

**NORTHERN DOUGLAS COUNTY
WATER AND SANITATION DISTRICT
Douglas County, Colorado**

**FINANCIAL STATEMENTS
December 31, 2017 and 2016**

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Office of the State Auditor

June 8, 2018

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Independent Auditor's Report

Board of Directors
Northern Douglas County Water and Sanitation District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Northern Douglas County Water and Sanitation District for the years ended December 31, 2017 and 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 an opinion on these financial statements based on our audits. We conducted our audits 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Northern Douglas County Water and Sanitation District as of December 31, 2017 and 2016, and its changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

The management's discussion and analysis information on pages III through VII is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.



L. Paul Goedecke, P.C.
April 25, 2018

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016**

Management's Discussion and Analysis

The management of Northern Douglas County Water and Sanitation District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2017.

Financial Highlights

- Net position increased \$772,798 during 2017.
- Net operating loss increased from \$(529,201) the previous year to \$(531,548) on operating revenue of \$2,590,231 and \$2,588,807, respectively. This increase is primarily due to an increase in water expenses and partially funding the increased operating costs from property taxes opposed to user charges.
- Operating revenue decreased \$1,424 or .59%, from prior year.
- Operating expenses exclusive of depreciation increased \$17,312, or .93%, from the prior year, due to provider rate increases and increased usage by District customers.
- Funds available (current and noncurrent assets less current liabilities and deferred inflow of resources) increased from \$16,422,625 to \$17,671,838 at December 31, 2017.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements, presented on pages 1 – 16 are comprised of Financial Statements and Notes to Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

The financial statements of the District are presented as a special purpose government engaged only in business type activities – providing water and sewer utility services.

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

The statement of revenue, expenses and changes in net position presents information that reflects how the District's net position changed during the current 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 the related cash flows. Thus, revenue and expenses are reported in the statement for some items that will only result in cash flows in future fiscal years.

The statement of cash flows reports the District's cash flows from operating, noncapital financing, capital and related financing, and investing activities.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 5 – 16 of this report.

The supplementary information contained in this report on pages 17 – 21 provides a schedule of expenses, budget and actual comparison, reconciliation of budgetary basis, and summary of assessed valuation, mill levy and property tax information.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016**

Statement of Net Position

	December 31,		
	2017	2016	2015
Current and non current assets	\$ 19,053,815	\$ 17,548,049	\$ 16,511,038
Capital assets	18,413,536	18,889,951	19,458,760
Total assets	<u>37,467,351</u>	<u>36,438,000</u>	<u>35,969,798</u>
Current liabilities	438,257	244,596	304,841
Total liabilities	<u>438,257</u>	<u>244,596</u>	<u>304,841</u>
Deferred inflow of resources	943,720	880,828	857,047
Total deferred inflow of resouces	<u>943,720</u>	<u>880,828</u>	<u>857,047</u>
Net investment in capital assets	18,413,536	18,889,951	19,458,760
Restricted net position	112,000	107,000	96,000
Unrestricted net position	17,559,838	16,315,625	15,253,150
Total net position	<u>\$ 36,085,374</u>	<u>\$ 35,312,576</u>	<u>\$ 34,807,910</u>

The District's net position increased \$772,798 during 2017, which is primarily the result of increased water and sewer gross profit from operations and property taxes providing funding for future fixed asset repairs and replacements. The increase in net position in comparison to the prior year of \$223,132 is attributed to an increased capital contributions used to acquire increased capacity in provider water and sewer systems. Funds available (current and noncurrent assets less current liabilities and deferred inflow of resources) increased from \$16,422,625 to \$17,671,838 which is available for working capital.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016**

