

**FOUNTAIN CREEK WATERSHED, FLOOD  
CONTROL AND GREEWAY DISTRICT**

**FINANCIAL STATEMENTS**

**December 31, 2017**

**E**

**RECEIVED**

Office of the State Auditor

July 27, 2018



**Logan and Associates, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

## TABLE OF CONTENTS

Independent Auditor’s Report	a - b
Management’s Discussion and Analysis	i – vi
<b>Basic Financial Statements</b>	
Statement of Net Position	1
Statement of Activities	2
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4
Statement of Net Position – Proprietary Fund	5
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	7
Statement of Cash Flows – Proprietary Fund	8
Notes to Financial Statements	9 - 18
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule - General Fund	19
Notes to Required Supplementary Information	20
<b>Supplementary Information</b>	
Budgetary Comparison Schedule – Water Activity Enterprise	21



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Fountain Creek Watershed, Flood Control  
and Greenway District  
El Paso and Pueblo Counties, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Fountain Creek Watershed, Flood Control and Greenway District (the "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. These financial statements are the responsibility of the Fountain Creek Watershed, Flood Control and Greenway District's management. Our responsibility is to express opinions on these financial statements based on our audit.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Fountain Creek Watershed, Flood Control and Greenway District as of December 31, 2017, and the respective changes in financial position and cash flows, where applicable, 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 on pages i - v, and the budgetary comparison schedules on pages 19 - 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Logan and Associates, LLC*

Aurora, Colorado  
July 18, 2018

**FOUNTAIN CREEK WATERSHED, FLOOD CONTROL AND GREENWAY  
DISTRICT**  
**Management's Discussion and Analysis**  
**December 31, 2017**

Management of the Fountain Creek Watershed, Flood Control and Greenway District ("District") offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2017. The focus of the information contained herein is on the primary government.

**Financial Highlights**

- The District's assets exceeded liabilities at the close of the fiscal year by \$17,277,528 (net position). Of this amount \$17,267,228 (unrestricted net position) may be used to meet the District's obligations.
- The District's total net position increased by \$6,122,476.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$204,236, an increase of \$137,777 from the prior year.
- As of the close of the current fiscal year, the District's business funds reported an ending net position of \$17,073,292, and increase of \$5,984,699 from the prior year.
- The District has no debt.
- The District has no capital assets.

**Overview of Financial Statements**

This discussion and analysis is intended as an introduction to the District's financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition, to the basic financial statements, also provided is required supplementary information and other supplementary information.

**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The focus of the Statement of Net Position (the "unrestricted net position") is designed to be similar to a bottom line for the District and its governmental and business-type activities. This statement reports all of the governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations. 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 illustrating how the District's net position changed during the most recent 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 are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The governmental activities reflected the District's basic services, including planning, design and construction, land use review, and education. Grants, contributions and fees for service finance the majority of these services.

The business-type activities reflect private sector operations, which include design and construction of water activity facilities (e.g., erosion control, flood control and stream channel capacity development) and development of drainage criteria standards, where fees for service typically cover all or most of the related costs.

### **Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds* are used to account for the same functions as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on financial position and change in financial position, not on income determination, and use the flow of current financial resources measurement focus and the modified accrual (when they are “measurable and available”). The District considers all revenue available if they are collected within sixty days following the year end. Expenditures are recorded when the related fund liability is incurred.

The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The District maintains one *proprietary fund*. This fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its water activity services.

The *notes to the basic financial statements* provide additional information that is essential to a full understanding of the data provided by the government-wide financial statements.

*Other information*, in addition to the basic financial statements and accompanying notes, is presented in the form of certain required supplementary information and other supplementary information.

### **Government-wide financial Analysis**

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 exceeded liabilities by \$17,277,528.

Of the District’s net position, over 99.9% is unrestricted and may be used to meet the District’s ongoing financial obligations. These are net assets that are not restricted by external requirements nor invested in capital assets.

The following reflects the District's Net Position.

