

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2018 AND 2017

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2018**

INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	1
BASIC FINANCIAL STATEMENTS	
STATEMENTS OF NET POSITION	6
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	7
STATEMENTS OF CASH FLOWS	8
NOTES TO BASIC FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENSES	23
SCHEDULE OF REVENUES, EXPENDITURES AND FUNDS AVAILABLE – BUDGET AND ACTUAL (BUDGETARY BASIS)	24
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	25
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	26

Board of Directors
Northern Douglas County Water and Sanitation District
Douglas County, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Northern Douglas County Water and Sanitation District (the "District") as of and for the year ended December 31, 2018, 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 audit. We conducted our audit in accordance with auditing standards general accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Northern Douglas County Water and Sanitation District as of December 31, 2018, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements of Northern Douglas County Water and Sanitation District for the year ended December 31, 2017, were audited by another auditor who expressed an unmodified opinion on those statements on April 25, 2018.

The management's discussion and analysis information on pages 1 through 5 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Stratagem PC
Certified Public Accountants
Lakewood, Colorado

June 17, 2018

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018 AND 2017**

The management of Northern Douglas County Water and Sanitation District (the District) offers the readers of the District's financial statements this narrative overview and comparative analysis of the financial activities of the District for the fiscal year ended December 31, 2018 and December 31, 2017.

Financial Highlights

- Net position increased \$1,786,514 during 2018.
- Net operating loss decreased from \$(531,548) the previous year to \$(502,164) on operating revenue of \$2,588,807 and \$2,675,832, respectively.
- Operating revenue increased \$87,025 or 3.36%, from prior year.
- Operating expenses exclusive of depreciation increased \$87,377, or 4.66%, from the prior year, due to provider rate increases and increased usage by District customers.
- Funds available (current and noncurrent assets less current liabilities and deferred inflow of resources) increased from \$17,671,838 to \$19,230,831 at December 31, 2018.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements, presented on pages 6 thru 23 are comprised of Financial Statements and Notes to Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

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

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

The statement of revenue, expenses, and changes in net position presents information that reflects how the District's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue and expenses are reported in the statement for some items that will only result in cash flows in future fiscal years.

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

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 9 thru 21 of this report.

The supplementary information contained in this report on pages 23 thru 26 provides a schedule of expenses, budget and actual comparison, reconciliation of budgetary basis, and summary of assessed valuation, mill levy and property tax information.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018 AND 2017**

Statement of Net Position

	December 31,		
	2018	2017	2016
Current and Noncurrent Assets	\$ 20,585,848	\$ 19,053,815	\$ 17,548,049
Capital Assets	18,641,057	18,413,536	18,889,951
Total Assets	<u>39,226,905</u>	<u>37,467,351</u>	<u>36,438,000</u>
Current Liabilities	404,135	438,257	244,596
Total Liabilities	<u>404,135</u>	<u>438,257</u>	<u>244,596</u>
Deferred Inflow of Resources	950,882	943,720	880,828
Total Deferred Inflow of Resources	<u>950,882</u>	<u>943,720</u>	<u>880,828</u>
Net Investment in Capital Assets	18,641,057	18,413,536	18,889,951
Restricted Net Position	122,000	112,000	107,000
Unrestricted Net Position	19,108,831	17,559,838	16,315,625
Total Net Position	<u>\$ 37,871,888</u>	<u>\$ 36,085,374</u>	<u>\$ 35,312,576</u>

The District's net position increased \$1,786,514 during 2018, which is primarily the result of increased water and sewer gross profit from operations and property taxes providing funding for future fixed asset repairs and replacements. The increase in net position in comparison to the prior year of \$772,798 is attributed to an increased capital contributions used to acquire increased capacity in provider water and sewer systems. Funds available (current and noncurrent assets less current liabilities and deferred inflow of resources) increased from \$17,671,838 to \$19,230,831 which is available for working capital.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018 AND 2017**