Changes in Net Position

	December 31,		
	2017	2016	2015
Revenues			
Operating revenues			
Water services	\$ 1,786,111	\$ 1,798,302	\$ 1,562,958
Sewer services	802,696	791,929	788,019
Total operating revenues	<u>2,588,807</u>	<u>2,590,231</u>	<u>2,350,977</u>
Nonoperating revenues			
Taxes	977,263	928,061	800,784
Investment income	107,918	8,120	22,901
Other	63,069	32,438	27,828
Contributions			
Tap and option fees	<u>184,127</u>	<u>89,553</u>	<u>22,039</u>
Total other revenues	<u>1,332,377</u>	<u>1,058,172</u>	<u>873,552</u>
Total revenues	<u>3,921,184</u>	<u>3,648,403</u>	<u>3,224,529</u>
Expenses			
Operating expenses			
Water	1,367,112	1,387,770	1,180,101
Sewer	<u>505,930</u>	<u>467,960</u>	<u>475,492</u>
	1,873,042	1,855,730	1,655,593
General and administrative	586,771	605,340	469,177
Depreciation	<u>660,542</u>	<u>658,362</u>	<u>657,745</u>
Total operating expenses	3,120,355	3,119,432	2,782,515
Nonoperating expenses	<u>28,031</u>	<u>24,305</u>	<u>17,098</u>
Total expenses	<u>3,148,386</u>	<u>3,143,737</u>	<u>2,799,613</u>
Changes in net position	772,798	504,666	424,916
Net position - Beginning of year	<u>35,312,576</u>	<u>34,807,910</u>	<u>34,382,994</u>
Net position - End of year	<u>\$ 36,085,374</u>	<u>\$ 35,312,576</u>	<u>\$ 34,807,910</u>

The overall increase in revenue of \$272,781 can be attributed to an increase in property taxes, investment income, and nonrecurring tap fee revenue received in 2017. Total expenses increased \$4,649, a slight increase in operating and non-operating expenses in 2017.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016**

Capital Assets Activity

The activity related to capital assets during 2017 is as follows:

	<u>December 31, 2015</u>	<u>Net Changes</u>	<u>December 31, 2016</u>	<u>Net Changes</u>	<u>December 31, 2017</u>
Land and easements	\$ 27,837	\$ -	\$ 27,837	\$ -	\$ 27,837
Water system					
Water capacity	22,027,475	89,553	22,117,028	184,127	22,301,155
Water facilities	4,832,557	-	4,832,557	-	4,832,557
Sewer system					
Sewer facilities	3,520,011	-	3,520,011	-	3,520,011
Total assets	<u>30,407,880</u>	<u>89,553</u>	<u>30,497,433</u>	<u>184,127</u>	<u>30,681,560</u>
Accumulated depreciation	<u>(10,949,120)</u>	<u>(658,362)</u>	<u>(11,607,482)</u>	<u>(660,542)</u>	<u>(12,268,024)</u>
Net capital assets	<u>\$ 19,458,760</u>	<u>\$ (568,809)</u>	<u>\$ 18,889,951</u>	<u>\$ (476,415)</u>	<u>\$ 18,413,536</u>

The 2017 activity relating to capital assets reflected depreciation expense of \$660,542 and purchased capacity of \$184,127.

Additional information on the District's capital assets can be found within Note 4 of this report.

Budgetary Highlights

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of capital outlay in addition to operations and nonoperating revenue and contributions. Depreciation is not reflected on the budget since it does not affect funds available. This budgetary accounting is required by State statutes.

Actual revenue of the District was less than the budgeted revenue, primarily as a result of fewer taps purchased than what was projected during 2017.

Actual expenditures of the District were less than the appropriation by \$1,664,029, primarily as a result of fewer capital expenditures than expected.

Economic Factors and Next Year's Budgets and Rates

- The assessed valuation of property in the District increased \$5,486,360, or 8.04%, in 2017.
- The mill levy for 2018 decreased .84% to 12.806 from 12.914 in 2017.
- Water service and usage fees revenues are anticipated to increase in 2018 in response to Centennial's rate increase to the District. Usage of water has been calculated based upon the average usage of the past three years.
- Sewer service and usage fees revenues are anticipated to increase in 2018 in response to Centennial's rate increase to the District.
- The District anticipates limited capital activity in 2018.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016**

Request for Information

Management's discussion and analysis is designed to provide a general overview of the District's finances. Questions concerning any of the information provided within this report or requests for additional information should be addressed to: Office of Northern Douglas County Water and Sanitation District, 8390 East Crescent Parkway, Suite 500, Greenwood Village, CO 80111.

