

**North Lincoln Water and Sanitation District**

**Adams County, Colorado**

**FINANCIAL STATEMENTS**

**With Independent Auditor's Report**

**December 31, 2016**



**RECEIVED**  
*By the Office of the State Auditor at 7:37 am, Sep 29, 2017*

**North Lincoln Water and Sanitation District**

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Certified Public Accountants and Business Consultants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
North Lincoln Water and Sanitation District  
Adams County, Colorado

We have audited the accompanying financial statements of North Lincoln Water and Sanitation District (the District) as of and for the year ended December 31, 2016 and the related notes to the 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 entity'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 entity'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 opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Lincoln Water and Sanitation District, as of December 31, 2016, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The supplemental information as listed in the table of contents 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 supplemental information is presented for purposes of additional analysis and legal requirements, and is not a required part of 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Darner Higgin & Associates, PC*

Lakewood, Colorado  
September 13, 2017

## **BASIC FINANCIAL STATEMENTS**

North Lincoln Water and Sanitation District

STATEMENT OF NET POSITION

December, 31, 2016

**ASSETS**

**Current assets**

Cash and cash equivalents	\$	336,090
Investments		207,391
Receivables		3,000
Taxes receivable		66,925
<b>Total current assets</b>		<u>613,406</u>

Capital assets, net		1,003,456
<b>Total assets</b>		<u>1,616,862</u>

**LIABILITIES**

**Current liabilities**

Accounts payable and accrued expenses		8,063
<b>Total current liabilities</b>		<u>8,063</u>
<b>Total liabilities</b>		<u>8,063</u>

**DEFERRED INFLOWS OF RESOURCES**

Property taxes receivable		66,582
<b>Total deferred inflows of resources</b>		<u>66,582</u>

**NET POSITION**

Net investment in capital assets		1,003,456
Restricted		2,100
Unrestricted		536,661
<b>Total net position</b>	\$	<u>1,542,217</u>

*The accompanying Notes to the Financial Statements are an integral part of these statements.*

**North Lincoln Water and Sanitation District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION**  
**For the Year Ended December 31, 2016**

<b>OPERATING REVENUES</b>	
Charges for services	\$ 71,660
Miscellaneous	25
<b>Total operating revenues</b>	71,685
<b>OPERATING EXPENSES</b>	
Operating expenses	38,610
Management and billing expense	56,158
Administrative expenses	13,928
Depreciation	20,985
<b>Total operating expenses</b>	129,681
<b>OPERATING INCOME (LOSS)</b>	(57,996)
<b>NONOPERATING REVENUES</b>	
Property taxes	60,842
Specific ownership taxes	5,032
Investment income	1,498
<b>Total nonoperating revenues</b>	67,372
<b>NONOPERATING EXPENSES</b>	
County Treasurer fees	914
<b>Total nonoperating expenses</b>	914
<b>CHANGE IN NET POSITION</b>	8,462
<b>NET POSITION - beginning of the year</b>	1,533,755
<b>NET POSITION - end of the year</b>	\$ 1,542,217

*The accompanying Notes to the Financial Statements are an integral part of these statement.*

**North Lincoln Water and Sanitation District**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2016**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 70,918
Payments to supplies for goods and services	(103,966)
<b>Net cash provided (used) by operating activities</b>	<u>(33,048)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Property taxes	60,842
Specific ownership taxes	5,032
County Treasurer's fees	(914)
<b>Net cash provided (used) by noncapital financing activities</b>	<u>64,960</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Net maturities (purchases) of investments	(1,430)
Interest earnings received	1,498
<b>Net cash provided (used) by investing activities</b>	<u>68</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	31,980
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<u>304,110</u>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<u><u>\$ 336,090</u></u>

(continued)

*The accompanying Notes to the Financial Statements are an integral part of these statements.*

**North Lincoln Water and Sanitation District**  
**STATEMENTS OF CASH FLOWS**  
**(continued)**  
**For the Year Ended December 31, 2016**

<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO</b>	
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income (loss)	<u>\$ (57,996)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	20,985
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(767)
Increase (decrease) in:	
Accounts payable	4,730
Total adjustments	<u>24,948</u>
<b>Net cash provided (used) by operating activities</b>	<u><u>\$ (33,048)</u></u>

*The accompanying Notes to the Financial Statements are an integral part of these statements.*

## North Lincoln Water and Sanitation District

### NOTES TO FINANCIAL STATEMENTS

December 31, 2016

#### **Note 1 – Definition of reporting entity**

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in North Lincoln, Colorado. The District was organized to provide water and sanitation services to property within the District's boundaries.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

The District has no employees and contracts out all operations and administrative functions.