	Government Activities		Business-type Activities		Total	
	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017
<b>ASSETS</b>						
Cash	\$78,335	\$213,436	\$11,211,476	\$17,610,146	\$11,289,811	\$17,823,582
Restricted Cash	159	0			\$159	\$0
Accounts Receivable	3,441	2,371			\$3,441	\$2,371
<b>TOTAL ASSETS</b>	<b>81,935</b>	<b>215,807</b>	<b>11,211,476</b>	<b>17,610,146</b>	<b>\$11,293,411</b>	<b>\$17,825,953</b>
<b>LIABILITIES</b>						
Accounts Payable	15,476	11,571	122,883	536,854	\$138,359	\$548,425
<b>TOTAL LIABILITIES</b>	<b>15,476</b>	<b>11,571</b>	<b>122,883</b>	<b>536,854</b>	<b>\$138,359</b>	<b>\$548,425</b>
<b>NET POSITION</b>						
Restricted for Emergencies	14,400	10,300			\$14,400	\$10,300
Unrestricted	52,059	193,936	11,088,593	17,073,292	\$11,140,652	\$17,267,228
<b>TOTAL NET POSITION</b>	<b>\$66,459</b>	<b>\$204,236</b>	<b>\$11,088,593</b>	<b>\$17,073,292</b>	<b>\$11,155,052</b>	<b>\$17,277,528</b>

The following reflects the District's Changes in Net Position.

	Government Activities		Business-type Activities		Total	
	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017
<b>REVENUES (\$)</b>						
<b>GENERAL REVENUES</b>						
General Government	0	1,000				1,000
Land Use Fees	3,500	0			3,500	0
Intergovernmental	125,000	199,838			125,000	199,838
Investment Income				19,391		19,391
Gain (Loss) on Investments				-93,626		-93,626
Investment Fees				-15,211		-15,211
Interest Income	626	474			626	474
Other	162	8,825			162	8,825
<b>PROGRAM REVENUES</b>						
Grants	2,067	0			2,067	0
WARSSS Assessment	25,524	4,476				4,476
Flood Control Alternatives	37,528	4,272				4,272
Monument Creek MP	228,937	0				0
Needs Assessment	0	57,826				57,826
Operating Grants/Contributions			11,623,317	13,342,357	11,623,317	13,342,357
<b>TOTAL REVENUE</b>	<b>423,344</b>	<b>276,711</b>	<b>11,623,317</b>	<b>13,252,911</b>	<b>12,046,661</b>	<b>13,529,622</b>
<b>EXPENDITURES (\$)</b>						
General Government	15,123	35,950			15,123	35,950
Enterprise Management			40,366	74,451	40,366	74,451
Projects						
Grant Management	20,300	0			20,300	0
WARSSS Assessment	51,048	8,952			51,048	8,952
Flood Control Alternatives	67,298	0			67,298	0
Monument Creek MP	445,688	0			445,688	0
Needs Assessment	0	94,032			0	94,032
Watershed Restoration	72,772	0			72,772	0
Greenview Trust	2,549	0			2,549	0
Drainage Criteria Manual			71,349	114,609	71,349	114,609
Masciantonio Bank Restoration			91,523	1,538,100	91,523	1,538,100
Pueblo Levee Dredging			331,486	4,851,033	331,486	4,851,033
Highway 47 Bank Restoration			0	690,019	0	690,019
<b>TOTAL EXPENDITURES</b>	<b>674,778</b>	<b>138,934</b>	<b>534,724</b>	<b>7,268,212</b>	<b>1,209,502</b>	<b>7,407,146</b>
<b>INCREASE/(DECREASE) IN NET POSITION (\$)</b>	<b>-251,434</b>	<b>137,777</b>	<b>11,088,593</b>	<b>5,984,699</b>	<b>10,837,159</b>	<b>6,122,476</b>

Business-type activities increased the District's net position by \$5,984,699 for the year ended December 31, 2017. Key elements of the increases are as follows:

- The second payment of five annual payments by Colorado Springs Utilities required by the Pueblo County Southern Delivery System 1041 Permit in the amount of \$10,159,839.
- Payment by the City of Pueblo under a Water Activity Service Agreement for Pueblo Levee dredging services in the amount of \$3,182,518

Intergovernmental revenues are grants and other revenues received from the District's Represented Public Bodies (local governments) who are members of the District. Fees include amounts collected from land use applications. Grants include revenues received from local, state and federal governments. Interest income reflects revenues from investment activities.

Governmental Activities increased the District's net position by \$137,777. Key elements are as follows:

- Intergovernmental revenues from the District's Represented Public Bodies in the amount of \$199,838.
- Completion of grant activities using reserve funds authorized in the prior fiscal year.