BASIC FINANCIAL STATEMENTS

NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION
December 31, 2017 and 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,789,824	\$ 11,560,212
Cash and cash equivalents - Restricted	112,000	107,000
Investments - government securities	2,105,068	1,517,196
Service charges receivable	170,099	181,513
Accounts receivable - Non-service		
Net of allowance for doubtful accounts of \$15,000	35,803	23,374
Property taxes receivable	943,720	880,828
Interest receivable	36,764	22,419
Prepaid expenses	13,614	14,524
Total current assets	11,206,892	14,307,066
NONCURRENT ASSETS		
Investments - government securities	7,846,923	3,240,983
Total restricted current assets	7,846,923	3,240,983
CAPITAL ASSETS, NET	18,413,536	18,889,951
TOTAL ASSETS	\$ 37,467,351	\$ 36,438,000
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 378,469	\$ 203,352
Deposits payable	59,788	41,244
Total current liabilities	438,257	244,596
DEFERRED INFLOW OF RESOURCES		
Property tax revenue	943,720	880,828
Total deferred inflow of resources	943,720	880,828
NET POSITION		
Invested in capital assets	18,413,536	18,889,951
Restricted	112,000	107,000
Unrestricted	17,559,838	16,315,625
Total net position	36,085,374	35,312,576
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$ 37,467,351	\$ 36,438,000

These financial statements should be read only in connection with
the accompanying notes to financial statements.

NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended December 31, 2017 and 2016

	2017	2016
WATER OPERATIONS		
Water income	\$ 1,786,111	\$ 1,798,302
Direct water expenses	(1,367,112)	(1,387,770)
Depreciation and amortization	(584,022)	(581,838)
Gross (loss) from water operations	(165,023)	(171,306)
SEWER OPERATIONS		
Sewer income	802,696	791,929
Direct sewer expenses	(505,930)	(467,960)
Depreciation	(76,520)	(76,524)
Gross profit from sewer operations	220,246	247,445
Total gross profit from operations	55,223	76,139
GENERAL AND ADMINISTRATIVE EXPENSES		
	586,771	605,340
OPERATING (LOSS)	(531,548)	(529,201)
NONOPERATING REVENUES		
Property taxes	880,774	849,210
Specific ownership taxes	96,489	78,851
Net investment income	107,918	8,120
Developer reimbursements	17,777	14,250
Miscellaneous	45,292	18,188
Total nonoperating revenues	1,148,250	968,619
NONOPERATING EXPENSES		
County Treasurer's fees	13,217	12,752
Professional fees reimbursed	14,814	11,553
Total nonoperating expenses	28,031	24,305
INCOME BEFORE CONTRIBUTIONS	588,671	415,113
CAPITAL CONTRIBUTIONS		
Tap and option fees	184,127	89,553
Total capital contributions	184,127	89,553
CHANGE IN NET POSITION	772,798	504,666
TOTAL NET POSITION - BEGINNING OF YEAR	35,312,576	34,807,910
TOTAL NET POSITION - END OF YEAR	\$ 36,085,374	\$ 35,312,576

These financial statements should be read only in connection with
the accompanying notes to financial statements.

NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 2,600,221	\$ 2,570,624
Payments to suppliers	<u>(2,265,242)</u>	<u>(2,535,645)</u>
Net cash provided by operating activities	<u>334,979</u>	<u>34,979</u>
 CASH FLOWS FROM NONCAPITAL FINANCING		
ACTIVITIES		
Property tax collections for operations	880,774	849,210
Specific ownership taxes	96,695	78,573
Miscellaneous income	45,292	18,188
County Treasurer's fees	<u>(13,217)</u>	<u>(12,752)</u>
Net cash provided by noncapital financing activities	<u>1,009,544</u>	<u>933,219</u>
 CASH FLOWS FROM CAPITAL AND RELATED		
FINANCING ACTIVITIES		
Tap fees and tap option fees	184,127	89,553
Tap administration fees	2,687	(2,687)
Purchased capacity	(184,127)	(89,553)
Developer Deposits (Reimbursements)	<u>(12,359)</u>	<u>(8,547)</u>
Net cash provided (used) by capital and related financing activities	<u>(9,672)</u>	<u>(11,234)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(5,288,661)	(4,865,996)
Net interest and dividends received	<u>188,422</u>	<u>95,426</u>
Net cash provided by investing activities	<u>(5,100,239)</u>	<u>(4,770,570)</u>

NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2017 and 2016
(Continued)

	2017	2016
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,765,388)	(3,813,606)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	11,667,212	15,480,818
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,901,824	\$ 11,667,212
Reconciliation of operating (loss) to net cash provided by operating activities		
Operating (loss)	\$ (531,548)	\$ (529,201)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation and amortization	660,542	658,362
(Increase) decrease in:		
Service charges receivable	11,414	(19,607)
Prepaid expenses	910	(14,330)
Increase (decrease) in:		
Accounts payable and accrued expenses and deposits payable	193,661	(60,245)
Net cash provided by operating activities	\$ 334,979	\$ 34,979
Noncash investing, capital, and financing activities		
* Change in fair market value	(94,849)	(107,818)

*Decrease in fair market value due to increase in interest rate environment

These financial statements should be read only in connection with the accompanying notes to financial statements.

NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 1 - DEFINITION OF REPORTING ENTITY

Northern Douglas County Water and Sanitation District (District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado. The District was established to provide water and sewer services to properties in the service area of the District. The District has entered into an Extended Service Area Agreement with Centennial Water and Sanitation District (Centennial) to provide water supply and water and sewage treatment (see Note 6).

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 has no employees and all services are provided by consultant contracts.

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

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 because 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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets. Tap fees and contributed assets from developers are recorded as capital contributions when received.

NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

The District distinguishes between operating revenues and expenses and 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 sanitation services to its customers. Operating revenues consist of charges to customers for services provided. Operating expenses include the cost of services, administrative expenses and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

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 appropriation can only be modified upon completion of notification, publication and public hearing requirements.

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits, certificates of deposit, and highly liquid investments (including restricted and designated investments) with a maturity of three months or less when purchased, to be cash equivalents.

Accounts Receivable

Accounts receivable are shown net of allowance for uncollectibles. Accounts receivable are expensed as bad debts at the time they are determined to be uncollectible.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is 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 calendar year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if 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 or December. The County Treasurer remits the taxes collected monthly to the District.

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

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets which include land, water and sewer lines and purchased capacity in Centennial are reported by the District. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Capacity	46 years
Water lines	46 years
Sewer lines	46 years

Tap Fees and Contributed Lines

Tap fees are recorded as capital contributions when received. Lines contributed to the District by developers are recorded as capital contributions and additions to the systems at acquisition value when received.

Deferred Inflow/Outflow of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period 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. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2017 and 2016 are classified in the accompanying financial statements as follows:

	2017	2016
Statement of net position:		
Cash and cash equivalents	\$ 7,789,824	\$ 11,560,212
Cash and cash equivalents - Restricted	112,000	107,000
Total cash and cash equivalents	\$ 7,901,824	\$ 11,667,212

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Cash and cash equivalents as of December 31, 2017, and 2016 consist of the following:

	2017	2016
Deposits with financial institutions	\$ 1,628,772	\$ 3,787,002
Investments	6,273,052	7,880,210
Total cash and cash equivalents	\$ 7,901,824	\$ 11,667,212

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. 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.

At December 31, 2017, and 2016, the District's cash deposits had a bank balance of \$1,628,772 and \$2,801,747, respectively, and a carrying balance of \$1,628,772 and \$2,801,747, respectively.

At December 31, 2017 and 2016, the District's certificates of deposit had a bank balance and carrying balance of \$-0- and \$985,255, respectively.

Investments

The District has adopted a formal investment policy that follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, 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 or investment custodial risk disclosure requirements 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.

NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

- * 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 certificates of participation
- . Certain securities lending agreements
- . 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

Fair Value Measurement and Application

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 quoted 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), CSAFE (which are recorded at amortized cost), and COLOTRUST (which are recorded at net asset value).

