

**LOWER SOUTH PLATTE WATER  
CONSERVANCY DISTRICT  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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Office of the State Auditor

August 14, 2018

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INDEPENDENT AUDITORS' REPORT

Board of Directors  
Lower South Platte Water Conservancy District  
Sterling, Colorado

*Report on the Financial Statements*

We have audited the accompanying financial statements of the aggregate governmental activities including the general fund, special revenue fund and capital reserve fund of the Lower South Platte Water Conservancy District as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the 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.

*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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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. 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.

*Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate governmental activities including the general fund, special revenue fund and capital reserve fund information of the Lower South Platte Water Conservancy District as of December 31, 2017, and the respective changes in financial position thereof for the year 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 management's discussion and analysis and budgetary comparison information on pages 3-6 and 22-26 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.

A handwritten signature in black ink, appearing to read "L. J. ...", is written across the page.

Fort Morgan, Colorado

August 13, 2018

## **Lower South Platte Water Conservancy District Management's Discussion and Analysis**

This section of the Lower South Platte Water Conservancy District's (District) annual financial report presents the discussion and analysis of the financial performance for the fiscal year that ended December 31, 2017.

### **FINANCIAL HIGHLIGHTS**

- The District remains in good financial condition.
- The assets of the District exceeded its liabilities at the close of 2017 by \$824,996. Of this amount \$667,433 or 81% is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.
- During the year, the District's revenue from taxes and other revenues for governmental programs were greater than the expenses by \$57,306.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements.
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-wide financial statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies.

The **statement of net position** presents information on all of the District's assets, liabilities and deferred inflows and outflows, with the difference between the groups reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The **statement of activities** presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes.)

The government-wide financial statements of the District are as follows:

- **Governmental activities.** All of the District's basic services are included here, such as the District's meter certification program, water accounting services, Northeast Colorado Water Cooperative feasibility analysis, well augmentation management under the Julesburg Recharge Project, District 64 Reservoir Company management, South Platte Water Related Activities Program technical services and administration, in addition to other technical services and general administration. Property taxes finance general administration. User fees finance the Julesburg Recharge Project, water accounting services, meter certification services, and other technical services. Grants from the Colorado Water Conservation Board finance the Northeast Colorado Water Cooperative feasibility analysis.

The government-wide financial statements can be found starting on page 7 of this report.

## Lower South Platte Water Conservancy District Management's Discussion and Analysis

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law, however, the District's Board has established other funds to help control and manage money for particular purposes or to show that it is properly using certain revenue (General Fund and the Capital Reserve Fund). Both of the funds of the District are governmental funds.

**Governmental funds.** All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statement provides a detailed, short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement is provided, or on the subsequent page, that explains the relationship (or differences) between them. The basic governmental fund financial statements can be found starting on page 9 of this report.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 14 of this report.

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceed liabilities by \$824,996 at the close of 2017.

#### Net Position

Combined net position of the District as of December 31, 2017 and 2016 are shown in Table 1 below. For comparative purposes deferred outflows and inflows have been show as assets and liabilities as in the past.

**Table 1  
NET POSITION**

	2017	2016	% Change
Current and other assets	\$ 1,005,674	\$ 931,895	7.92%
Capital assets	135,063	147,999	-8.74%
Total assets	<u>\$ 1,140,737</u>	<u>\$ 1,079,894</u>	5.64%
Long-term debt outstanding	\$ -	\$ -	0%
Other liabilities	315,751	312,204	1.14%
Total liabilities	315,751	312,204	1.14%
Net position			
Invested in capital assets	135,063	147,999	-8.74%
Restricted for emergencies	22,500	22,500	0%
Unrestricted	667,433	597,191	11.77%
Total net position	<u>824,996</u>	<u>767,690</u>	7.47%
Total liabilities and net position	<u>\$ 1,140,747</u>	<u>\$ 1,079,894</u>	5.64%

**Lower South Platte Water Conservancy District  
Management's Discussion and Analysis**

**Net Position (continued)**

The largest portion of the District's net position, 81% reflects unrestricted net position that may be used to meet the District's ongoing obligations to its citizens and creditors. In addition, a portion of the District's net position, 16.38%, reflect its investment in capital assets. The District uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. The remaining balance of restricted net position, 2.73% represents resources that are subject to external restrictions on how they may be used.

At the end of 2017 the District is able to report positive balances in all three categories of net position.