### **Financial Analysis of the Government Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental funds

The focus of the District's governmental funds is to provide information on current year revenue, expenditures and balances of spendable resources. Such information is useful in assessing the District's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2017, the District's governmental funds reported combined ending fund balances of \$204,236, an increase of \$137,777 from the prior year. The District does not have any unassigned fund balance due to restrictions and commitments.

Proprietary fund. The District's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

The net position of the Water Activity Enterprise amounted to \$17,073,292, an increase of 5,984,699 over the prior fiscal year.

Significant factors for the Water Activity Enterprise fund:

- The second payment of five annual payments by Colorado Springs Utilities required by the Pueblo County Southern Delivery System 1041 Permit in the amount of \$10,159,839.
- Payment by the City of Pueblo under a Water Activity Service Agreement for Pueblo Levee dredging services in the amount of \$3,182,518
- Pueblo Levee dredging services were completed with an expenditure of \$4,851,033.
- Other Enterprise Projects had expenditures of \$2,417,179.
- Enterprise Management Expenses increase \$34,085 over the prior year as a result of increased project activity.

## **General Fund Budgetary Highlights**

There were no amendments to the 2017 Budget.

## **Capital Asset Administration**

The District has no capital assets.

## **Debt Administration**

The District has no debt.

## **Economic Factors and Next Year's Budget**

The 2018 budget represents an attempt to maintain both core services and a sufficient fund balance. Increasing reserves is a large priority for the foreseeable future as the current reserves are not sufficient for the District's needs and the District has not yet asked the voters of the District to approve a property tax. The following factors were considered in compiling the 2018 budget.

- Most governmental revenue items were budgeted at a slight increase over the last year.
- Most governmental expenditures have been budgeted close to the last year as the District tries to build governmental reserves.
- Business-related revenue items were budgeted at a slight increase over the last year.
- Business-related expenditures were budgeted higher than last year to reflect start-up of project design and construction activities.

It is the hope of the Board of Directors of the District and the Executive Director that 2018 will keep improving as 2017 did.

## **Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Fountain Creek Watershed, Flood Control and Greenway District, P.O. Box 26373, Colorado Springs, CO 80936-6373.

## **BASIC FINANCIAL STATEMENTS**

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

STATEMENT OF NET POSITION  
December 31, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash	\$ 213,436	\$ 17,610,146	\$ 17,823,582
Accounts Receivable	2,371	-	2,371
<b>TOTAL ASSETS</b>	<b>215,807</b>	<b>17,610,146</b>	<b>17,825,953</b>
<b>LIABILITIES</b>			
Accounts Payable	11,571	536,854	548,425
<b>TOTAL LIABILITIES</b>	<b>11,571</b>	<b>536,854</b>	<b>548,425</b>
<b>NET POSITION</b>			
Restricted for Emergencies	10,300	-	10,300
Unrestricted	193,936	17,073,292	17,267,228
<b>TOTAL NET POSITION</b>	<b>\$ 204,236</b>	<b>\$ 17,073,292</b>	<b>\$ 17,277,528</b>

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

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		TOTALS
		OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
<b>PRIMARY GOVERNMENT</b>					
<b>Governmental Activities</b>					
General Government	\$ 35,950	\$ 1,000	\$ (34,950)	\$ -	\$ (34,950)
Needs Assessment	94,032	57,826	(36,206)	-	(36,206)
WARSSS Assessment Grant	8,952	4,476	(4,476)	-	(4,476)
Flood Control Alternative Grant	-	4,272	4,272	-	4,272
Total Governmental Activities	\$ 138,934	\$ 67,574	(71,360)	-	(71,360)
<b>Business-Type Activities</b>					
Water Activity Enterprise	7,283,423	13,342,357	-	6,058,934	6,058,934
Total Primary Government	\$ 7,422,357	\$ 13,409,931	(71,360)	6,058,934	5,987,574
<b>GENERAL REVENUES</b>					
			199,838	-	199,838
			474	(74,235)	(73,761)
			8,825	-	8,825
			<u>209,137</u>	<u>(74,235)</u>	<u>134,902</u>
			137,777	5,984,699	6,122,476
			66,459	11,088,593	11,155,052
			\$ 204,236	\$ 17,073,292	\$ 17,277,528

