



North Weld County Water District

Financial Statements and Supplementary Information

For the Years Ended December 31, 2018 and 2017



North Weld County Water District

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Independent Auditor's Report

Board of Directors
North Weld County Water District
Lucerne, Colorado

We have audited the accompanying financial statements of the North Weld County Water District (the "District") as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 that 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 financial position of the North Weld County Water District as of December 31, 2018 and 2017, and changes in its financial position and its cash flows for the years 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 3 to 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis) on pages 28 to 29 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis) 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. Such 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 Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

ACM LLP

Greeley, Colorado
April 15, 2019

North Weld County Water District

Management's Discussion and Analysis

Management's discussion and analysis is designed to provide an analysis of the financial condition and operating results and to also inform the reader on financial issues and activities of the North Weld County Water District (the "District").

Management's Discussion and Analysis ("MD&A") should be read in conjunction with the District's basic financial statements (beginning on page 10).

2018 Highlights - Business-Type Activities

- On December 31, 2018, the District's net position was \$121,308,597 an increase of \$14,279,826 from the 2017 amount of \$107,028,771.
- Operating revenues for 2018 increased by \$1,352,820 from \$9,370,793 in 2017 to \$10,723,613.
- Total operating expenses in 2018 decreased by \$61,193 from \$9,514,737 in 2017 to \$9,453,544.
- Total capital assets in 2018 increased by \$9,097,413 from \$106,050,058 in 2017 to \$115,147,471.
- Long term debt decreased by \$1,771,337 in 2018, from \$13,997,480 in 2017 to \$12,226,143.

Using this Annual Report

The financial statements included in this annual report are those of a Quasi-municipal Corporation and a political subdivision of the State of Colorado engaged only in a business-type activity. As an enterprise fund, the District's basic financial statements include:

Statements of Net Position - reports the District's current financial resources (short-term spendable resources) with capital assets and long-term obligations. (See pages 10-11).

Statements of Revenues, Expenses and Changes in Net Position - reports the District's operating and non-operating revenues, by major source along with operating and non-operating expenses and capital contributions. (See page 12).

Statements of Cash Flows - reports the District's cash flows from operating activities, investing activities and related financing activities, capital and non-capital financing activities. (See pages 13-14).

North Weld County Water District
Management's Discussion and Analysis

The following tables summarize information from these statements.

Statements of Net Position

December 31,	2018	2017	2016
Current assets	\$17,560,072	\$15,619,294	\$10,380,295
Restricted assets	1,393,266	1,481,109	2,883,680
Capital assets	115,147,471	106,050,058	98,587,694
Other assets	20,934	28,439	401,386
Deferred outflows of resources	500	10,785	31,921
Total Assets and Deferred Outflows of Resources	\$134,122,243	\$123,189,685	\$112,284,976
Current liabilities	2,203,398	3,696,494	2,355,182
Non-current liabilities	10,610,248	12,464,420	14,233,419
Total Liabilities	\$12,813,646	\$16,160,914	\$16,588,601
Net position			
Net investment in capital assets	\$102,921,828	\$92,063,363	\$84,488,624
Restricted:			
Loan reserves	1,393,266	1,481,109	1,271,115
Bond proceeds	-	-	1,612,565
Unrestricted	16,993,503	13,484,299	8,324,071
Total Net Position	\$121,308,597	\$107,028,771	\$95,696,375

Review of Revenue

Years Ended December 31,	2018	2017	2016
Operating Revenue			
Water - treated	\$10,316,497	\$9,050,744	\$8,735,349
Other income	407,116	320,049	258,029
Total operating revenue	\$10,723,613	\$9,370,793	\$8,993,378
Non-operating revenues			
Earnings on investments	152,552	85,803	25,082
Other non-operating income	58,624	520,816	234,433
Equity in net operating loss of joint venture	-	-	(47,212)
Loss on disposal of capital assets	-	(6,965)	(15,300)
Total non-operating revenue	211,176	599,654	197,003
Total revenue	\$10,934,789	\$9,970,447	\$9,190,381

North Weld County Water District

Management's Discussion and Analysis

Water sales were \$10,316,497 of operating revenues as shown on the budgetary comparison. Water sales from construction meters increased from \$320,049 in 2017, to \$407,116 an increase of \$87,067.

Review of Expenses

Years Ending December 31,	2018	2017	2016
Administrative	\$1,596,997	\$1,710,107	\$1,438,029
Distribution	6,290,270	6,292,109	3,017,168
Depreciation	1,566,277	1,512,521	1,701,417
Total operating expenses	\$9,453,544	\$9,514,737	\$6,156,614
Interest expense	386,386	437,801	480,295
Total expenses	\$9,839,930	\$9,952,538	\$6,636,909

Operating expenses were \$7,887,267 of the total expenditures as shown on the budgetary comparison schedule plus depreciation of \$1,566,277.

Capital Contribution

Years Ending December 31,	2018	2017	2016
Contributed capital			
Tap fees - customers	\$2,372,113	\$2,044,625	\$1,226,375
Meter set fees	267,000	78,300	27,000
Reimbursement for water rights	8,589,350	6,989,500	4,946,950
Distance fees	952,275	951,975	553,125
Reimbursement for line extension	864,229	816,837	976,814
Water storage	140,000	433,250	401,030
Net capital contributions	\$13,184,967	\$11,314,487	\$8,131,294

Contributed capital was \$13,184,967 of the total revenues as shown on the budgetary comparison schedule.