**Changes in net position**

The District's total revenue of \$863,934 was greater than program expenses of \$806,628 for an increase in net position of \$57,306.

Changes in Net position as of December 31, 2017 and 2016 are shown in Table 2 below.

**Table 2  
CHANGES IN NET POSITION**

Program revenues	2017	2016	% Change
Charges for services	\$ 333,917	\$ 303,681	9.96%
Operating grants and contributions	276,063	67,098	311,44%
General revenues			
Property and related taxes	249,957	248,956	.41%
Miscellaneous	663	2,813	-76.43%
Gain on disposal of assets	-	5,100	-100.00%
Investment earnings	3,334	611	445.67%
<b>Total revenues</b>	<b>863,934</b>	<b>628,259</b>	<b>37.52%</b>
Program expenses			
General government	344,060	332,363	3.52%
Conservation	449,632	229,444	95.97%
Depreciation	12,936	12,459	3.83%
Interest on long-term debt	-	-	0%
<b>Total expenses</b>	<b>806,628</b>	<b>574,266</b>	<b>40.47%</b>
<b>Change in net position</b>	<b>57,306</b>	<b>53,993</b>	<b>6.14%</b>
<b>Net position at beginning of year</b>	<b>767,690</b>	<b>713,697</b>	<b>7.57%</b>
<b>Net position at end of year</b>	<b>\$ 824,996</b>	<b>\$ 767,690</b>	<b>7.47%</b>

**Governmental Activities**

Revenue for the District's governmental activities totaled \$863,934 for 2017. Tax revenue produced 28.94% of these revenues. Tax revenue includes property and specific ownership taxes.

**Lower South Platte Water Conservancy District  
Management's Discussion and Analysis**

**THE DISTRICT'S FUNDS**

As the District completed the year, its governmental funds (as presented in the balance sheet on page 9) reported a combined fund balance of \$686,036. The general fund and the capital reserve fund reported fund balances of \$491,747 and \$194,289 respectively.

**General Fund Budgetary Highlights**

The actual charges to appropriations (expenditures) were \$135,580 below the final budget amounts due to lower than expected operating project costs.

Additionally, resources available for appropriation (revenues) were \$87,846 anticipated results.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The District's investment in capital assets for its governmental activities as of December 31, 2017, amounts to \$135,063 (net of accumulated depreciation). This amount includes a broad range of capital assets, including buildings and improvements, equipment, furniture & fixtures and transportation equipment, and the Heyborne wetlands project.

The District remains committed to the upkeep and maintenance of the District's assets. More detailed information about the District's capital assets is presented in Table 3.

**Table 3  
CAPITAL ASSETS ON DECEMBER 31, 2017**

Equipment	\$ 3,315
Transportation equipment	21,744
Heyborne wetlands project	<u>110,004</u>
Total	<u>\$ 135,063</u>

**Long-term debt.** The District does not have any long-term debt outstanding at year-end.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The District is in a good financial position. The District's revenues and expenditures remain consistent with prior years as no major projects will be undertaken.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact Lower South Platte Water Conservancy District, 100 Broadway Plaza Suite 100, Sterling, Colorado 80751.

LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT  
STATEMENT OF NET POSITION  
As of December 31, 2017

	Governmental Activities
<b>Assets</b>	
Cash	\$ 249,092
Cash with county treasurer	1,858
Investments	346,116
Accounts receivable	170,389
Property taxes receivable	234,322
Prepaid expenses	3,897
Capital assets, net of depreciation	135,063
<b>Total Assets</b>	<b>1,140,737</b>
 <b>Deferred Outflows of Resources</b>	
	-
 <b>Liabilities</b>	
Accounts payable	81,419
Accrued payroll taxes payable	-
<b>Total Liabilities</b>	<b>81,419</b>
 <b>Deferred Inflows of Resources</b>	
Deferred revenue	234,322
 <b>Net Position</b>	
Invested in capital assets	135,063
Restricted	22,500
Unrestricted	667,433
<b>Total Net Position</b>	<b>\$ 824,996</b>

The accompanying notes are an integral part of these financial statements.

LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2017

	Governmental Activities
Water Conservancy:	
General government	\$ 344,060
Conservation	449,632
Depreciation	12,936
Total Program Expenses	806,628
 Program Revenues:	
Charges for services	333,917
Operating grants and contributions	276,063
Total Program Revenue	609,980
Net Program Expense	196,648
 General Revenues:	
Property and related taxes	249,957
Miscellaneous	663
Gain on disposal of assets	-
Investment earnings	3,334
Total General Revenues	253,954
 Change in Net Assets	57,306
 Net Position at Beginning of Year	767,690
 Net Position at End of Year	\$ 824,996

The accompanying notes are and integral part of these financial statements.

LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2017

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash	\$ 249,092	\$ -	\$ 249,092
Cash with county treasurer	1,858		1,858
Investments	151,827	194,289	346,116
Accounts receivable	170,389		170,389
Property taxes receivable	234,322		234,322
<b>Total Assets</b>	<b>807,488</b>	<b>194,289</b>	<b>1,001,777</b>
<b>Deferred Outflows of Resources</b>			
	-		-
<b>Total Deferred Outflows of Resources</b>	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 807,488</b>	<b>\$ 194,289</b>	<b>\$ 1,001,777</b>
<b>Liabilities</b>			
Accounts payable	\$ 81,419	\$ -	\$ 81,419
Accrued payroll taxes payable	-	-	-
<b>Total Liabilities</b>	<b>81,419</b>	<b>-</b>	<b>81,419</b>
<b>Deferred Inflows of Resources</b>			
Deferred revenue	234,322		234,322
<b>Total Deferred Inflows of Resources</b>	<b>234,322</b>	<b>-</b>	<b>234,322</b>
<b>Fund Balance</b>			
Assigned for emergencies	22,500		22,500
Restricted		194,289	194,289
Unassigned	469,247		469,247
<b>Total Fund Balance</b>	<b>491,747</b>	<b>194,289</b>	<b>686,036</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 807,488</b>	<b>\$ 194,289</b>	<b>\$ 1,001,777</b>

The accompanying notes are an integral part of these financial statements.

LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
As of December 31, 2017

Differences between the amounts reported for governmental activities in the statement of net assets and amounts reported in the governmental funds:

Total Fund Balance - Governmental Funds	\$686,036
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	135,063
In the statement of activities, insurance (an operating expense) is measured by the amount incurred during the year. In the governmental funds, however, expenditure for this item is measured by the amount of financial resources used (essentially, the amount actually paid)	<u>3,897</u>
Net Assets of the Governmental Activities	<u><u>\$824,996</u></u>

The accompanying notes are an integral part of these financial statements.

LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2017

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 249,957	\$ -	\$ 249,957
Intergovernmental	276,063		276,063
Charges for services	333,917		333,917
Miscellaneous	2,023	1,974	3,997
Total Revenues	<u>861,960</u>	<u>1,974</u>	<u>863,934</u>
Expenditures			
Current			
General Government	345,018		345,018
Conservation	449,632		449,632
Capital outlay	-		-
Debt Service			
Principal	-		-
Interest and fiscal charges	-		-
Total Expenditures	<u>794,650</u>	<u>-</u>	<u>794,650</u>
Excess Revenues over (under) Expenditures	67,310	1,974	69,284
Other Financing Uses			
Transfers in		20,000	20,000
Transfers out	(20,000)		(20,000)
Net Change in Fund Balance	47,310	21,974	69,284
Fund Balance at Beginning of Year	<u>444,437</u>	<u>172,315</u>	<u>616,752</u>
Fund Balance at End of Year	<u>\$ 491,747</u>	<u>\$ 194,289</u>	<u>\$ 686,036</u>

The accompanying notes are an integral part of these financial statements.

LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 For the Year Ended December 31, 2017

Differences between the amounts reported as changes in net assets in the statement of activities compared to the change in fund balance are as follows:

Net change in Fund Balance - Governmental Funds	\$	69,284
<p>Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.</p>		
		(12,936)
<p>In the statement of activities, certain expenditures - insurance and interest - are measured by the amount incurred during the year. In the governmental funds, however, expenditure for these items are measured by the amount of financial resources used (essentially the amount actually paid).</p>		
		958
Change in Net Assets of Governmental Activities	\$	57,306

The accompanying notes are an integral part of these financial statements.

## **Lower South Platte Water Conservancy District**

### **Notes to the Financial Statements**

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

This summary of the Lower South Platte Water Conservancy District's significant accounting policies is presented to assist the reader in interpreting the financial statements and data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District's accounting policies are described below.