#### **Note 2 – Summary of significant accounting policies**

The more significant accounting policies of the District are described as follows:

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

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.

#### **Basis of Accounting**

The District's financial statements are reported using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and payments on loans are recorded as reductions in liabilities.

**North Lincoln Water and Sanitation District**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2016**

**Operating revenues and expenses**

The District distinguishes between operating revenues and expenses from nonoperating items in the Statements of Revenues, Expenses and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water and sewer services to its customers. Operating revenues consist of charges to customers for service provided. Operating expenses include the cost of service, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

**Cash equivalents**

For purposes of the Statement of Cash Flows, the District considers cash deposits and highly liquid investments with original maturities of three months or less from the date of acquisition, to be cash equivalents.

**Investments**

Investments for the District are reported at fair value.

**Accounts receivable, allowance for doubtful accounts**

User fees and tap fees constitute a perpetual lien on or against property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

**North Lincoln Water and Sanitation District**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2016**

**Property Taxes**

Property taxes are levied based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November and December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measureable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

**Capital assets**

Capital assets include land, water rights, water and sewer plants and delivery systems, equipment and vehicles. Capital assets are defined by the District as those assets with an initial, individual cost of \$1,000 or greater and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation or at the developer's cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives of 50 to 60 years.

**Water rights**

The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Water rights have a perpetual life, thus the cost is not amortized. All other costs, including costs incurred for the protection of those rights are expensed.

**North Lincoln Water and Sanitation District**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2016**

**Capital contributions**

Tap fees are recorded as capital contributions when received. Water and sewer lines contributed to the District by developers are recorded as capital contributions and additions to the water and sewer system when received.

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that District management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Note 3 – Cash and investments**

Cash and investments are reflected on the December 31, 2016 Statement of Net Position as follows:

Cash and cash equivalents	\$ 336,090
Investments	207,391
	<u>\$ 543,481</u>

At December 31, 2016, the District's cash deposits had bank balances of \$335,763 and carrying balances of \$336,090.

## North Lincoln Water and Sanitation District

### NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

#### **Deposits with financial institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. As of December 31, 2016, the federal insurance limits were \$250,000. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

#### Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has not adopted a deposit policy for custodial credit risk. None of the District's deposits at December 31, 2016 were exposed to credit risk. As of December 31, 2016, the District's bank balances and carrying balances were fully insured.

#### **Investments**

The District's investment policy restricts investments to only those permitted by state statutes.

The District primarily limits its investments to certain U.S. government agency securities, money market funds and local government investments pools, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest including the following:

**North Lincoln Water and Sanitation District**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2016**

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain securities lending agreements
- Certain certificates of participation
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quotes prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized cost.

The local government investment pools, which include Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Local Government Liquid Asset Trust (Colotrust), are both rated AAAm by Standard & Poor's.

As of December 31, 2016, the District had the following investments, recorded at fair value:

<u>Investment</u>	<u>Maturity</u>	
U.S. government agency securities	1 to 2 years	\$ 102,361
Colorado Liquid Assets Trust (Colotrust)	Weighted average under 60 days	105,030
Total investments		<u>\$ 207,391</u>

**U.S. Government Agency Securities**

As of December 31, 2016, the investment in government agency securities was in U.S. FNMA Bonds rated AA+ by Standard and Poor's.

North Lincoln Water and Sanitation District

NOTES TO FINANCIAL STATEMENTS  
(continued)

December 31, 2016

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. Colotrust is rated AAAM by Standard & Poor's.

**Restricted cash and investments**

The District had restricted investments of \$2,100 for emergencies as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 7), as of December 31, 2016.

**Note 4 – Capital assets**

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance at December 31, 2015	Additions	Deletions	Balance at December 31, 2016
Capital assets being depreciated				
Infrastructure - water and sewer	1,375,704	-	-	1,375,704
Less accumulated depreciation	(351,263)	(20,985)	-	(372,248)
Capital assets, net	<u>\$ 1,024,441</u>	<u>\$ (20,985)</u>	<u>\$ -</u>	<u>\$ 1,003,456</u>

Depreciation expense of \$20,985 for the year ended December 31, 2016 was charged to water and sewer operations.