Changes in Net Position

	December 31,		
	2018	2017	2016
REVENUES			
Operating Revenues:			
Water Services	\$ 1,926,376	\$ 1,786,111	\$ 1,798,302
Sewer Services	749,456	802,696	791,929
Total Operating Revenues	<u>2,675,832</u>	<u>2,588,807</u>	<u>2,590,231</u>
Nonoperating Revenues:			
Taxes	1,041,734	977,263	928,061
Investment Income	264,208	107,918	8,120
Other	121,471	63,069	32,438
Contributions:			
Contributed Capital	80,072	-	-
Tap and Option Fees	817,673	184,127	89,553
Reimbursed Expenditures	28,155	-	-
Total Other Revenues	<u>2,353,313</u>	<u>1,332,377</u>	<u>1,058,172</u>
Total Revenues	5,029,145	3,921,184	3,648,403
EXPENSES			
Operating Expenses:			
Water	1,474,802	1,367,112	1,387,770
Sewer	485,617	505,930	467,960
Subtotal	<u>1,960,419</u>	<u>1,873,042</u>	<u>1,855,730</u>
General and Administrative	547,353	586,771	605,340
Depreciation	670,224	660,542	658,362
Total Operating Expenses	<u>3,177,996</u>	<u>3,120,355</u>	<u>3,119,432</u>
Nonoperating Expenses	<u>64,635</u>	<u>28,031</u>	<u>24,305</u>
Total Expenses	<u>3,242,631</u>	<u>3,148,386</u>	<u>3,143,737</u>
CHANGE IN NET POSITION	1,786,514	772,798	504,666
Net Position - Beginning of Year	<u>36,085,374</u>	<u>35,312,576</u>	<u>34,807,910</u>
NET POSITION - END OF YEAR	<u>\$ 37,871,888</u>	<u>\$ 36,085,374</u>	<u>\$ 35,312,576</u>

The overall increase in revenue of \$1,107,961 can be attributed to an increase in property taxes, investment income, and nonrecurring tap and options fee revenue received in 2018. Total expenses increased \$94,245.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018 AND 2017**

Capital Assets Activity

The activity related to capital assets during 2018 is as follows:

	December 31, 2016	Net Changes	December 31, 2017	Net Changes	December 31, 2018
Land and Easements	\$ 27,837	\$ -	\$ 27,837	\$ -	\$ 27,837
Water System:					
Water Capacity	22,117,028	184,127	22,301,155	817,673	23,118,828
Water Facilities	4,832,557	-	4,832,557	80,072	4,912,629
Sewer System:					
Sewer Facilities	3,520,011	-	3,520,011	-	3,520,011
Total Assets	30,497,433	184,127	30,681,560	897,745	31,579,305
Accumulated Depreciation	(11,607,482)	(660,542)	(12,268,024)	(670,224)	(12,938,248)
Net Capital Assets	<u>\$ 18,889,951</u>	<u>\$ (476,415)</u>	<u>\$ 18,413,536</u>	<u>\$ 227,521</u>	<u>\$ 18,641,057</u>

The 2018 activity relating to capital assets reflected depreciation expense of \$670,224 and purchased capacity of \$897,745.

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

Budgetary Highlights

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

Actual revenue of the District was less than the budgeted revenue, primarily as a result of fewer taps purchased than what was projected during 2018.

Actual expenditures of the District were less than the appropriation by \$782,848, primarily as a result of fewer capital expenditures than expected.

Economic Factors and Next Year's Budgets and Rates

- The assessed valuation of property in the District increased \$559,320, or .76%, in 2018.
- The mill levy for 2018 remained the same as 2017.
- Water service and usage fees revenues are anticipated to increase in 2019 in response to Centennial's rate increase to the District. Usage of water has been calculated based upon the average usage of the past three years.
- Sewer service and usage fees revenues are anticipated to increase in 2019 in response to Centennial's rate increase to the District.
- The District anticipates and budgets to replace its master meters and retail meters in 2019. However, these projects may be delayed until future years.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018 AND 2017**

Request for Information

Management's discussion and analysis is designed to provide a general overview of the District's finances. Questions concerning any of the information provided within this report or requests for additional information should be addressed to: Office of Northern Douglas County Water and Sanitation District, 8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111.