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

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2017

	GENERAL	Non-Major MASTER PLAN	TOTALS
<b>ASSETS</b>			
Cash	\$ 213,436	\$ -	\$ 213,436
Accounts Receivable	2,371	-	2,371
<b>TOTAL ASSETS</b>	<b>\$ 215,807</b>	<b>\$ -</b>	<b>\$ 215,807</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 11,571	\$ -	\$ 11,571
<b>TOTAL LIABILITIES</b>	<b>11,571</b>	<b>-</b>	<b>11,571</b>
<b>FUND BALANCES</b>			
Restricted for Emergencies	10,300	-	10,300
Unassigned	193,936	-	193,936
<b>TOTAL FUND BALANCES</b>	<b>204,236</b>	<b>-</b>	<b>204,236</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 215,807</b>	<b>\$ -</b>	<b>\$ 215,807</b>

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

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended December 31, 2017

	GENERAL	Non-Major MASTER PLAN	TOTALS
REVENUES			
Intergovernmental	\$ 199,838	\$ -	\$ 199,838
Grants	66,574	1,000	67,574
Investment Income	474	-	474
Miscellaneous	8,825	-	8,825
<b>TOTAL REVENUES</b>	<b>275,711</b>	<b>1,000</b>	<b>276,711</b>
EXPENDITURES			
General Government	34,791	1,159	35,950
WARSSS Assessment Grant	8,952	-	8,952
Needs Assessment	94,032		94,032
<b>TOTAL EXPENDITURES</b>	<b>137,775</b>	<b>1,159</b>	<b>138,934</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>137,936</b>	<b>(159)</b>	<b>137,777</b>
FUND BALANCES, Beginning	66,300	159	66,459
FUND BALANCES, Ending	<u>\$ 204,236</u>	<u>\$ -</u>	<u>\$ 204,236</u>

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

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

STATEMENT OF NET POSITION  
PROPRIETARY FUND TYPE - WATER ACTIVITY ENTERPRISE  
December 31, 2017

	<u>WATER ACTIVITY ENTERPRISE</u>
ASSETS	
Current Assets	
Cash	\$ 7,699,592
Investments	<u>9,910,554</u>
TOTAL ASSETS	<u>17,610,146</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	<u>536,854</u>
TOTAL LIABILITIES	<u>536,854</u>
NET POSITION	
Unreserved	<u>17,073,292</u>
TOTAL NET POSITION	<u><u>\$ 17,073,292</u></u>

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

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUND TYPE - WATER ACTIVITY ENTERPRISE  
Year Ended December 31, 2017

	<u>WATER ACTIVITY ENTERPRISE</u>
OPERATING REVENUES	
Utility Enterprise Grants	
Monetary Mitigation Fund	\$ 10,159,839
Pueblo Dredging Project	<u>3,182,518</u>
 TOTAL OPERATING REVENUES	 <u>13,342,357</u>
 OPERATING EXPENSES	
Administrative and General	74,451
Projects	
Drainage Criteria Manual	114,609
Masciantonio Bank Restoration	1,538,100
Pueblo Levee Dredging	4,851,033
Highway 47 Bank Restoration	<u>690,019</u>
 TOTAL OPERATING EXPENSES	 <u>7,268,212</u>
 NET OPERATING INCOME	 6,074,145
 NON-OPERATING REVENUE (EXPENSES)	
Investment Income	19,391
Gain (Loss) on Investments	(93,626)
Investment Fees	<u>(15,211)</u>
 NET INCOME	 5,984,699
 NET POSITION, Beginning	 <u>11,088,593</u>
 NET POSITION, Ending	 <u><u>\$ 17,073,292</u></u>

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

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE - WATER ACTIVITY ENTERPRISE  
Year Ended December 31, 2017  
Increase (Decrease) in Cash

	<u>WATER ACTIVITY ENTERPRISE</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Others	\$ 13,342,357
Cash Paid to Suppliers for Goods and Services	<u>(6,854,241)</u>
Net Cash Provided by Operating Activities	<u>6,488,116</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	<u>(10,000,000)</u>
Net Cash (Used) by Investing Activities	<u>(10,000,000)</u>
 Net Decrease in Cash	 (3,511,884)
 CASH, Beginning	 <u>11,211,476</u>
 CASH, Ending	 <u><u>\$ 7,699,592</u></u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	<u>\$ 6,074,145</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Changes in Assets and Liabilities	
Accounts Payable	<u>413,971</u>
Total Adjustments	<u>413,971</u>
Net Cash Provided by Operating Activities	<u><u>\$ 6,488,116</u></u>

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

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Fountain Creek Watershed, Flood Control and Greenway District (the "District") was formed on April 30, 2009 by an amendment to Title 32 of the Colorado Revised Statutes (C.R.S.) under the provisions of Colorado Senate Bill 09-141. The District area is all of El Paso and Pueblo Counties (C.R.S. 32.11.5-202). Included in the District is the 927 square miles in El Paso and Pueblo Counties (known as the Fountain Creek Watershed Management Area (C.R.S. 32-11.5-103(18)), extending south from Palmer Divide to the Arkansas River, and approximately twenty miles east of the City of Colorado Springs with Pikes Peak to the west.

