accrual Basis

| | Jun 30, 16 |
|--|-----------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| BND - RESERVE CKG | 2,824,323.62 |
| CHECKING - First Nat'l Bank | 946,887.14 |
| Escrow Acct ASI-MDU-WAWSA-BND (Escrow Account for MDU) | 801,760.01 |
| Project Funds | 1,899,276.88 |
| Renewal & Replacement Reserve (\$50M) | 6,832,142.44 |
| Total Checking/Savings | 13,304,390.09 |
| Accounts Receivable | |
| Accounts Receivable (A/R) | 2,857,581.13 |
| Total Accounts Receivable | 2,857,581.13 |
| Other Current Assets | |
| Prepaid Expenses | 2,316.61 |
| Prepaid Insurance | 12,156.81 |
| Receivables-Reimbursables | 56,267.84 |
| 12100 - *Inventory Asset (Costs of inventory purchased for resale) | 223,116.28 |
| Total Other Current Assets | 293,857.54 |
| Total Current Assets | 16,455,828.76 |
| Fixed Assets | |
| Accumulated Amortization | -2,157,815.83 |
| Accumulated Depreciation | -10,489,165.43 |
| Crop Damage Payments | 1,029,352.26 |
| Depot Cameras | 32,400.00 |
| Easements | 5,003,772.09 |
| Flowpoint | 739,626.71 |
| Gen & Admin Project Cost | 817,851.38 |
| General & Administrative Fixed | 6,198,561.03 |
| Industrial Direct Connections | 8,785.11 |
| Intangible Asset - Crosby | 151,108.00 |
| Intangible Asset - MCWRD | 13,785,825.00 |
| Intangible Asset - R & T | 8,565,622.00 |
| Intangible Asset - Williston | 18,645,000.00 |
| Leasehold Improvements | 9,870.00 |
| North Area Fixed Assets | 38,200,900.88 |
| Project Development | 680,841.52 |
| Rig Mats | 65,200.00 |
| Rural System Development | 289,191.84 |
| Rural Water Service Areas | 90,449,280.31 |
| Signage | 123,735.99 |
| South Area Fixed Assets | 35,819,778.25 |
| Telemetry/Radio Towers | 973,626.60 |
| Williston Area Fixed Assets | 88,336,566.96 |
| Total Fixed Assets | 297,279,914.67 |
| Other Assets | |
| Pension Deferred Outflows | 292,985.00 |
| Total Other Assets | 292,985.00 |
| TOTAL ASSETS | 314,028,728.43 |
| LIABILITIES & EQUITY | |

Western Area Water Supply Authority
Balance Sheet
As of June 30, 2016

Accrual Basis

| | Jun 30, 16 |
|--|-----------------------|
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| Accounts Payable | 15,839,715.29 |
| Total Accounts Payable | 15,839,715.29 |
| Other Current Liabilities | |
| Accrued Expenses | 32,500.00 |
| Member Debt Allocations (Member Receipts for WAWSA's domestic loans) | 577,493.68 |
| Vacations Payable | 27,595.81 |
| Total Other Current Liabilities | 637,589.49 |
| Total Current Liabilities | 16,477,304.78 |
| Long Term Liabilities | |
| MCWRD - Debt | 12,011,703.52 |
| Notes Payable | 173,072,549.75 |
| Pension | 690,603.00 |
| R & T Debt | 7,322,289.02 |
| Williston - Debt | 13,222,500.00 |
| Total Long Term Liabilities | 206,319,645.29 |
| Total Liabilities | 222,796,950.07 |
| Equity | |
| Loan Transfer (Principal pmt reimbursed from Industrial Acct) | 23,927,450.25 |
| Net Position | 59,035,847.26 |
| Net Income | 8,268,480.85 |
| Total Equity | 91,231,778.36 |
| TOTAL LIABILITIES & EQUITY | 314,028,728.43 |