BASIC FINANCIAL STATEMENTS

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2018 AND 2017**

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 9,159,942	\$ 7,789,824
Cash and Cash Equivalents - Restricted	122,000	112,000
Investments - Government Securities	2,593,522	2,105,068
Service Charges Receivable	184,448	170,099
Accounts Receivable - Nonservice		
Net of Allowance for Doubtful Accounts of \$15,000	75,081	35,803
Property Taxes Receivable	950,882	943,720
Interest Receivable	50,654	36,764
Prepaid Expenses	350	13,614
Total Current Assets	13,136,879	11,206,892
NONCURRENT ASSETS		
Investments - Government Securities	7,448,969	7,846,923
Total Restricted Current Assets	7,448,969	7,846,923
CAPITAL ASSETS, NET		
	18,641,057	18,413,536
Total Assets	\$ 39,226,905	\$ 37,467,351
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 299,635	\$ 378,469
Deposits Payable	104,500	59,788
Total Current Liabilities	404,135	438,257
DEFERRED INFLOW OF RESOURCES		
Property Tax Revenue	950,882	943,720
Total Deferred Inflow of Resources	950,882	943,720
NET POSITION		
Invested in Capital Assets	18,641,057	18,413,536
Restricted	122,000	112,000
Unrestricted	19,108,831	17,559,838
Total Net Position	37,871,888	36,085,374
Total Liabilities, Deferred Inflow of Resources and Net Position	\$ 39,226,905	\$ 37,467,351

See accompanying Notes to Basic Financial Statements.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
WATER OPERATIONS		
Water Income	\$ 1,926,376	\$ 1,786,111
Direct Water Expenses	(1,474,802)	(1,367,112)
Depreciation and Amortization	(593,703)	(584,022)
Gross (Loss) from Water Operations	(142,129)	(165,023)
SEWER OPERATIONS		
Sewer Income	749,456	802,696
Direct Sewer Expenses	(485,617)	(505,930)
Depreciation	(76,521)	(76,520)
Gross Profit from Sewer Operations	187,318	220,246
 Total Gross Profit from Operations	 45,189	 55,223
GENERAL AND ADMINISTRATIVE EXPENSES	547,353	586,771
OPERATING (LOSS)	(502,164)	(531,548)
NONOPERATING REVENUES		
Property Taxes	941,935	880,774
Specific Ownership Taxes	99,799	96,489
Net Investment Income	264,208	107,918
Developer Reimbursements	60,601	17,777
Miscellaneous	60,870	45,292
Total Nonoperating Revenues	1,427,413	1,148,250
NONOPERATING EXPENSES		
County Treasurer's Fees	14,134	13,217
Professional Fees Reimbursed	50,501	14,814
Total Nonoperating Expenses	64,635	28,031
INCOME BEFORE CONTRIBUTIONS	860,614	588,671
CAPITAL CONTRIBUTIONS		
Contributed Capital	80,072	-
Tap and Option Fees	817,673	184,127
Reimbursed Expenditures	28,155	-
Total Capital Contributions	925,900	184,127
CHANGE IN NET POSITION	1,786,514	772,798
Total Net Position - Beginning of Year	36,085,374	35,312,576
TOTAL NET POSITION - END OF YEAR	\$ 37,871,888	\$ 36,085,374

See accompanying Notes to Basic Financial Statements.

NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 2,661,483	\$ 2,600,221
Payments to Suppliers	(2,528,630)	(2,265,242)
Net Cash Provided by Operating Activities	132,853	334,979
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property Tax Collections for Operations	941,935	880,774
Specific Ownership Taxes	96,713	96,695
Miscellaneous Income	60,870	45,292
County Treasurer's Fees	(14,134)	(13,217)
Net Cash Provided by Noncapital Financing Activities	1,085,384	1,009,544
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Tap Fees and Top Option Fees	817,673	184,127
Tap Administration Fees	-	2,687
Purchased Capacity	(817,673)	(184,127)
Developer Deposits (Reimbursements)	(26,092)	(12,359)
Reimbursed Expenditures (Meter Installation)	28,155	-
Net Cash Provided (Used) By Capital and Related Financing Activities	2,063	(9,672)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(141,359)	(5,288,661)
Net Interest and Dividends Received	301,177	188,422
Net Cash Provided (Used) by Investing Activities	159,818	(5,100,239)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,380,118	(3,765,388)
Cash and Cash Equivalents - Beginning of Year	7,901,824	11,667,212
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 9,281,942	\$ 7,901,824
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating (Loss)	\$ (502,164)	\$ (531,548)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	670,224	660,542
(Increase) Decrease in:		
Service Charges Receivable	(14,349)	11,414
Prepaid Expenses	13,264	910
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses and Deposits Payable	(34,122)	193,661
Net Cash Provided by Operating Activities	\$ 132,853	\$ 334,979
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
* Change in Fair Market Value	\$ (50,860)	\$ (94,849)