The purpose of the District is to provide management, administration and funding for capital improvements in order to improve drainage, mitigate flooding, erosion and sedimentation issues; address water quality and quantity issues in the Fountain Creek Watershed. In addition, the District is authorized to fund the acquisition and protection of open space and develop public recreational opportunities including parks, trails and open space within its boundaries. The District will have land use authority in the 100 year floodplain in El Paso and Pueblo Counties between the City of Fountain and the City of Pueblo. In addition, the District can provide input to the local government entities on land use applications that may have direct or indirect impacts on the watershed. During 2015 the District established the Fountain Creek Watershed Water Activity Enterprise Fund for the purpose of providing watershed, flood control and greenway services including but not limited to construction, operation, repair and replacement of water projects and facilities as defined in C.R.S. Section 32-45.1-102(5).

The District is governed by a nine-member Board of Directors consisting of representatives from El Paso and Pueblo Counties; Cities of Colorado Springs, Fountain and Pueblo; small municipalities in El Paso and Pueblo Counties, the Lower Arkansas Valley Water Conservation District and the Citizens Advisory Group.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Reporting Entity**

In accordance with governmental accounting standards, the District has considered the possibility of including additional entities in its financial statements. The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of this criteria, the District does not include additional organizations in its reporting entity.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by grants and intergovernmental revenues, are reported separately from *business-type activities*, which rely to significant extent on fees, grants and charges for support

The statement of net position reports all financial, capital and debt resources of the District. The difference between assets plus deferred outflows, and liabilities plus deferred inflows of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Intergovernmental revenues, taxes and other items not properly included among program revenues are reported instead as general revenues.

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and used. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both "measurable and available". Revenues are considered to be "available" when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year, except for expenditure driven grants as defined in the following paragraph.

Intergovernmental revenues, grants, and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current year. Grant and similar revenues are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses,

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
(Continued)

and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

The District reports the following major governmental fund in the fund financial statements:

General Fund is the District's primary operating fund that accounts for all financial resources of the District, except those required to be accounted for in another fund.

The District reports the following major proprietary fund in the fund financial statements:

Water Activity Enterprise Fund accounts for the activities of the District funded by local area utility enterprises for purposes of management, research, development and construction for the flood control project in the watershed area.

**Assets, Liabilities and Net Position/Fund Balances**

*Accounts Receivable* – Accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

*Net Position* – In the government-wide and proprietary fund financial statements, net position is restricted when constraints placed on the net position are externally imposed.

- Restricted Net Position – this classification includes liquid assets which have third party limitations on their use.
- Unrestricted Net Position – this classification includes assets that do not have any third party limitation on their use.

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities and Net Position/Fund Balances** (Continued)

*Fund Balance Classification* – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- Assigned – This classification includes amounts that are constrained by the District’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts.
- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The District has not established a formal policy for its use of restricted and unrestricted fund balance. However, if both restricted and unrestricted fund balances are available, the District uses restricted fund balance first followed by committed, assigned and unassigned.

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Subsequent Events**

The District has evaluated events subsequent to the year ended December 31, 2017 through July 18, 2018, the date of these financial statements were issued, and has incorporated any required recognition into these financial statements.

**NOTE 2: CASH AND INVESTMENTS**

At December 31, 2017, the District reported cash and investments as follows:

Cash	\$ 7,913,028
Investments	<u>9,910,554</u>
Total	<u><b>\$ 17,823,582</b></u>

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2017, the District had bank deposits totaling \$7,950,289 of which \$466,824 were insured by FDIC, and \$7,483,465 were collateralized with securities held by the financial institution's agent but not in their name.

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments**

The District has not adopted a formal investment policy and therefore follows State statutes regarding investments.