As of December 31, 2017, the District had the following investments:

Investment	Less than 1 year	1-5 Years	Value
Colorado Liquid Asset Trust (Colotrust)	\$ 4,116,648	\$ -	4,116,648
Colorado Surplus Asset Fund Trust (CSAFE)	1,139,022	-	1,139,022
Colorado Statewide Investment Program (CSIP)	1,017,382	-	1,017,382
US Treasury Issues	1,406,408	5,034,851	6,441,259
Agency Securities	698,660	2,812,072	3,510,732
	<u>\$ 8,378,120</u>	<u>\$ 7,846,923</u>	<u>\$ 16,225,043</u>

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2016, the District had the following investments:

Investment	Less than 1 year	1-5 Years	Value
Colorado Liquid Asset Trust (Colotrust)	\$ 5,049,765	\$ -	5,049,765
Colorado Surplus Asset Fund Trust (CSAFE)	1,820,661	-	1,820,661
Colorado Statewide Investment Program (CSIP)	1,009,784	-	1,009,784
US Treasury Issues	708,579	1,022,875	1,731,454
Agency Securities	808,617	1,893,012	2,701,629
Municipal Issues	-	325,096	325,096
	<u>\$ 9,397,406</u>	<u>\$ 3,240,983</u>	<u>\$ 12,638,389</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (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 any security allowed under CRS 24-75-601. 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. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

CSIP

The District invested in the Colorado Statewide Investment Program (the Fund), an investment program established for local government entities in Colorado, non-profit institutions and other institutional entities. The Program invests in the Colorado Investors Class of the PFM Funds Prime Series, a money market mutual fund registered under the Investment Company Act of 1940. The Fund is managed to maintain a dollar-weighted average portfolio of 60 days or less and seeks to maintain a value per share of \$1.00. The Fund is rated AAAM by Standard & Poor's.

Restricted and Designated Cash and Investments

Restricted cash and cash equivalents as of December 31, 2017, and 2016, consisted of \$112,000 and \$107,000, respectively, for Emergency Reserves as required by Article X, Section 20 of the Constitution of the State of Colorado.

At December 31, 2017, and 2016, the Board had designated cash and investments totaling \$15,660,000 and \$15,002,000, respectively, for future replacements. Such designated amounts are considered not to be available for general operations. Designations indicate management's intention for future utilization of such cash and are subject to changes by management.

US Treasury Issues

The District invested a portion of its reserve money into US Treasury Issues. As of December 31, 2017, investment details are as follows:

<u>Description</u>	<u>Market Value</u>	<u>S&P Rating</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>
US Treasury Notes	\$ 149,685	n/a	1.250	03/01/2018
US Treasury Notes	723,980	n/a	0.875	03/31/2018
US Treasury Notes	532,743	n/a	1.250	10/31/2018
US Treasury Notes	406,812	n/a	3.125	05/05/2019
US Treasury Notes	418,559	n/a	1.000	10/15/2019
US Treasury Notes	297,984	n/a	1.500	10/31/2019
US Treasury Notes	508,672	n/a	2.625	08/15/2020
US Treasury Notes	496,484	n/a	1.750	12/31/2020
US Treasury Notes	644,885	n/a	3.625	02/15/2021
US Treasury Notes	707,892	n/a	2.000	11/15/2021
US Treasury Notes	859,688	n/a	1.750	05/31/2022
US Treasury Notes	693,875	n/a	2.000	10/31/2022
<u>Total US Treasury Issues</u>	<u>\$ 6,441,259</u>			

NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2016, investment details are as follows:

<u>Description</u>	<u>Market Value</u>	<u>Rating</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>
US Treasury Notes	\$ 199,938	n/a	0.625	07/31/2017
US Treasury Notes	308,672	n/a	4.250	11/15/2017
US Treasury Notes	199,969	n/a	0.875	11/30/2017
US Treasury Notes	199,750	n/a	0.875	03/03/2018
US Treasury Notes	200,312	n/a	1.250	10/31/2018
US Treasury Notes	208,438	n/a	3.125	05/05/2019
US Treasury Notes	199,844	n/a	1.750	12/31/2020
US Treasury Notes	214,531	n/a	3.625	02/15/2021
<u>Total US Treasury Issues</u>	<u>\$ 1,731,454</u>			