See accompanying Notes to Basic Financial Statements.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 DEFINITION OF REPORTING ENTITY

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of Accounting

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

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

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

Budgets

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

Cash Equivalents

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

Accounts Receivable

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

Property Taxes

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

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

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Capacity	46 Years
Water Lines	46 Years
Sewer Lines	46 Years

Tap Fees and Contributed Lines

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

Deferred Inflow/Outflow of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred, and recognized as an inflow of resources in the period that the amount becomes available.

NOTE 3 CASH AND INVESTMENTS

Cash and cash equivalents as of December 31, 2018 and 2017 are classified in the accompanying financial statements as follows:

	2018	2017
Statement of Net Position:		
Cash and Cash Equivalents	\$ 9,159,942	\$ 7,789,824
Cash and Cash Equivalents - Restricted	122,000	112,000
Total Cash and Cash Equivalents	\$ 9,281,942	\$ 7,901,824

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and cash equivalents as of December 31, 2018 and 2017 consist of the following:

	2018	2017
Deposits with Financial Institutions	\$ 2,859,453	\$ 1,628,772
Investments	6,422,489	6,273,052
Total Cash and Cash Equivalents	\$ 9,281,942	\$ 7,901,824

Deposits with Financial Institutions

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

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

At December 31, 2018 and 2017, the District's cash deposits had a bank balance of \$2,859,453 and \$1,628,772, respectively, and a carrying balance of \$2,859,453 and \$1,628,772, respectively.

Investments

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

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

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

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

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

Fair Value Measurement and Application

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

As of December 31, 2018, the District had the following investments:

<u>Investment</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>Value</u>
Colorado Liquid Asset Trust (Colotrust)	\$ 4,223,204	\$ -	\$ 4,223,204
Colorado Surplus Asset Fund Trust (CSAFE)	1,161,633	-	1,161,633
Colorado Statewide Investment Program (CSIP)	1,037,652	-	1,037,652
US Treasury Issues	1,622,746	5,617,464	7,240,210
Agency Securities	970,776	1,831,505	2,802,281
Total	<u>\$ 9,016,011</u>	<u>\$ 7,448,969</u>	<u>\$ 16,464,980</u>

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

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

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

CSAFE

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

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSIP

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

Restricted and Designated Cash and Investments

Restricted cash and cash equivalents as of December 31, 2018 and 2017, consisted of \$122,000 and \$112,000, respectively, for Emergency Reserves as required by Article X, Section 20 of the Constitution of the state of Colorado.

At December 31, 2018 and 2017, the Board had designated cash and investments totaling \$16,330,000 and \$15,660,000, respectively, for future replacements. Such designated amounts are considered not to be available for general operations. Designations indicate management's intention for future utilization of such cash and are subject to changes by management.

US Treasury Issues (Level 1)

The District invested a portion of its reserve money into US Treasury Issues. As of December 31, 2018, investment details are as follows:

<u>Description</u>	<u>Market Value</u>	<u>S&P Rating</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>
US Treasury Notes	\$ 400,875	n/a	3.125	5/5/2019
US Treasury Notes	198,625	n/a	1.375	7/31/2019
US Treasury Notes	617,090	n/a	1.000	10/15/2019
US Treasury Notes	406,156	n/a	1.500	10/31/2019
US Treasury Notes	197,250	n/a	1.375	2/15/2020
US Treasury Notes	453,152	n/a	2.250	3/31/2020
US Treasury Notes	700,984	n/a	2.625	08/15/2020
US Treasury Notes	492,891	n/a	1.750	12/31/2020
US Treasury Notes	629,222	n/a	3.625	2/15/2021
US Treasury Notes	374,063	n/a	2.375	4/15/2021
US Treasury Notes	700,903	n/a	2.000	11/15/2021
US Treasury Notes	951,844	n/a	1.750	5/31/2022
US Treasury Notes	687,640	n/a	2.000	10/31/2022
US Treasury Notes	429,515	n/a	2.750	7/31/2023
Total US Treasury Issues	<u>\$ 7,240,210</u>			