Capital Assets, Net of Depreciation

Years Ending December 31,	2018	2017	2016
Land, easement, and water rights	\$58,567,034	\$49,992,847	\$44,166,755
Construction in progress	133,239	2,474,574	2,241,549
Filter plant	-	-	7,201,564
Transmission and distribution system	46,819,043	43,842,377	43,006,983
Facilities	1,282,130	1,321,970	1,363,043
Vehicles and field equipment	773,110	841,174	592,516
SCWTA treatment capacity	7,566,396	7,566,396	-
Other	6,519	10,720	15,284
Total	\$115,147,471	\$106,050,058	\$98,587,694

North Weld County Water District

Management's Discussion and Analysis

Major capital asset additions in 2018 were:

Water Rights	\$6,869,600
Gravel Pits	1,538,533
Easements	206,584
New Construction	1,701,735
Wildwing Filing 2 - Phase 2A	183,511
Wildwing Filing 2 - Phase 2C	28,110
Hidden Valley Farm - 3 rd Filing	135,617
	\$10,663,690

Construction in Progress

The following projects will be ongoing in 2019:

- 24-Inch Replacement Project along Highway 14
- Eaton Pipeline Project along Weld CR 72
- Crow Creek Crossing Line Replacement
- 4-Inch Line Extension along Weld CR 27
- Non-Potable Waterline Extension along Weld CR 78
- Pump Station 4 and 6 Improvement Project

Customer Classification, Water Rates, Revenue and Consumption

The District currently provides water service to 4,687 taps, 89%, of which, are standard. All water service is metered and read electronically. The following table is a breakdown of water consumption and revenue billed by customer class in 2018.

Classification	2018 Water Consumption (Per 1000 Gal.)	Percent of Total	Total Billed in 2018	Percent of Total
Residence Only	14,033	0.45%	\$57,519.07	0.44%
Standard	583,930	18.84%	2,100,862.99	16.22%
Standard ½	12,350	0.40%	63,743.21	0.49%
Standard ¾	2,204	0.07%	8,514.52	0.07%
Flow Control	136,279	4.40%	338,254.86	2.61%
Commercial	1,071,225	34.56%	3,530,558.22	27.25%
Municipal	1,132,390	36.54%	2,797,227.83	21.59%
Conservation Blue	68,162	2.20%	282,642.33	2.18%
Fire Meters	1,802	0.06%	7,915.74	0.06%
Non-Potable Meters	66,147	2.13%	79,376.40	0.61%
Billable Usage	0	0%	0.00	0%
Landscape Meters	10,818	0.35%	17,908.92	0.14%
Unset Meters	0	0%	2,684.64	0.02%
Adjustments	0	0%	-22,034.52	-0.17%
Surcharges (PI)	0	0%	1,851,111.44	14.30%
Surcharges (W)	0	0%	1,838,124.00	14.19%
Total	3,099,340	100%	\$12,954,409.65	100%

North Weld County Water District

Management’s Discussion and Analysis

Basic Service Fees, Rates and Changes

The District has established a schedule of rates, fees and charges for the connection to and use of District facilities. State law provides that, until paid, all such rates, fees, tolls and charges constitute a perpetual lien on and against the property served. User charges are billed according to customer classification and usage. Each customer is subject to a minimum monthly charge, which begins when the meter is set. If the meter is not set within 12 months after purchase of the tap, a monthly charge is assessed.

In establishing the current rate schedule, it was determined that the rate must both pay for increasing operating costs, including debt service, and allow for some system deferred maintenance funds while not overburdening District customers on the lower end of the usage scale with excessive rates. The following table is a comparison of basic service fees for a Standard Tap (Class 1). There were no rate increases for 2015, or 2016 with rates remaining at \$3.05. Monthly minimum for usage between 0-6 (Kgals) was \$18.30. For 2017, the rates increased from \$3.05 to \$3.20. Monthly minimum for usage between 0-6 (Kgals) was \$19.20. The 2018 rates increased from \$3.20 to \$3.29. Monthly minimum for usage between 0-6 (Kgals) was \$19.74. The 2019 rates increased from \$3.29 to \$3.39. Monthly minimum for usage between 0-6 (Kgals) is \$20.34.

Comparative Residential System User Charges 2015-2019

	January 2015	January 2016	January 2017	January 2018	January 2019
Monthly Minimum Usage (Kgals) *May 2014	\$18.30	\$18.30	\$19.20	\$19.74	\$20.34
0-10					
11 and greater	\$3.05	\$3.05	\$3.20	\$3.29	\$3.39

Comparative Town’s User Charges 2015-2019

75% Residential Rate	\$2.29	\$2.29	\$2.40	\$2.47	\$2.54
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Tap Fees

The District charges tap fees to recover costs of system acquisition, construction and expansion. A tap fee is a one-time charge that must be paid in full before the meter will be installed and the account is considered active. The District’s tap fee is calculated based upon plant investment fee, distance fee, raw water fee and storage fee. Effective July 1, 2018 the storage fee is no longer a requirement.