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. U.S. Government securities explicitly or implicitly guaranteed by the U.S. Government are not considered to have credit risk exposure, including U.S. Treasury Bills, U.S. Treasury Notes, Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), and Federal National Mortgage Association (FNMA).

State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a nationally recognized statistical rating organization ("NRSROs").

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments (Continued)**

As of December 31, 2017, the District held investments with the following credit ratings:

<u>Issuer</u>	<u>Fair Value</u>	<u>Ratings</u>	
		<u>Standards &amp; Poors</u>	<u>Moody's</u>
<b>U. S Government Instruments</b>			
U.S. Treasury Notes	\$ 5,768,769	n/a	AAA
U.S. Treasury Bills	996,505	n/a	n/a
U.S. Government Agency Securities			
FHLB	297,450	AA+	AAA
FHLMC	594,588	AA+	n/a
FNMA	296,289	AA+	AAA
<b>Corporate Obligations</b>			
Apple	297,459	AA+	AA1
Automatic Data Processing	300,771	AA	AA3
Berkshire Hathaway	296,211	AA	AA2
Coca-Cola	297,486	AA-	AA3
Microsoft	298,839	AAA	AAA
Wal-Mart	309,075	AA	AA2
<b>Money Market Fund</b>			
Federated Treasury Obligation Fund	157,112	AAAm	Aaa-mf

***Interest Rate Risk – Investments.*** For investments, this is the risk that changes in interest rates will adversely affect fair market values. The District's investment policy limits investment maturities to three (3) years from date of purchase, as a means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows as approved by the Board of Directors. At the June 2017 Board meeting the Board of Directors approved investments in U.S. Government Instruments with maturities greater than three (3) years. As of December 31, 2017, the weighted average maturity of the District's investment portfolio was 2.47 years as detailed in the following chart:

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments (Continued)**

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>
U.S. Treasury Notes	\$ 5,768,769	2.60
U.S. Treasury Bills	996,505	0.26
FHLB	297,450	3.41
FHLMC	594,588	1.88
FNMA	296,289	2.58
Apple	297,459	2.45
Automated Data Processing	300,771	2.71
Berkshire Hathaway	293,211	1.63
Coca-Cola	297,486	1.42
Microsoft	298,839	1.10
Wal-Mart	309,075	2.91
Money Market Fund	<u>157,112</u>	N/A
Total Fair Value	<b><u>\$ 9,910,554</u></b>	
Portfolio Weighted Average Maturity		<b><u>2.24</u></b>

***Concentration of Credit Risk – Investments.*** Concentration of credit risk is the risk of loss attributed to the concentration of the District’s investment in a single issuer. The District’s investment policy does not specifically address concentration of credit risk. 5% or more of the District’s investments were held by the following issuers as of December 31, 2017:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>
U.S. Treasury Notes	\$ 5,768,769	58%
U.S. Treasury Bills	996,505	10%
FHLM	\$ 594,588	6%

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE 4: RISK MANAGEMENT**

**Public Entity Risk Pool**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets. The District plans to provide for or restore the economic damages of those losses through risk transfer. The District participates in the Colorado Special Districts Property and Liability Pool (the "Pool").

The purposes of the Pool are to provide members defined liability and property coverages and to assist members in preventing and reducing losses and injuries to property and to persons or property which might result in claims being made against members of the Pool, and their officers.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability of loss, to the limit of the financial resources of the Pool. It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverages at reasonable costs.

All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members. The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the Pool.

**NOTE 5: COMMITMENTS AND CONTINGENCIES**

**Tabor Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation.

At the District's creation, the Colorado Senate Bill 09-141 (SB 09-141) authorized the District to levy property taxes up to 5 mills for the purpose funding reserves, repayment of bonds issued, maintenance, operations and improvement of facilities, subject to election requirements and limitations as defined in SB 09-141.

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE 5: COMMITMENTS AND CONTINGENCIES** (Continued)

**Tabor Amendment** (Continued)

Enterprises, defined as government-owned business authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District has made certain interpretations of the Amendment's language in order to determine compliance. The District's management believes the Water Activity Enterprise's operations qualify for the "enterprise" exclusion allowed by the Amendment. The District believes it is in compliance with the requirements of the Amendment.

The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2017, the emergency reserve of \$10,300 was reported as a restriction of net position/fund balance in the Governmental Activities/General Fund.