#### **A.1 - Reporting Entity**

The Lower South Platte Water Conservancy District is a special district governed by a 15-member board. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The District has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the District has no component units.

#### **A.2 – Fund Accounting**

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The District does not have any proprietary or fiduciary funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of general long-term debt (debt service fund). The following is the District's major governmental fund:

## **Note A – Summary of significant accounting policies (Continued)**

General Fund – The general fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes and augmentation fees.

Expenditures include all costs associated with the daily operation of the District.

The following is the District's nonmajor governmental fund:

Capital Reserve Fund – This fund is a special revenue fund used to account for the earnings on investments that the governing body has set aside for future capital needs.

### **A.3 – Basis of presentation**

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds, if applicable.

The government wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in preparation of the proprietary fund financial statements (where applicable) but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund financial statements – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing sources) of current financial resources.

## **Note A – Summary of significant accounting policies (Continued)**

As of December 31, 2017, fund equity balances of the governmental funds are classified as follows:

**Nonspendable** - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** – amounts that can only be used for specific purposes determined by a formal action of the Board of Directors.

**Assigned** – amounts intended to be used for specific purposes that are neither restricted nor committed.

**Unassigned** - all other spendable amounts.

### **A.4 – Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

**Revenues – exchange and nonexchange transactions** – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected with the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end. Augmentation fees, which are billed shortly after year-end, may or may not be received within the sixty day period. These fees are expected to be collected within the sixty day period, and thus are recognized as revenues in the current period, even if receipt is delayed.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes and grants. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

**Expenses / expenditures** – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

### **A.5 – Encumbrances**

Encumbrances outstanding at year-end are considered immaterial and thus are not reported as reservations of fund balances.

**Note A – Summary of significant accounting policies** (Continued)

**A.6 – Short-term Inter fund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

**A.7 – Property Taxes**

The District does not accrue revenue from property taxes or other tax sources. These taxes are recorded as revenue at the time of receipt since they are not susceptible to accrual because they are measurable but not available. Property taxes which are measurable but not available, and hence not susceptible to accrual, are recorded as an asset on the balance sheet of the fund entitled to such taxes under the heading “Property Taxes Receivable” with an equal amount of “Deferred Revenue” recorded as a deferred inflow of resources. This method of reporting the ensuing year’s property taxes is considered preferable in order to disclose property taxes to be received from the adoption of the ensuing year’s budget.

The District’s property taxes, levied by December 15<sup>th</sup> on assessed valuation as of the preceding January 1, are due and payable in the subsequent calendar year. Assessed values are established by the county assessor. Property taxes attach as an enforceable lien on property as of January of the year in which payable. The taxes are payable under tow methods: 1) in full on or before April 30, 2) one-half on or before February 28 and the remaining one-half on or before June 15,

**A.8 – Capital assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets with a unit cost greater than \$1,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized along with other capital assets. Improvements to assets are capitalized: the cost 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.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>
Buildings and improvements	20-50 years
Furniture and equipment	5-25 years
Licensed vehicles	7-10 years

**Note A – Summary of significant accounting policies** (Continued)

**A.9 – Compensated absences**

All permanent, full-time employees earn annual vacation at a rate based on the following table:

Up to 5 Years Service	1 day for each full month of service
6 to 15 Years Service	1.5 days for each full month of service
Above 15 Years Service	2 days for each full month of service

A maximum of 20 days or 150 hours may be accumulated and carried over at the end of the fiscal year. Vacation leave is a vested benefit and all accumulated days are paid upon termination.

Employees earn one day of sick leave per month with a maximum of ninety days accumulation. No payment is made for accumulated sick leave upon termination of employment.

The amount recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of compensated absences, using the rates in effect the balance sheet date.

No amount is reported at year-end as the District does not have any employees who are qualified to receive the benefit.

**A.10 – Accrued liabilities and long-term obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statement.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences that will be paid from governmental funds is reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due. Bond premiums and discounts, issuance costs and amounts deferred upon refunding are amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**A.11 – Fund Balance reserves**

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods.

## **Note A – Summary of significant accounting policies (Continued)**

### **A.12 – Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

### **A.13 – Interfund transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other Interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of Interfund activity has been eliminated from the government-wide financial statements.

### **A.14 – Extraordinary and specials items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the board of directors and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year.