The total tap fee for a Water Class 1 and Plant Investment Class 1 is; cash in lieu - raw water for 2018 started at \$13,000 and ended at \$30,100 with a \$1,000 storage fee or for dedication, the equivalent of 1 unit of CBT with an additional \$1,000 storage fee. (As noted above, the storage fee is no longer required.) *Effective July 1, 2018, the Raw Water Fee shall be based on a weighted average obtained from the previous quarters open market sales and shall be as published on the first day of each calendar quarter.* The plant investment is \$7,500, a distance fee of \$300 per mile from our main tank site at Highway 14 and Highway 257 to the property following section lines with a minimum of 5 miles or \$1,500, and a meter pit installation which averages \$1,500.

In 2010, the District made Conservation Blue Taps available to customers purchasing a new tap. A Conservation Blue Tap allows the customer to purchase a tap and not pay the plant investment fee nor pay the distance fee. These taps are automatically in the plant investment surcharge as soon as usage occurs. With the purchase of Conservation Blue Taps, the number of plant investments will decrease while water class allocations will increase.

North Weld County Water District

Management's Discussion and Analysis

Per Resolution 20180813-02 - Elimination of Conservation Blue Taps. Effective August 13, 2018, Conservation Blue Taps are only available to certain pending subdivisions that have already received conditional or final approval from the District. Taps for such subdivisions shall be recorded on or before August 13, 2019 and the taps, including payment or transfer of water, as applicable, shall be purchased on or before August 13, 2023. With the elimination of Conservation Blue Taps, the number of plant investments will increase, but at a slower rate than water class allocations through 2023 (approved subdivisions). After 2023, plant investments and water class allocations will level out.

Historical Plant Investment Collections		
Year	Number of Pls	Tap Fee Revenue
2012	142.0	\$1,274,750
2013	155.0	\$1,162,500
2014	112.0	\$840,583
2015	136.77	\$1,025,775
2016	120.25	\$1,167,375
2017	250.25	\$1,876,875
2018	299.5	\$2,246,250

Capital Improvement Plan

The five-year capital improvement plan (CIP) for the period 2019 thru 2023 is driven by the growth of the District and Northern Colorado. The CIP for this report is split into the following categories and amounts for each category:

Project	Proposed CIP					Total
	2019	2020	2021	2022	2023	
Filter Plant	\$6,770,655	\$7,102,950	\$4,110,709	\$460,800	\$280,000	\$18,725,114
Main Transmission Lines, Meters, Tanks, Distribution Lines and Pump Stations	8,730,600	6,440,698	3,700,998	2,861,504	4,172,220	25,906,020
Water Resources	5,574,667	5,120,000	5,560,000	5,810,000	5,560,000	27,624,667
Land /Easements	180,000	180,000	180,000	180,000	180,000	900,000
Total	\$21,255,922	\$18,843,648	\$13,551,707	\$9,312,304	\$10,192,220	\$73,155,801

North Weld County Water District

Management's Discussion and Analysis

Upcoming expenditures are to expand and improve the filter plant treatment capacity, piping network and storage capabilities of the District.

Contracts and Agreements

The District is a party to contracts and cooperative agreements concerning the financing, acquisition, construction, operation, maintenance, and use of certain water facilities.

Economic and Other Factors

Overall, the District has shown increases in water revenues and tap sales as a result of continued growth throughout the District, the Towns served by the District, and generally in Weld and Larimer counties. Operating expenses have increased due to construction and needed system improvements but will assure future water revenues and tap sales to be generated.

Land use, zoning and management procedures and policies as established by Weld and Larimer County will materially affect the extent of future growth and development within the District.

Financial Contact

The District's financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional financial information please contact Eric Reckentine, District Manager, North Weld County Water District, P.O. Box 56, Lucerne, CO 80646.

Basic Financial Statements

North Weld County Water District

Statements of Net Position

<i>December 31,</i>	2018	2017
Assets		
Current assets		
Cash and cash equivalents	\$ 15,409,534	\$ 14,102,664
Receivables, net of allowance for doubtful accounts of \$0 and \$655 respectively	1,338,701	549,730
Inventories	733,943	888,803
Prepaid items	77,894	78,097
Total current assets	17,560,072	15,619,294
Non-current assets		
Restricted assets		
Cash and cash equivalents	1,393,266	1,481,109
Total restricted assets	1,393,266	1,481,109
Capital assets, net		
Transmission and distribution system	69,995,731	65,666,484
Facilities	1,644,153	1,642,915
Vehicles and field equipment	2,029,136	1,960,420
Other	78,221	78,221
Total	73,747,241	69,348,040
Less: accumulated depreciation	(24,866,439)	(23,331,799)
Total	48,880,802	46,016,241
SCWTA Treatment Capacity	7,566,396	7,566,396
Land, easements, and water rights	58,567,034	49,992,847
Construction in progress	133,239	2,474,574
Total capital assets, net	115,147,471	106,050,058
Other assets		
Debt insurance costs, net of \$61,839 and \$54,334 in accumulated amortization	20,934	28,439
Total other assets	20,934	28,439
Total non-current assets	116,561,671	107,559,606
Total assets	134,121,743	123,178,900
Deferred outflows of resources		
Unamortized deferred loss on refunding bonds	500	10,785
Total deferred outflows of resources	500	10,785

(Continued).