**Water Activity Services Agreement – Pueblo Levee Dredging Project**

On September 26, 2016, the District's Water Activity Enterprise entered into a water activity services agreement with the Pueblo Stormwater Utility Enterprise (the "Stormwater Enterprise") to provide funding for the flood control repairs or improvements to the levee system on Fountain Creek in the City of Pueblo. The District's Water Activity Enterprise will act as the fiscal agent and project manager for the term of the project. The Stormwater Enterprise agrees to pay the District's Water Activity Enterprise a total of \$5,250,000 in increments of \$2,000,000 within 30 days of the agreement date, an additional \$2,000,000 by January 15, 2017 and the final \$1,250,000 by January 15, 2018. During the year ended December 31, 2017, the District's Water Activity Enterprise received \$3,182,518 from the Stormwater Enterprise and had expenses of \$4,851,033.

**REQUIRED SUPPLEMENTARY INFORMATION**

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Year Ended December 31, 2017

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 200,000	\$ 199,838	\$ (162)
Grants	150,470	66,574	(83,896)
Investment Income	96	474	378
Miscellaneous	399,959	8,825	(391,134)
<b>TOTAL REVENUES</b>	<b>750,525</b>	<b>275,711</b>	<b>(474,814)</b>
<b>EXPENDITURES</b>			
General Government			
Advertising and Posting	960	154	806
Accounting and Audit	6,000	5,500	500
Administrative Support	25,000	-	25,000
Board Meetings	200	38	162
District Management	84,000	16,800	67,200
Engineering	200,000	4,000	196,000
Grant Management	96,897	-	96,897
Land Use Review	1,500	2,600	(1,100)
Legal	150,000	-	150,000
Office Supplies	2,289	2,212	77
Travel	2,000	2,335	(335)
Telephone	2,000	887	1,113
Miscellaneous	1,000	265	735
<b>Total General Government</b>	<b>571,846</b>	<b>34,791</b>	<b>537,055</b>
WARSSS Assessment Grant	8,952	8,952	-
Flood Control Alternative Grant	6,876	-	6,876
Needs Assessment	133,300	94,032	39,268
<b>TOTAL EXPENDITURES</b>	<b>720,974</b>	<b>137,775</b>	<b>583,199</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>29,551</b>	<b>137,936</b>	<b>108,385</b>
FUND BALANCE, Beginning	67,280	66,300	(980)
FUND BALANCE, Ending	<u>\$ 96,831</u>	<u>\$ 204,236</u>	<u>\$ 107,405</u>

See the accompanying Independent Auditor's Report.

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2017

**NOTE 1: BUDGETARY INFORMATION**

**Budgets and Budgetary Accounting**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- In September, District management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District on a basis consistent with generally accepted accounting principles (GAAP).
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

## **SUPPLEMENTARY INFORMATION**

FOUNTAIN CREEK WATERSHED, FLOOD CONTROL,  
AND GREENWAY DISTRICT

BUDGETARY COMPARISON SCHEDULE  
WATER ACTIVITY ENTERPRISE  
Year Ended December 31, 2017

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>REVENUES</b>			
Grants and Contributions			
Monetary Mitigation Fund	\$ 10,000,000	\$ 10,159,839	\$ 159,839
Pueblo Dredging Project	2,000,000	3,182,518	1,182,518
Gain (Loss) on Investments	-	(93,626)	(93,626)
Investment Income	-	19,391	19,391
	12,000,000	13,268,122	1,268,122
<b>EXPENDITURES</b>			
Administration and General	219,959	89,662	130,297
Engineering	180,000	-	180,000
Projects	-	-	-
Drainage Criteria Manual	138,515	114,609	23,906
Masciantonio Bank Restoration	2,500,000	1,538,100	961,900
Pueblo Levee Dredging	5,250,000	4,851,033	398,967
Highway 47 Bank Restoration	2,611,485	690,019	
	10,899,959	7,283,423	1,695,070
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,100,041	5,984,699	4,884,658
<b>FUNDS AVAILABLE, Beginning</b>	-	11,088,593	11,088,593
<b>FUNDS AVAILABLE, Ending</b>	\$ 1,100,041	\$ 17,073,292	\$ 15,973,251
Funds Available is Computed as Follows:			
Current Assets		\$ 17,610,146	
Current Liabilities		(536,854)	
		\$ 17,073,292	

See the accompanying Independent Auditors' Report.