### **A.15 - Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District does not have any deferred outflows for 2017.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category: Deferred tax revenues that are measureable but will not be considered revenue until 2018.

## **Note B – Cash and investments**

### **Cash and deposits**

Colorado State statutes govern the District's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral included obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

**Note B – Cash and investments (Continued)**

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 does not have deposit policy for custodial credit risk. As of year-end, the bank balance of \$236,315 of which all \$236,315 was insured by the FDIC.

**Investments**

Authorized investments – Investment policies are governed by Colorado state statutes and the District’s own investment policies and procedures. Investments of the District may include:

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investments pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market fund
- Guaranteed investment contracts

At year-end, the District had the following investments. The investments in Colotrust (a local government investment pool) are maintained in the General and Capital Reserve funds.

Type of investment	Maturities	Fair value
Investment in Colotrust	Weighted average not To exceed 60 days	<u>\$ 358,794</u>

Credit Risk – State law limits investments in commercial paper, corporate bonds and mutual bond funds to the highest rating from at least on nationally recognized rating agency at the time of purchase. The District has no investment policy that would further limit its investments choices. The District invests funds in ColoTrust, a state investment pool operated under C.R.S. 24-75-701, with the Colorado Securities Commissioner having oversight authority. The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. At year end, the District’s investment in the state investment pool was rated AAA by Standard & Poor’s.

**Note C – Receivables**

Receivables at year-end consist of the following:

Water Augmentation Receivables	<u>170,389</u>
Total	<u>\$ 170,389</u>

**Note D – Capital Assets**

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 64,913	\$ -	\$ -	\$ 64,913
Equipment	84,230	-	-	84,230
Furniture and fixtures	3,254	-	-	3,254
Transportation equipment	49,084	-	-	49,084
Heyborne wetlands project	<u>139,688</u>	<u>-</u>	<u>-</u>	<u>139,688</u>
Total capital assets, being depreciated	341,169	-	-	341,169
Less accumulated depreciation for:				
Buildings and improvements	(64,913)	-	-	(64,913)
Equipment	(79,243)	(1,673)	-	(80,916)
Furniture and fixtures	(3,254)	-	-	(3,254)
Transportation equipment	(19,569)	(7,771)	-	(27,340)
Heyborne wetland project	<u>(26,191)</u>	<u>(3,492)</u>	<u>-</u>	<u>(29,683)</u>
Total accumulated depreciation	<u>(193,170)</u>	<u>(12,936)</u>	<u>-</u>	<u>(206,106)</u>
Governmental activities				
Capital assets, net	<u>\$ 147,999</u>	<u>\$ (12,936)</u>	<u>\$ -</u>	<u>\$ 135,063</u>

**Note F – Interfund transactions**

The following is a summary of Interfund transfers for the year as presented in the fund financial statements:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	<u>\$ 20,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District transferred \$20,000 from the General Fund to the Other Governmental Funds to set moneys aside for future capital needs.

## **Note G – Risk management**

The District is exposed 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. The District carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. The District's deductible for vehicle coverage is \$100 for comprehensive and \$200 for collision per occurrence, and no deductible for property and liability coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

### **Federal and state funding**

The District receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

### **TABOR Amendment**

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfer, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 5, 1996 the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in 1996 and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance.

The amendment also requires that reserves be established for declared emergencies, with 3% of fiscal year spending required for 1995 and all years thereafter. For the year, the District has reserved funds in the General Fund in the amount of \$22,500 for the emergency reserve.

LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Taxes	\$ 244,528	\$ 244,528	\$ 249,957	\$ 5,429
Intergovernmental	363,168	363,168	276,063	(87,105)
Charges for services	341,400	341,400	333,917	(7,483)
Miscellaneous	710	710	2,023	1,313
Total Revenues	949,806	949,806	861,960	(87,846)
Expenditures				
Current				
General Government	371,170	371,170	345,018	26,152
Conservation	559,060	559,060	449,632	109,428
Capital outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	930,230	930,230	794,650	135,580
Excess Revenues over (under) Expenditures	19,576	19,576	67,310	47,734
Other Financing Uses				
Transfers out	(20,000)	(20,000)	(20,000)	-
Net Change in Fund Balance	(424)	(424)	47,310	47,734
Fund Balance at Beginning of Year			444,437	
Fund Balance at End of Year			\$ 491,747	

**Lower South Platte Water Conservancy District**  
**Notes to the Required Supplementary Information**

**Note A – Budgetary Data**

Annual budgets are adopted as required by Colorado Statutes. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Budget amounts included in the financial statements are based on the final amended budget. After initial budget approval, the District's board of directors may approve supplemental appropriations if an occurrence, condition, or need exists which was not known at the time the budget was adopted. No supplemental appropriations were made during the year. Expenditures may not legally exceed appropriations as adopted by resolution at the fund level.