North Weld County Water District
Statements of Net Position
(Continued)

<i>December 31,</i>	2018	2017
Liabilities		
Current liabilities		
Current portion of long-term debt	1,720,000	1,645,000
Accounts payable	289,992	1,833,039
Accrued expenses	193,406	218,455
Total current liabilities	2,203,398	3,696,494
Non-current liabilities		
Accrued compensated absences	104,105	111,940
Long-term debt, net	10,506,143	12,352,480
Total non-current liabilities	10,610,248	12,464,420
Total liabilities	12,813,646	16,160,914
Net position		
Net investment in capital assets	102,921,828	92,063,363
Restricted:		
Operations and maintenance reserves	1,393,266	1,481,109
Unrestricted	16,993,503	13,484,299
Total net position	\$ 121,308,597	\$ 107,028,771

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

North Weld County Water District

Statements of Revenues, Expenses and Changes in Net Position

<i>For the Years Ended December 31,</i>	2018	2017
Operating revenues		
Water sales - treated	\$ 10,316,497	\$ 9,050,744
Construction water	407,116	320,049
Total operating revenues	10,723,613	9,370,793
Operating expenses		
Administrative	1,596,997	1,710,107
Distribution	6,290,270	6,292,109
Depreciation	1,566,277	1,512,521
Total operating expenses	9,453,544	9,514,737
Operating income (loss)	1,270,069	(143,944)
Non-operating revenues (expenses)		
Earnings on investments	152,552	85,803
Other non-operating income	58,624	520,816
Loss on disposal of capital assets	-	(6,965)
Interest expense	(386,386)	(437,801)
Total non-operating revenues (expenses)	(175,210)	161,853
Net income before contributions	1,094,859	17,909
Capital contributions	13,184,967	11,314,487
Change in net position	14,279,826	11,332,396
Net position at beginning of year	107,028,771	95,696,375
Net position at end of year	\$ 121,308,597	\$ 107,028,771

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

North Weld County Water District

Statements of Cash Flows

<i>For the Years Ended December 31,</i>	2018	2017
Cash flows from operating activities		
Cash received from customers	\$ 9,935,297	\$ 9,533,772
Cash paid to suppliers and vendors	(7,494,103)	(5,071,449)
Cash paid to employees	(1,814,687)	(1,663,679)
Net cash flows from operating activities	626,507	2,798,644
Cash flows from non-capital financing activities		
Other non-operating revenues	58,624	520,816
Net cash flows from non-capital financing activities	58,624	520,816
Cash flows from capital and related financing activities		
Contributed capital	13,184,967	10,544,815
Principal paid on long-term debt	(1,645,000)	(1,610,000)
Interest paid	(494,933)	(531,890)
Acquisition of land, easements and water rights	(8,574,187)	-
Acquisition and construction of capital assets	(2,089,503)	(7,818,686)
Proceeds from disposition of capital assets	-	2,000
Net change in restricted cash and cash equivalents	87,843	1,402,571
Net cash flows from capital and related financing activities	469,187	1,988,810
Cash flows from investing activities		
Earnings on investments	152,552	85,803
Net cash flows from investing activities	152,552	85,803
Net change in cash and cash equivalents	1,306,870	5,394,073
Cash and cash equivalents at beginning of year	14,102,664	8,708,591
Cash and cash equivalents at end of year	\$ 15,409,534	\$ 14,102,664

(Continued)

North Weld County Water District
Statements of Cash Flows
(Continued)

<i>For the Years Ended December 31,</i>	2018	2017
Reconciliation of operating income to net cash flows from operating activities:		
Operating income (loss)	\$ 1,270,069	\$ (143,944)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation	1,566,277	1,512,521
Change in allowance for doubtful accounts	(655)	-
Changes in assets and liabilities:		
Receivables	(788,316)	162,979
Inventories	154,860	(12,543)
Prepaid items	203	4,638
Accounts payable, accrued expenses, and accrued compensated absences	(1,575,931)	1,274,993
Net cash flows from operating activities	\$ 626,507	\$ 2,798,644
Noncash investing, capital and financing activities:		
Equity in net operating loss of joint venture	\$ -	\$ -
Capital assets and investment in Soldier Canyon Filter Plant transferred to SCWTA	\$ -	\$ (7,566,396)
Treatment capacity in SCWTA	\$ -	\$ 7,566,396
Amortization of bond premium	\$ (126,337)	\$ (136,076)
Amortization of bond loss	\$ 10,285	\$ 21,136
Amortization of bond insurance	\$ 7,505	\$ 8,115
Noncash additions of capital assets	\$ -	\$ (769,672)
Capital assets acquired with accounts payable	\$ -	\$ (30,660)

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

North Weld County Water District

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Form of Organization

The North Weld County Water District (the “District”) is organized under the provisions of Section 32-1-305 (6) of the Colorado Revised Statutes (“CRS”). It is a quasi-municipal corporation and a political subdivision of the State of Colorado with all powers thereof which includes the power to levy taxes against property within the District.

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

Reporting Entity

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s board, and either, a) the ability to impose its will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

Based on the above criteria, there are no other organizations that would be considered component units of the District.

Basic Financial Statements

The District is a special-purpose government engaged only in business-type activities. As such, enterprise fund financial statements are presented.