Agency Securities

The District invested a portion of its reserve money into Agency Securities rated AA+ by Standard & Poor's. As of December 31, 2017, investment details are as follows:

<u>Description</u>	<u>Market Value</u>	<u>S&P Rating</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>
Fannie Mae	\$ 299,276	AA+	-	07/20/2018
Fannie Mae	399,384	AA+	-	11/27/2018
Freddie Mac	573,937	AA+	-	05/30/2019
Fannie Mae	398,848	AA+	-	09/12/2019
Freddie Mac	394,342	AA+	-	05/01/2020
Fannie Mae	538,415	AA+	-	02/26/2021
Fannie Mae	413,402	AA+	-	05/06/2021
Fannie Mae	493,128	AA+	-	04/05/2022
<u>Total Agency Securities</u>	<u>\$ 3,510,732</u>			

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2016, investment details are as follows:

<u>Description</u>	<u>Market Value</u>	<u>Rating</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>
Fannie Mae	\$ 200,109	AA+	1.250	01/30/2017
Freddie Mac	200,166	AA+	1.000	03/08/2017
Fannie Mae	408,342	AA+	5.375	06/12/2017
Fannie Mae	199,910	AA+	1.125	07/20/2018
Fannie Mae	302,250	AA+	1.625	11/27/2018
Freddie Mac	302,660	AA+	1.750	05/30/2019
Fannie Mae	302,350	AA+	1.750	09/12/2019
Freddie Mac	297,512	AA+	1.375	05/01/2020
Fannie Mae	293,974	AA+	1.375	02/26/2021
Fannie Mae	194,356	AA+	1.250	05/06/2021
<u>Total Agency Securities</u>	<u>\$ 2,701,629</u>			

Municipal Issues

The District invested a portion of its reserve money into Municipal Issues rated AA+ - AAA by Standard and Poor's.

As of December 31, 2016, investment details are as follows:

<u>Description</u>	<u>Market Value</u>	<u>S&P Rating</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>
Ma St Wtr Res Auth	\$ 106,136	AA+	5.000	08/01/2018
Iowa Fin Auth Rev	109,115	AAA	5.000	08/01/2019
Curators Univ Mo	109,845	AA+	5.000	11/01/2019
<u>Total Municipal Issues</u>	<u>\$ 325,096</u>			

NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the years ended December 31, 2017, and 2016, follows:

	<u>Balance December 31, 2016</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance December 31, 2017</u>
Capital assets, not being depreciated				
Easements	\$ 27,837	\$ -	\$ -	\$ 27,837
Total capital assets, not being depreciated	<u>27,837</u>	<u>-</u>	<u>-</u>	<u>27,837</u>
Capital assets, being depreciated				
Water capacity	22,117,028	184,127	-	22,301,155
Water system	4,832,557	-	-	4,832,557
Sewer system	3,520,011	-	-	3,520,011
Total capital assets, being depreciated	<u>30,469,596</u>	<u>184,127</u>	<u>-</u>	<u>30,653,723</u>
Less accumulated depreciation for:				
Water capacity	8,459,626	477,487	-	8,937,113
Water system	1,762,032	106,535	-	1,868,567
Sewer system	1,385,824	76,520	-	1,462,344
Total accumulated depreciation	<u>11,607,482</u>	<u>660,542</u>	<u>-</u>	<u>12,268,024</u>
Total capital assets, being depreciated, net	<u>18,862,114</u>	<u>(476,415)</u>	<u>-</u>	<u>18,385,699</u>
Total capital assets, net	<u>\$ 18,889,951</u>	<u>\$ (476,415)</u>	<u>\$ -</u>	<u>\$ 18,413,536</u>
	<u>Balance December 31, 2015</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance December 31, 2016</u>
Capital assets, not being depreciated				
Easements	\$ 27,837	\$ -	\$ -	\$ 27,837
Total capital assets, not being depreciated	<u>27,837</u>	<u>-</u>	<u>-</u>	<u>27,837</u>
Capital assets, being depreciated				
Water capacity	22,027,475	89,553	-	22,117,028
Water system	4,832,557	-	-	4,832,557
Sewer system	3,520,011	-	-	3,520,011
Total capital assets, being depreciated	<u>30,380,043</u>	<u>89,553</u>	<u>-</u>	<u>30,469,596</u>
Less accumulated depreciation for:				
Water capacity	7,984,325	475,301	-	8,459,626
Water system	1,655,495	106,537	-	1,762,032
Sewer system	1,309,300	76,524	-	1,385,824
Total accumulated depreciation	<u>10,949,120</u>	<u>658,362</u>	<u>-</u>	<u>11,607,482</u>
Total capital assets, being depreciated, net	<u>19,430,923</u>	<u>(568,809)</u>	<u>-</u>	<u>18,862,114</u>
Total capital assets, net	<u>\$ 19,458,760</u>	<u>\$ (568,809)</u>	<u>\$ -</u>	<u>\$ 18,889,951</u>

NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation expense for the years ended December 31, 2017, and 2016, was charged to the following operations:

	2017	2016
Water	\$ 584,022	\$ 581,838
Sewer	76,520	76,524
Total	\$ 660,542	\$ 658,362

NOTE 5 - NET POSITION

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

Invested in capital assets consists of capital assets, net of accumulated depreciation.

The restricted component of net position includes 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 constitutional provisions or enabling legislation. The District had a restricted net position for emergencies as required by the TABOR amendment.

The unrestricted net position is the remaining net position of the District. As of December 31, 2017, it includes \$15,660,000 in board designation for future capital replacements.

NOTE 6 - INTERGOVERNMENTAL AGREEMENTS

Extended Service Area (ESA)

Centennial Water and Sanitation District (Centennial) provides water supply as well as water and sewage treatment services to the District under an Extended Service Area Water and Sewer Agreement (ESA) dated May 3, 1989, which was revised and replaced on August 1, 1994. The term of the agreement is for fifty (50) years to August 2044 and may be extended. The area agreed to be served by Centennial currently constitutes the majority of the District. Upon payment of tap fees for capacity in its water supply and water and sewage treatment facilities, Centennial provides services to the District and bills the District for water delivered based on metered usage at rates not to exceed 200% of the rates charged by Centennial to Highlands Ranch Districts. Centennial has approval rights over the area to be included within the Centennial Service Area, the location of points of connection to its system, and the number of taps available for service. In this regard, Centennial's commitment to provide taps is on a "when, as and if available" basis. The District agreed to use Centennial as its sole source of water supply within the service area of the ESA and adopt the same standards as Centennial within the Centennial Service Area. The District bills its customers directly.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

NOTE 7 - RECEIVABLES

Receivables as of year-end and for the District's activities are as follows:

	2017	2016
Accounts - Service billings	\$ 170,099	\$ 181,513
Property taxes	943,720	880,828
Specific ownership taxes	6,463	6,669
Accounts - Backcharges, net	29,340	14,018
Accounts - Miscellaneous	-	2,687
Interest	36,764	22,419
	\$ 1,186,386	\$ 1,108,134

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability, boiler and machinery and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 9 - 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.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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.

On November 2, 1993, a majority of the District's electors authorized the collection, retention, and spending of revenues from any source other than property taxes without regard to any limitations imposed by TABOR.

On November 7, 1995, a majority of the District's electors approved an annual increase in property taxes of \$137,000 provided that the total mill levy for operations does not exceed 25 mills. Such revenue is exempt from revenue raising limitations under TABOR and Section 29-1-302, C.R.S.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF EXPENSES
Years Ended December 31, 2017 and 2016