**Western Area Water Supply - Industrial Account
Profit & Loss**

Accrual Basis

January through June 2016

| | <u>Jan - Jun 16</u> |
|------------------------------|----------------------------|
| Ordinary Income/Expense | |
| Income | |
| Industrial Water Sales | 4,904,296.96 |
| Miscellaneous Income | 10,529.18 |
| Total Income | <u>4,914,826.14</u> |
| Gross Profit | 4,914,826.14 |
| Expense | |
| 2010 Baseline Sales | 0.00 |
| Accrued Interest | 1,142,195.64 |
| Bad Debt Expense | 26,191.77 |
| Bank Service Charge | 28.50 |
| Capital Project Expenditures | 56,335.11 |
| Debt Payments | 1,624,217.10 |
| Industrial Wtr Reimbursement | 979,597.51 |
| NDIC Full Time Employee | 37,500.00 |
| Total Expense | <u>3,866,065.63</u> |
| Net Ordinary Income | 1,048,760.51 |
| Other Income/Expense | |
| Other Income | |
| Finance Charge | 9,213.10 |
| Total Other Income | <u>9,213.10</u> |
| Net Other Income | 9,213.10 |
| Net Income | <u><u>1,057,973.61</u></u> |

**Western Area Water Supply - Industrial Account
Profit & Loss Budget vs. Actual**

Accrual Basis

January through June 2016

| | <u>Jan - Jun 16</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|--------------------------------|----------------------------|---------------------------|----------------------------|-----------------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Industrial Water Sales | 4,904,296.96 | 7,300,000.00 | -2,395,703.04 | 67.2% |
| Miscellaneous Income | 10,529.18 | | | |
| Total Income | <u>4,914,826.14</u> | <u>7,300,000.00</u> | <u>-2,385,173.86</u> | <u>67.3%</u> |
| Gross Profit | 4,914,826.14 | 7,300,000.00 | -2,385,173.86 | 67.3% |
| Expense | | | | |
| 2010 Baseline Sales | 0.00 | 2,399,889.96 | -2,399,889.96 | 0.0% |
| Accrued Interest | 1,142,195.64 | 1,945,818.06 | -803,622.42 | 58.7% |
| Bad Debt Expense | 26,191.77 | 2,500.02 | 23,691.75 | 1,047.7% |
| Bank Service Charge | 28.50 | 49.98 | -21.48 | 57.0% |
| Capital Project Expenditures | 56,335.11 | | | |
| Debt Payments | 1,624,217.10 | 1,639,450.20 | -15,233.10 | 99.1% |
| Industrial Wtr Reimbursement | 979,597.51 | 1,414,777.50 | -435,179.99 | 69.2% |
| NDIC Full Time Employee | 37,500.00 | 37,500.00 | 0.00 | 100.0% |
| Total Expense | <u>3,866,065.63</u> | <u>7,439,985.72</u> | <u>-3,573,920.09</u> | <u>52.0%</u> |
| Net Ordinary Income | 1,048,760.51 | -139,985.72 | 1,188,746.23 | -749.2% |
| Other Income/Expense | | | | |
| Other Income | | | | |
| Finance Charge | 9,213.10 | 4,999.98 | 4,213.12 | 184.3% |
| Total Other Income | <u>9,213.10</u> | <u>4,999.98</u> | <u>4,213.12</u> | <u>184.3%</u> |
| Net Other Income | <u>9,213.10</u> | <u>4,999.98</u> | <u>4,213.12</u> | <u>184.3%</u> |
| Net Income | <u><u>1,057,973.61</u></u> | <u><u>-134,985.74</u></u> | <u><u>1,192,959.35</u></u> | <u><u>-783.8%</u></u> |

**Western Area Water Supply - Industrial Account
Balance Sheet**

Accrual Basis

As of June 30, 2016

| | <u>Jun 30, 16</u> |
|---------------------------------------|----------------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| BND Industrial Account | 83,672.88 |
| Total Checking/Savings | 83,672.88 |
| Accounts Receivable | |
| Accounts Receivable | 1,669,796.66 |
| Total Accounts Receivable | 1,669,796.66 |
| Other Current Assets | |
| Allowance for Bad Debts | -112,467.00 |
| Deferred Expense | 2,399,892.54 |
| Undeposited Funds | 5,885.83 |
| Total Other Current Assets | 2,293,311.37 |
| Total Current Assets | 4,046,780.91 |
| TOTAL ASSETS | <u>4,046,780.91</u> |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| Accounts Payable | 2,437,392.54 |
| Total Accounts Payable | 2,437,392.54 |
| Total Current Liabilities | 2,437,392.54 |
| Total Liabilities | 2,437,392.54 |
| Equity | |
| Loan Transfer | -23,927,450.25 |
| Net Position | 24,478,865.01 |
| Net Income | 1,057,973.61 |
| Total Equity | 1,609,388.37 |
| TOTAL LIABILITIES & EQUITY | <u>4,046,780.91</u> |