Basis of Accounting

Proprietary funds, which include enterprise funds, are accounted on a flow of economic resources measurement focus using the accrual basis of accounting. Therefore, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the Statement of Net Position. Revenues and expenses are recorded in the accounting period in which they are earned or incurred, and they become measurable. Net position is segregated into amounts invested in capital assets, restricted for operations and maintenance reserves, and unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

North Weld County Water District

Notes to Financial Statements

Budgets and Budgetary Accounting

An annual budget and appropriation resolution is adopted by the Board of Directors (the “Board”) in accordance with state statutes. The budget is prepared on a basis consistent with GAAP except that capital asset additions and principal payments are budgeted as expenditures, debt proceeds are budgeted as revenues, and depreciation is not budgeted.

The budget process timeline is as follows:

1. On or about October 15, the District staff submits to the Board 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.
2. Public hearings are conducted at regular Board meetings to obtain taxpayer comments.
3. Prior to December 15, the budget is legally adopted by the Board.
4. Unused appropriations lapse at the end of each year.

The total appropriated expenditures for the District were \$22,198,298, original and final, for the year ended December 31, 2018.

Cash and Cash Equivalents

The District considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Short term investments, consisting of funds invested in a local government investment pool (Note 2) are considered to be cash equivalents and are measured at net asset value, which approximates fair value.

Receivables and Allowance for Doubtful Accounts

The District’s receivables are due from commercial and residential customers within the District service area. The District’s policy for collections is limited to the right to discontinue service and to place liens on property. The District had an allowance for doubtful accounts of \$0 and \$655 at December 31, 2018 and 2017 respectively.

Inventories

Inventories, consisting primarily of operating supplies for water meter repair and installation, have been valued at cost, using the first-in first-out method of accounting.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

North Weld County Water District

Notes to Financial Statements

Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed.

Depreciation of capital assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Description	Estimated Lives
Facilities	40 years
Transmission and distribution system	10-100 years
Vehicles and field equipment	5-10 years
Other	5-20 years

Joint Venture

Prior to February 1, 2017, the District was a participant with East Larimer County Water District ("ELCO") and Ft. Collins/Loveland Water District ("FLWD") in a joint venture to operate Soldier Canyon Filter Plant (the "Plant"), the filter plant from which the District, ELCO and FLWD purchase 100% of their water. Each district was charged for their respective share of the water purchased from the Plant, and for capital improvements made at the Plant on a periodic basis.

On February 1, 2017, the District transferred all of the Filter Plant assets to a new entity, Solider Canyon Water Treatment Authority (the "Authority"). In exchange for the District's share of the Plant assets, the District received treatment capacity share of 16.238 MGD or 36.084%. The treatment capacity is considered an intangible asset with an indefinite life and is included in capital assets. Complete financial statements for the Authority may be obtained from the Authority's administrative office at 4424 LaPorte Avenue, Ft. Collins, Colorado 80521.

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance costs, are recognized as an expense during the period of issuance. Prepaid insurance costs paid as part of debt issuance costs are reported as an asset and are amortized to interest expense over the life of the debt using the effective interest method.

Debt Related Deferrals

Premiums and discounts and losses on refunding are deferred and amortized to interest expense over the life of the debt using the effective interest method. The net premiums and discounts are presented as an adjustment to the face amount of the debt. Deferred losses on refunding are reflected as a deferred outflow of resources in the accompanying Statements of Net Position.

North Weld County Water District

Notes to Financial Statements

Accrued Compensated Absences Payable

Obligations associated with the District's vacation policy are recorded as a liability and expense when earned to the extent that such benefits vest to the employee. The amount of the accrued and unpaid balance due under this policy is considered a long-term liability.

The District has recorded a liability of \$104,105 and \$111,940 at December 31, 2018 and 2017, respectively.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports a deferred outflow of resources relating to the unamortized deferred loss on refunding bonds.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District does not report any deferred inflows of resources.

Net Position

Net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation of these assets and related debt balances reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restriction imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the District which is not restricted for any project or other purpose. A deficit will require future funding.

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

Revenue Recognition

Revenues are recognized when earned. Metered water accounts are read and billed monthly on 30 day cycles. There was no significant unbilled revenue at December 31, 2018 and 2017.

Operating Revenues and Expenses

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

North Weld County Water District

Notes to Financial Statements

Capital Contributions

Contributions of cash, transmission lines and water rights to the District by developers, customers or by agreements with others are treated as capital contributions on the District's Statements of Revenues, Expenses and Changes in Net Position.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2017 financial statements have been reclassified for comparative purposes to conform to the current year financial statement presentation. These reclassifications had no effect on previously reported net position or change in net position.

2. Cash and Cash Equivalents

Custodial Credit Risk - Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act ("PDPA") requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation ("FDIC") to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2018 and 2017, the District had deposits with a financial institution with a carrying amount of \$5,980,853 and \$3,812,441, respectively. The bank balances with the financial institution were \$6,480,731 and \$4,213,520, respectively, which of this amount \$250,000 was covered by federal depository insurance. The remaining balances of \$6,230,731 and \$3,963,520, respectively, were collateralized with securities held by the financial institutions' agents but not in the District's name ("PDPA").

North Weld County Water District

Notes to Financial Statements

Investments

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

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

District policy is to hold investments until maturity.

Interest Rate Risk

The District does not have a formal written investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates; however, the District adheres to state statutes. Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase.