**North Lincoln Water and Sanitation District**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2016**

**Note 5 – Net position**

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding borrowings attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2016, the District's net investment in capital assets was \$1,003,456.

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitution provisions or enabling legislation. The District had net position of \$2,100 for emergencies as of December 31, 2016.

The District's unrestricted net position as of December 31, 2016, totaled \$536,661.

**Note 6 – Agreements**

**Sewer Service Contract**

The District has an agreement with the Metropolitan Wastewater Reclamation District (Metro) for sewage treatment and disposal. The District pays Metro for sewage treatment fees, and the District bills the system users for sewer service. The District is responsible for the maintenance and future construction costs of all sewer lines and retains title to all sewer lines in the District. The standards service agreement with Metro provides for annual charges to be assessed by formula against the District on an estimated basis. Corrections to the estimated charges for metered flows and actual costs are billed and payable or credited during the two succeeding years. Sewer treatment fees for 2016 were \$38,610.

**Denver Water Board**

The District has an agreement with the Denver Board of Water Commissioners of the City and County of Denver for water distribution services. All water service in the District is provided and billed by the Denver Water Board to users under a "Read and Bill" contract. Therefore, the District does not show any financial impact from the water billings. The District is responsible for the maintenance and future construction costs of its water lines and retains title to its lines in the District.

**North Lincoln Water and Sanitation District**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2016**

**Note 7 – Risk management**

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District carries commercial insurance for these risks of loss, including workers compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the past three fiscal years.

**Note 8 – Tax, spending and debt limitations**

Article X, Section 20 of the Colorado constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

Spending and revenue limits are determined based on the prior year's fiscal year spending as adjusted for allowable increases for inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenues in excess of the fiscal year spending limit must be refunded unless retention of such revenue has been approved by the voters.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise will require judicial interpretation.

During 1998, the District's voters authorized the District to collect, retain and expend all revenues derived from water and sewer rates, fees, tolls, and charges and tap fees, property taxes, state grants and all other sources during the year 1996 and each year thereafter notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution provided that no property tax rate or mill levy shall be increased without voter approval.

\* \* \* \* \*

**SUPPLEMENTAL INFORMATION**

**North Lincoln Water and Sanitation District**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - BUDGETARY BASIS**

**For the Year Ended December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Charges for services	\$ 72,508	\$ 71,660	\$ (848)
Miscellaneous	-	25	25
Property taxes	60,968	60,842	(126)
Specific ownership taxes	4,000	5,032	1,032
Investment income	1,600	1,498	(102)
Tap fees	44,000	-	(44,000)
<b>Total revenues</b>	<u>183,076</u>	<u>139,057</u>	<u>(44,019)</u>
<b>Expenditures</b>			
Operating expenses	52,000	38,610	13,390
Administrative expenses	60,686	70,086	(9,400)
County Treasurer fees	1,300	914	386
<b>Total expenditures</b>	<u>113,986</u>	<u>109,610</u>	<u>4,376</u>
<b>Change in funds available</b>	<u>69,090</u>	<u>29,447</u>	<u>(39,643)</u>
<b>Funds available - beginning of year</b>	<u>587,328</u>	<u>509,314</u>	<u>(78,014)</u>
<b>Funds available - end of year</b>	<u><u>\$ 656,418</u></u>	<u><u>\$ 538,761</u></u>	<u><u>\$ (117,657)</u></u>

*The accompanying Notes to the Financial Statements are an integral part of these statements.*

**North Lincoln Water and Sanitation District**

**RECONCILIATION OF ACTUAL (BUDGETARY BASIS) TO STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET POSITION**

**For the Year Ended December 31, 2016**

Revenues (budgetary basis)	<u>\$ 139,057</u>
Total revenues per Statement of Revenues, Expenses and Changes in Net Position	<u>139,057</u>
Expenditures (budgetary basis)	109,610
Depreciation and amortization	20,985
Total expenses per Statement of Revenues, Expenses and Changes in Net Position	<u>130,595</u>
Change in net position per Statement of Revenues, Expenses and Changes in Net Position	<u><u>\$ 8,462</u></u>

*The accompanying Notes to the Financial Statements are an integral part of these statements.*