	2017	2016
DIRECT WATER EXPENSES		
Water purchases	\$ 1,362,206	\$ 1,365,750
Meter purchases and installation	4,906	22,020
Depreciation and amortization	584,022	581,838
Total direct water expenses	\$ 1,951,134	\$ 1,969,608
DIRECT SEWER EXPENSES		
Sewage treatment	\$ 466,825	\$ 461,220
Sewer cleaning	17,505	-
Sewer - TV video program	21,600	6,740
Depreciation	76,520	76,524
Total direct sewer expenses	\$ 582,450	\$ 544,484
GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting	\$ 71,622	\$ 56,707
Audit	4,675	4,250
Directors' fees	1,600	1,900
Election costs	-	1,591
Engineering	65,865	95,607
Insurance	14,524	12,878
Legal	26,727	38,114
Mapping	213	941
Membership dues	6,238	8,738
Management	49,855	42,357
Meter reading and billing	113,015	119,853
Miscellaneous	21,240	22,152
Repairs and maintenance	208,040	197,977
Rules and regulations update	-	-
Utilities	607	670
Web page development	2,550	1,605
Total general and administrative expenses	\$ 586,771	\$ 605,340

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND FUNDS AVAILABLE
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2017**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES			
Water service fees	\$ 1,716,000	\$ 1,771,008	\$ 55,008
Sewer service fees	830,000	802,696	(27,304)
Miscellaneous income	20,000	45,292	25,292
Property taxes	880,828	880,774	(54)
Specific ownership taxes	79,275	96,489	17,214
Net investment income	41,000	107,918	66,918
Tap and option fees			
Water	1,300,000	184,127	(1,115,873)
Administration fees	185,000	15,103	(169,897)
Developer reimbursement	14,400	17,777	3,377
Contributed capital - Construction	100,000	-	(100,000)
Total revenues and transfers	<u>5,166,503</u>	<u>3,921,184</u>	<u>(1,245,319)</u>
EXPENDITURES			
Direct water expenses	1,389,000	1,367,112	21,888
Direct sewer expenses	516,000	505,930	10,070
General and administrative expenses	862,412	614,802	247,610
Capital outlay	1,300,000	184,127	1,115,873
Contributed facilities	100,000	-	100,000
Contingency	168,588	-	168,588
Total expenditures and transfers	<u>4,336,000</u>	<u>2,671,971</u>	<u>1,664,029</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	830,503	1,249,213	418,710
FUNDS AVAILABLE - BEGINNING OF YEAR	<u>16,295,217</u>	<u>16,422,625</u>	<u>127,408</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 17,125,720</u>	<u>\$ 17,671,838</u>	<u>\$ 546,118</u>

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS (ACTUAL)
TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended December 31, 2016**

	Actual
Funds available are defined as follows:	
Current and non current assets	\$ 19,053,815
Less current liabilities and deferred inflow of resources	<u>(1,381,977)</u>
Funds available	<u><u>\$ 17,671,838</u></u>
Reconciliation of budgetary basis (actual) to Statement of Revenues, Expenses and Changes in Net Position:	
Revenue (budgetary basis)	<u>\$ 3,921,184</u>
Total revenue per Statement of Revenues, Expenses and Changes in Net Position	<u>3,921,184</u>
Expenditures (budgetary basis)	2,671,971
Depreciation and amortization	660,542
Capital outlay	<u>(184,127)</u>
Total expenses per Statement of Revenues, Expenses and Changes in Net Position	<u>3,148,386</u>
Change in net position per Statement of Revenues, Expenses and Changes in Net Position	<u><u>\$ 772,798</u></u>

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND
PROPERTY TAXES COLLECTED
December 31, 2017**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>	<u>Property Taxes</u>		<u>Percent Collected to Levied</u>
			<u>Levied</u>	<u>Collected</u>	
2013	\$ 57,292,620	9.922	\$ 568,458	\$ 557,900	98.1%
2014	\$ 58,047,422	12.212	\$ 708,875	\$ 705,173	99.5%
2015	\$ 57,661,280	12.876	\$ 742,446	\$ 729,396	98.2%
2016	\$ 66,925,440	12.806	\$ 857,047	\$ 849,210	99.1%
2017	\$ 68,207,190	12.914	\$ 880,828	\$ 880,774	99.9%
Estimated for the year ended December 31, 2018	\$ 73,693,550	12.806	\$ 943,720		

NOTE:

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific assessment.