Local Government Investment Pool

At December 31, 2018 and 2017, the District had invested \$10,821,747 and \$11,771,132, respectively, in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission 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. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a 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. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

The District had cash and cash equivalents balances, including restricted cash and cash equivalents, as follows:

<i>December 31,</i>	2018	2017
Cash on hand	\$ 200	\$ 200
Cash on deposit with financial institution	5,980,853	3,812,441
Local government investment pool	10,821,747	11,771,132
Total cash and cash equivalents	\$ 16,802,800	\$ 15,583,773

North Weld County Water District

Notes to Financial Statements

Cash and cash equivalents balances are reflected on the Statements of Net Position as follows:

<i>December 31,</i>	2018	2017
Cash and cash equivalents	\$ 15,409,534	\$ 14,102,664
Restricted cash and cash equivalents	1,393,266	1,481,109
Total cash and cash equivalents	\$ 16,802,800	\$ 15,583,773

3. Restricted Assets

Amounts shown as restricted assets have been restricted by bond indentures to be used for specified purposes. As of December 31, 2018 and 2017, the District had cash and cash equivalents of \$1,393,266 and \$1,481,109 restricted for operations and maintenance.

4. Capital Assets

The following is a summary of capital asset activity for the year ended December 31, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land, easements, and water rights	\$ 49,992,847	\$ 8,574,187	\$ -	\$ 58,567,034
SCWTA Treatment Capacity	7,566,396	-	-	7,566,396
Construction in progress	2,474,574	-	(2,341,335)	133,239
Total capital assets, not being depreciated	60,033,817	8,574,187	(2,341,335)	66,266,669
Capital assets, being depreciated:				
Transmission and distribution system	65,666,484	4,329,247	-	69,995,731
Facilities	1,642,915	1,238	-	1,644,153
Vehicles and field equipment	1,960,420	100,353	(31,637)	2,029,136
Other	78,221	-	-	78,221
Total capital assets, being depreciated	69,348,040	4,430,838	(31,637)	73,747,241
Less accumulated depreciation for:				
Transmission and distribution system	(21,824,107)	(1,352,581)	-	(23,176,688)
Facilities	(320,945)	(41,078)	-	(362,023)
Vehicles and field equipment	(1,119,246)	(168,417)	31,637	(1,256,026)
Other	(67,501)	(4,201)	-	(71,702)
Total accumulated depreciation	(23,331,799)	(1,566,277)	31,637	(24,866,439)
Total capital assets, being depreciated, net	46,016,241	2,864,561	-	48,880,802
Capital assets, net	\$ 106,050,058	\$ 11,438,748	\$ (2,341,335)	\$ 115,147,471

North Weld County Water District

Notes to Financial Statements

The following is a summary of capital asset activity for the year ended December 31, 2017:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land, easements, and water rights	\$ 44,166,755	\$ 5,826,092	\$ -	\$ 49,992,847
SCWTA Treatment Capacity	-	7,566,396	-	7,566,396
Construction in progress	2,241,549	995,732	(762,707)	2,474,574
Total capital assets, not being depreciated	46,408,304	14,388,220	(762,707)	60,033,817
Capital assets, being depreciated:				
Filter plant	11,844,680	-	(11,844,680)	-
Transmission and distribution system	63,496,643	2,169,841	-	65,666,484
Facilities	1,642,915	-	-	1,642,915
Vehicles and field equipment	1,596,600	390,060	(26,240)	1,960,420
Other	78,221	-	-	78,221
Total capital assets, being depreciated	78,659,059	2,559,901	(11,870,920)	69,348,040
Less accumulated depreciation for:				
Filter plant	(4,643,116)	-	4,643,116	-
Transmission and distribution system	(20,489,660)	(1,334,447)	-	(21,824,107)
Facilities	(279,872)	(41,073)	-	(320,945)
Vehicles and field equipment	(1,004,084)	(132,437)	17,275	(1,119,246)
Other	(62,937)	(4,564)	-	(67,501)
Total accumulated depreciation	(26,479,669)	(1,512,521)	4,660,391	(23,331,799)
Total capital assets, being depreciated, net	52,179,390	1,047,380	(7,210,529)	46,016,241
Capital assets, net	\$ 98,587,694	\$ 15,435,600	\$ (7,973,236)	\$ 106,050,058

North Weld County Water District

Notes to Financial Statements

5. Long-Term Debt

A summary of the District's long-term debt as of December 31, 2018 and 2017, follows:

Source	2018	2017
<p>\$6,940,000 September 10, 2009, Colorado Water Resource and Power Development Agency ("CWRPDA") loan due in yearly installments of \$285,000 through 2015 with additional increases up until the date of maturity of August 1, 2029; interest at 2.50% to 4.55%. The loan is a special revenue obligation of the District payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expenses of the system. Accrued interest on this debt amounts to \$80,377 and \$86,086 at December 31, 2018 and 2017, respectively.</p>	\$ 4,435,000	\$ 4,750,000
<p>\$13,440,000 Refunding Revenue Bonds, Series 2012 due in yearly installments of \$1,230,000 through 2015 with additional increases up until the date of maturity of November 1, 2023; interest at 2.0% to 5.0%. These bonds are a special revenue obligation of the District payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expenses of the system. Accrued interest on this debt amounts to \$40,734 and \$48,080 at December 31, 2018 and 2017, respectively.</p>	7,375,000	8,705,000
Totals	\$ 11,810,000	\$ 13,455,000