On or before October 15, the executive director submits the proposed budget to the board of directors. A proposed budget is made available for public inspection, and public hearings are conducted to obtain taxpayer comments. Prior to December 15, the District must adopt the budget by formal resolution and certify the mill levies to the County Commissioners. On or before December 31, the District must enact a resolution making appropriations for the following calendar year.

**Lower South Platte Water Conservancy District  
Other Supplementary Information**

**General Fund**

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents and accounting of the District's ordinary operations financed primarily from property and specific ownership taxes and augmentation fees. It is the most significant fund in relation to the District's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements. It is adopted for the specific time period of January 1 to December 31, and all revenues and expenditures for the General Fund must be completed within the budget year.

General Fund Supplementary Information is on pages 25-30.

**Nonmajor Governmental Funds:**

**Special Revenue Funds**

These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**Capital Reserve Fund** – This fund is a special revenue fund used to account for the earnings on investments that the governing body has set aside for future capital needs.

LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUE  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Taxes				
Property Taxes	\$ 224,528	\$ 224,528	\$ 224,205	\$ (323)
Specific ownership taxes	19,000	19,000	24,960	5,960
Delinquent taxes and interest	1,000	1,000	792	(208)
Total Taxes	244,528	244,528	249,957	5,429
Intergovernmental				
Grant revenues	363,168	363,168	276,063	(87,105)
Total Intergovernmental	363,168	363,168	276,063	(87,105)
Charges for Services				
District water recorder supply	5,000	5,000	2,338	(2,662)
Water lease	-	-	16,470	16,470
Accounting services	24,400	24,400	14,093	(10,307)
Moisture monitoring program	-	-	17,500	17,500
District 64 reservoir company	8,000	8,000	8,000	-
Sale of excess credits	-	-	46,782	46,782
Net billing revenue	205,000	205,000	120,953	(84,047)
SPRWAP - O&M	24,000	24,000	10,602	(13,398)
Certification services	28,000	28,000	27,692	(308)
Administration services	22,000	22,000	35,553	13,553
Julesburg recharge project	25,000	25,000	33,934	8,934
Total Charges for Services	341,400	341,400	333,917	(7,483)
Miscellaneous				
Sale of assets	-	-	-	-
Interest on investments	210	210	1,360	1,150
Other revenues	500	500	663	163
Total Miscellaneous	710	710	2,023	1,313
Total Revenues	\$ 949,806	\$ 949,806	\$ 861,960	\$ (87,846)

LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>Expenditures</b>				
<b>General Government</b>				
Salaries	\$ 188,200	\$ 188,200	\$ 190,150	\$ (1,950)
Retirement	7,550	7,550	7,242	308
Workman's compensation	2,700	2,700	3,388	(688)
Employee insurance	41,000	41,000	40,236	764
Payroll taxes	15,000	15,000	15,692	(692)
Directors fees and expenses	8,700	8,700	7,574	1,126
Hospitality	1,000	1,000	604	396
Insurance and bonds	900	900	-	900
Rent	14,400	14,400	14,400	-
Field equipment expendable	4,000	4,000	1,651	2,349
Office supplies	4,000	4,000	2,629	1,371
Utilities	10,700	10,700	9,759	941
Postage	1,200	1,200	1,105	95
Equipment maintenance	1,200	1,200	803	397
Auto	7,000	7,000	871	6,129
Organizational dues	7,770	7,770	3,598	4,172
Legal fees	20,000	20,000	9,889	10,111
Engineering expense	10,000	10,000	13,441	(3,441)
Audit and accounting	4,000	4,000	4,000	-
Executive director's expenses	500	500	468	32
Conventions and seminars	7,000	7,000	3,494	3,506
Liability insurance	9,650	9,650	9,373	277
Treasurer's fees	4,700	4,700	4,651	49
<b>Total General Government</b>	<b>371,170</b>	<b>371,170</b>	<b>345,018</b>	<b>26,152</b>
<b>Conservation</b>				
Education program	500	500	225	275
District water recorder supply	5,000	5,000	2,333	2,667
Julesburg recharge expense	-	-	-	-
District 64 Reservoir Expenses	300	300	57	243
Public relations and tours	7,500	7,500	4,696	2,804
Water related activity program	650	650	988	(338)
Water Cooperative program	182,500	182,500	63,111	119,389
South Platte storage study	200,000	200,000	199,954	46
Meter reading	-	-	-	-
Meter certification	-	-	-	-
Well testing	-	-	-	-
Conveyance costs	12,000	12,000	9,759	2,241
Recharge site credits	18,050	18,050	24,106	(6,056)
Electrical costs	8,500	8,500	4,410	4,090
Site maintenance	880	880	-	880
Heyborne project	18,980	18,980	17,067	1,913
Lease credits	2,500	2,500	331	2,169
Engineering	-	-	-	-
PRRIP-SRWAP payments	1,700	1,700	6,699	(4,999)
Net billing refund	100,000	100,000	115,896	(15,896)
<b>Total Conservation</b>	<b>559,060</b>	<b>559,060</b>	<b>449,632</b>	<b>109,428</b>
<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 930,230</b>	<b>\$ 930,230</b>	<b>\$ 794,650</b>	<b>\$ 135,580</b>

LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT  
GENERAL FUND  
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE BY PROJECT  
As of December 31, 2017

	General Fund	Julesburg Recharge Project	Eliminations	Total
<b>Assets</b>				
Cash	\$ 89,352	\$ 159,740		\$ 249,092
Cash with county treasurer	1,858			1,858
Investments	151,827			151,827
Accounts receivable	76,807	119,259	(25,677)	170,389
Property taxes receivable	234,322			234,322
<b>Total Assets</b>	<b>554,166</b>	<b>278,999</b>	<b>(25,677)</b>	<b>807,488</b>
<b>Deferred Outflows of Resources</b>				
	-			-
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 554,166</b>	<b>\$ 278,999</b>	<b>\$ (25,677)</b>	<b>\$ 807,488</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 107,096	\$ (25,677)	\$ 81,419
Accrued payroll taxes payable	-			-
<b>Total Liabilities</b>	<b>-</b>	<b>107,096</b>	<b>(25,677)</b>	<b>81,419</b>
<b>Deferred Inflows of Resources</b>				
Deferred revenue	234,322			234,322
<b>Total Deferred Inflows of Resources</b>	<b>234,322</b>	<b>-</b>	<b>-</b>	<b>234,322</b>
<b>Fund Balance</b>				
Reserved for emergencies	15,500	7,000		22,500
Unreserved	304,344	164,903	-	469,247
<b>Total Fund Balance</b>	<b>319,844</b>	<b>171,903</b>	<b>-</b>	<b>491,747</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 554,166</b>	<b>\$ 278,999</b>	<b>\$ (25,677)</b>	<b>\$ 807,488</b>

LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE BY PROJECT  
For the Year Ended December 31, 2017

	General Fund	Julesburg Recharge Project	Eliminations	Total
Revenues				
Taxes	\$ 249,957	\$ -	\$ -	\$ 249,957
Intergovernmental	276,063	-	-	276,063
Charges for services	141,961	212,307	(20,351)	333,917
Miscellaneous	1,663	360	-	2,023
Total Revenues	<u>669,644</u>	<u>212,667</u>	<u>(20,351)</u>	<u>861,960</u>
Expenditures				
Current				
General Government	337,302	24,349	(16,633)	345,018
Conservation	271,364	181,986	(3,718)	449,632
Capital outlay	-	-		-
Debt Service				
Principal	-	-		-
Interest and fiscal charges	-	-		-
Total Expenditures	<u>608,666</u>	<u>206,335</u>	<u>(20,351)</u>	<u>794,650</u>
Excess Revenues over (under) Expenditures	60,978	6,332	-	67,310
Other Financing Uses				
Transfers out	<u>(20,000)</u>	-		<u>(20,000)</u>
Net Change in Fund Balance	40,978	6,332	-	47,310
Fund Balance at Beginning of Year	<u>278,866</u>	<u>165,571</u>		<u>444,437</u>
Fund Balance at End of Year	<u>\$ 319,844</u>	<u>\$ 171,903</u>	<u>\$ -</u>	<u>\$ 491,747</u>

LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUE BY PROJECT  
For the Year Ended December 31, 2017

	General Fund	Julesburg Recharge Project	Eliminations	Total
Revenues				
Taxes				
Property Taxes	\$ 224,205			\$ 224,205
Specific ownership taxes	24,960			24,960
Delinquent taxes and interest	792			792
Total Taxes	249,957	-	-	249,957
Intergovernmental				
Grant revenues	276,063			276,063
Total Intergovernmental	276,063	-	-	276,063
Charges for Services				
District water recorder supply	2,338			2,338
Water lease	-	16,470		16,470
Accounting services	24,793		(10,700)	14,093
Augmentation plans		17,500		17,500
District 64 reservoir company	8,000			8,000
PRRIP-SRWAP credits		46,782		46,782
Net billing revenue		120,953		120,953
SPRWAP - O&M		10,602		10,602
Certification services	28,956		(1,264)	27,692
Administration services	43,940		(8,387)	35,553
Julesburg recharge project	33,934			33,934
Total Charges for Services	141,961	212,307	(20,351)	333,917
Miscellaneous				
Sale of assets	-			-
Interest on investments	1,000	360		1,360
Other revenues	663			663
Total Miscellaneous	1,663	360	-	2,023
Total Revenues	\$ 669,644	\$ 212,667	\$ (20,351)	\$ 861,960

LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT  
GENERAL FUND  
COMBINING SCHEDULE OF EXPENDITURES BY PROJECT  
For the Year Ended December 31, 2017

	General Fund	Julesburg Recharge Project	Eliminations	Total
<b>Expenditures</b>				
<b>General Government</b>				
Salaries	\$ 190,150			\$ 190,150
Retirement	7,242			7,242
Workman's compensation	3,388			3,388
Employee insurance	40,236			40,236
Payroll taxes	15,692			15,692
Directors fees and expenses	7,574			7,574
Hospitality	604			604
Insurance and bonds	-			-
Rent	14,400			14,400
Field equipment expendable	1,651			1,651
Office supplies	2,629			2,629
Utilities	9,759			9,759
Postage	1,105			1,105
Equipment maintenance	803			803
Auto	871			871
Organizational dues	3,598	-		3,598
Legal fees	6,004	3,885		9,889
Engineering expense	12,526	6,848	(5,933)	13,441
Audit and accounting	4,000	10,700	(10,700)	4,000
Executive director's expenses	468			468
Conventions and seminars	3,494			3,494
Liability insurance	6,457	2,916		9,373
Treasurer's fees	4,651			4,651
<b>Total General Government</b>	<b>337,302</b>	<b>24,349</b>	<b>(16,633)</b>	<b>345,018</b>
<b>Conservation</b>				
Education program	225			225
District water recorder supply	2,333			2,333
District 64 reservoir expense	57			57
Public relations and tours	4,696			4,696
Water related activity program	988			988
Water Cooperative program	63,111			63,111
South Platte storage study	199,954			199,954
Meter reading		2,454	(2,454)	-
Meter certification		1,264	(1,264)	-
Well testing				-
Conveyance costs		9,759		9,759
Recharge site credits		24,106		24,106
Electrical costs		4,410		4,410
Site maintenance		-		-
Heyborne project		17,067		17,067
Lease credits		331		331
Engineering				-
PRRIP-SRWAP payments		6,699		6,699
Net billing refund		115,896		115,896
<b>Total Conservation</b>	<b>271,364</b>	<b>181,986</b>	<b>(3,718)</b>	<b>449,632</b>
Capital Outlay	-			-
Debt Service				
Principal				-
Interest and fiscal charges				-
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 608,666</b>	<b>\$ 206,335</b>	<b>\$ (20,351)</b>	<b>\$ 794,650</b>

LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT  
 CAPITAL RESERVE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest on investments	\$ 120	\$ 120	\$ 1,974	\$ 1,854
Expenditures	-	-	-	-
Excess Revenues Over(Under) Expenditures	120	120	1,974	1,854
Other Financing Sources				
Transfers in	20,000	20,000	20,000	-
Net Change In Fund Balance	20,120	20,120	21,974	1,854
Fund Balance at Beginning of Year	151,310	151,310	172,315	
Fund Balance at End of Year	<u>\$ 171,430</u>	<u>\$ 171,430</u>	<u>\$ 194,289</u>	<u>\$ 1,854</u>