The annual requirements to amortize all debt outstanding as of December 31, 2018, are as follows:

Year Ending December 31,	Annual Maturities	Interest	Total Payment
2019	\$ 1,720,000	\$ 454,665	\$ 2,174,665
2020	1,765,000	399,765	2,164,765
2021	1,825,000	343,415	2,168,415
2022	1,885,000	215,440	2,100,440
2023	1,960,000	200,640	2,160,640
2024-2028	2,165,000	551,580	2,716,580
2029	490,000	22,295	512,295
Totals	\$ 11,810,000	\$ 2,187,800	\$ 13,997,800

North Weld County Water District

Notes to Financial Statements

A summary of changes in debt for the year ended December 31, 2018 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
2009 CWRPDA	\$ 4,750,000	\$ -	\$ 315,000	\$ 4,435,000	\$ 330,000
2012 refunding revenue bonds	8,705,000	-	1,330,000	7,375,000	1,390,000
Compensated absences	111,940	97,136	104,971	104,105	-
Total	13,566,940	\$ 97,136	\$ 1,749,971	11,914,105	\$ 1,720,000
Current portion of long-term debt	(1,645,000)			(1,720,000)	
Net bond premiums	542,480			416,143	
Noncurrent portion of long-term debt	\$ 12,464,420			\$ 10,610,248	

A summary of changes in debt for the year ended December 31, 2017 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
2009 CWRPDA	\$ 5,055,000	\$ -	\$ 305,000	\$ 4,750,000	\$ 315,000
2012 refunding revenue bonds	10,010,000	-	1,305,000	8,705,000	1,330,000
Compensated absences	99,863	134,668	122,591	111,940	-
Total	15,164,863	\$ 134,668	\$ 1,732,591	13,566,940	\$ 1,645,000
Current portion of long-term debt	(1,610,000)			(1,645,000)	
Net bond premiums	678,556			542,480	
Noncurrent portion of long-term debt	\$ 14,233,419			\$ 12,464,420	

On March 23, 2012, the District issued \$13,440,000 in water revenue refunding bonds with an average interest rate of 3.54% to refund \$14,542,500 of outstanding 1998 and 2001 bonds with an average rate of 3.79% on the 1998 bonds and 7.21% on the 2001 bonds. The net proceeds of \$15,109,619 (after payment of \$175,569 in underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1998 and 2001 bonds.

The original deferred loss on refunding of \$275,770 was the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt. This difference, reported in the accompanying financial statements as a deferred outflow of resources, will be charged to operations through 2019 using the effective-interest method.

North Weld County Water District

Notes to Financial Statements

6. Rate Maintenance

The District's loan agreement with the CWRPDA requires the District to establish, levy, and collect rents, rates, and other charges for the products and services provided by the system in an amount sufficient to (1) meet the operation and maintenance expenses of the system, (2) to comply with all covenants in the loan resolution, and (3) pay at least 100% of the debt service on all indebtedness or 110% of such debt service if connection fees are included as a source of repayment.

As shown below, the District is in compliance with this requirement of the CWRPDA loan agreement for the year ended December 31, 2018:

Operating revenues	\$ 10,723,613
System connections fees (limited to 15% of revenue)	1,608,542
Total revenues as defined in loan agreement	12,332,155
Operation and maintenance expense (excluding depreciation expense)	(7,887,267)
Net revenue as defined in loan resolution	\$ 4,444,888
2018 principal due	\$ 1,645,000
2018 interest due	494,433
Subtotal	2,139,433
	x 110%
Required revenue as defined in loan resolution	\$ 2,353,376

7. Reconciliation of Budget Based Accounting to GAAP Financial Statements

The District prepares its annual budget on a non-GAAP basis of accounting. Below is the reconciliation from the budget basis of accounting to GAAP basis:

<i>For the years ended December 31,</i>	2018	2017
Excess of non-GAAP revenues over expenditures (budgetary basis)	\$ 3,537,413	\$ 3,416,231
Adjustments required to reconcile:		
Non-GAAP revenues/expenditures:		
Bond principal	1,645,000	1,610,000
Capital asset acquisition	10,663,690	7,818,686
GAAP revenue/expense - adjustments:		
Depreciation expense	(1,566,277)	(1,512,521)
Change in net position GAAP basis	\$ 14,279,826	\$ 11,332,396

North Weld County Water District

Notes to Financial Statements

8. Risk Management

The District is a member of the Colorado Special District Property and Liability Pool (“CSDPLP”). The District has joined together with other special districts in the State of Colorado. This is a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays annual contributions for its property and casualty insurance coverage. The intergovernmental agreement provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for members’ claims in excess of specified self-insurance retention.

At December 31, 2017 (the most current audited financial statements) CSDPLP has total admitted assets of \$56,602,888, liabilities of \$30,815,521, and unassigned surplus of \$25,787,367. The liability amount includes no long-term debt. Total revenue for 2017 amounted to \$20,713,694 and total expenses were \$18,721,378 resulting in net income of \$1,992,316. The amount of the District’s share of these amounts is less than 1%.

9. Contingencies

The District is self-insured for property and liability insurance. As discussed in Note 8, the District is a member of the CSDPLP. CSDPLP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CSDPLP has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs.

The ultimate liability to the District resulting from claims not covered by CSDPLP is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the District.

10. Deferred Compensation Pension Plan

During 1993 the District established an Internal Revenue Code Section 457 deferred compensation plan which also provides for contributions from the employee and the employer. The District makes matching contributions of up to 3.0% of an employee’s eligible salary. During 2018 and 2017, the District’s contributions to this plan totaled \$29,790 and \$31,743, respectively.

11. TABOR Compliance

In November 1992, Colorado voters passed an amendment (the “Amendment” or “TABOR”) to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and fiscal year spending include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the spending limit must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

North Weld County Water District

Notes to Financial Statements

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District is an enterprise fund and has no TABOR revenues and therefore has not set aside any monies for emergencies as defined by TABOR.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

12. Subsequent Events

The District evaluated subsequent events through April 15, 2019 the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure.

Supplementary Information

North Weld County Water District

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)

For the Years Ended December 31,	2018		2017		
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
			Budget	Positive	Budget
			Basis	(Negative)	Basis
Revenues					
Operating revenues:					
Metered sales	\$ 8,384,493	\$ 8,384,493	\$ 9,359,855	\$ 975,362	\$ 8,162,710
Surcharges	1,919,802	1,919,802	209,310	(1,710,492)	415,906
PI surcharge	1,668,043	1,668,043	795,825	(872,218)	494,222
Adjustments	(132,502)	(132,502)	(48,493)	84,009	(22,094)
Construction water	195,500	195,500	407,116	211,616	320,049
Total operating revenues	12,035,336	12,035,336	10,723,613	(1,311,723)	9,370,793
Non-operating revenue:					
Earnings on investments	19,000	19,000	152,552	133,552	85,803
Water lease and rental	39,500	39,500	15,668	(23,832)	58,033
Miscellaneous	145,800	145,800	42,956	(102,844)	455,818
Total non-operating revenues	204,300	204,300	211,176	6,876	599,654
Contributions:					
Tap fees	515,000	515,000	2,372,113	1,857,113	2,044,625
Meter set fees	301,500	301,500	267,000	(34,500)	78,300
Water rights	4,125,000	4,125,000	8,589,350	4,464,350	6,989,500
Distance fees	160,000	160,000	952,275	792,275	951,975
Line extension reimbursement	500,000	500,000	864,229	364,229	816,837
Water storage	200,000	200,000	140,000	(60,000)	433,250
Total contributions	5,801,500	5,801,500	13,184,967	7,383,467	11,314,487
Total revenues	18,041,136	18,041,136	24,119,756	6,078,620	21,284,934
Expenditures					
Administrative:					
Personnel - Administrative	700,072	700,072	729,595	(29,523)	659,879
Payroll Taxes	99,500	99,500	110,493	(10,993)	104,314
Health Insurance	45,600	45,600	50,486	(4,886)	48,886
Office Utilities	204,500	204,500	177,361	27,139	152,532
Office Expense	248,600	248,600	203,215	45,385	230,739
Professional Fees	97,500	97,500	294,027	(196,527)	203,782
Miscellaneous	7,000	7,000	31,820	(24,820)	309,975
Total administrative	1,402,772	1,402,772	1,596,997	(194,225)	1,710,107

(Continued)

North Weld County Water District

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)

<i>For the Years Ended December 31,</i>	2018		2017		
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
			Budget	Positive	Budget
			Basis	(Negative)	Basis
Distribution					
Water	2,265,611	2,265,611	2,675,331	(409,720)	3,081,861
Personnel operations	975,433	975,433	903,488	71,945	871,131
Repairs	113,429	113,429	-	113,429	38,997
Operation and maintenance	513,640	513,640	1,857,548	(1,343,908)	1,639,908
Engineering	55,000	55,000	580,552	(525,552)	391,737
Electricity	134,500	134,500	164,172	(29,672)	147,703
Communications	9,000	9,000	1,322	7,678	17,481
Insurance	76,181	76,181	81,906	(5,725)	97,128
Miscellaneous	27,500	27,500	25,951	1,549	6,163
Total distribution	4,170,294	4,170,294	6,290,270	(2,119,976)	6,292,109
Debt service					
Interest expense	-	-	386,386	(386,386)	437,801
Principal paid	2,421,565	2,421,565	1,645,000	776,565	1,610,000
Total debt service	2,421,565	2,421,565	2,031,386	390,179	2,047,801
Capital improvements					
Soldier Canyon Filter Plant	693,000	693,000	-	693,000	-
Storage tanks	-	-	-	-	424,244
Pump stations	-	-	1,238	(1,238)	43,839
Equipment	-	-	100,353	(100,353)	390,060
System	4,851,000	4,851,000	4,329,247	521,753	1,363,295
Water rights, storage, infrastructure	8,479,667	8,479,667	6,026,268	2,453,399	4,357,118
Land and easements	180,000	180,000	206,584	(26,584)	275,058
Construction in progress	-	-	-	-	965,072
Total capital improvements	14,203,667	14,203,667	10,663,690	3,539,977	7,818,686
Total budgeted expenditures	22,198,298	22,198,298	20,582,343	1,615,955	17,868,703
Excess (deficiency) of budgeted					
revenues over budgeted					
expenditures	\$ (4,157,162)	\$ (4,157,162)	\$ 3,537,413	\$ 7,694,575	\$ 3,416,231

See accompanying Independent Auditor's Report.