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2017, investment details are as follows:

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

Agency Securities (Level 1)

The District invested a portion of its reserve money into Agency Securities rated AA+ by Standard & Poor's. As of December 31, 2018, investment details are as follows:

<u>Description</u>	<u>Market Value</u>	<u>S&P Rating</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>
Freddie Mac	\$ 573,176	AA+	1.750	5/30/2019
Fannie Mae	397,600	AA+	1.750	9/12/2019
Freddie Mac	393,549	AA+	1.375	5/1/2020
Fannie Mae	536,220	AA+	1.375	2/26/2021
Fannie Mae	412,217	AA+	1.250	5/6/2021
Fannie Mae	489,519	AA+	1.875	4/5/2022
Total Agency Securities	<u>\$ 2,802,281</u>			

As of December 31, 2017, investment details are as follows:

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

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the years ended December 31, 2018 and 2017, follows:

	Balance December 31, 2017	Additions	Retirements/ Reclassifications	Balance December 31, 2018
Capital Assets, Not Being Depreciated:				
Easements	\$ 27,837	\$ -	\$ -	\$ 27,837
Total Capital Assets, Not Being Depreciated	27,837	-	-	27,837
Capital Assets, Being Depreciated:				
Water Capacity	22,301,155	817,673	-	23,118,828
Water System	4,832,557	80,072	-	4,912,629
Sewer System	3,520,011	-	-	3,520,011
Total Capital Assets, Being Depreciated	30,653,723	897,745	-	31,551,468
Less Accumulated Depreciation For:				
Water Capacity	8,937,113	486,300	-	9,423,413
Water System	1,868,567	107,403	-	1,975,970
Sewer System	1,462,344	76,521	-	1,538,865
Total Accumulated Depreciation	12,268,024	670,224	-	12,938,248
Total Capital Assets, Being Depreciated, Net	18,385,699	227,521	-	18,613,220
Total Capital Assets, Net	\$ 18,413,536	\$ 227,521	\$ -	\$ 18,641,057

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Balance December 31, 2016	Additions	Retirements/ Reclassifications	Balance December 31, 2017
Capital Assets, Not Being Depreciated:				
Easements	\$ 27,837	\$ -	\$ -	\$ 27,837
Total Capital Assets, Not Being Depreciated	27,837	-	-	27,837
Capital Assets, Being Depreciated:				
Water Capacity	22,117,028	184,127	-	22,301,155
Water System	4,832,557	-	-	4,832,557
Sewer System	3,520,011	-	-	3,520,011
Total Capital Assets, Being Depreciated	30,469,596	184,127	-	30,653,723
Less Accumulated Depreciation For:				
Water Capacity	8,459,626	477,487	-	8,937,113
Water System	1,762,032	106,535	-	1,868,567
Sewer System	1,385,824	76,520	-	1,462,344
Total Accumulated Depreciation	11,607,482	660,542	-	12,268,024
Total Capital Assets, Being Depreciated, Net	18,862,114	(476,415)	-	18,385,699
Total Capital Assets, Net	\$ 18,889,951	\$ (476,415)	\$ -	\$ 18,413,536

Depreciation expense for the years ended December 31, 2018 and 2017, was charged to the following operations:

	2018	2017
Water	\$ 593,703	\$ 584,022
Sewer	76,521	76,520
Total	\$ 670,224	\$ 660,542

NOTE 5 NET POSITION

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

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

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2018**

NOTE 5 NET POSITION (CONTINUED)

The restricted component of net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position for emergencies as required by the TABOR amendment.

The unrestricted net position is the remaining net position of the District. As of December 31, 2018, it includes \$16,330,000 in board designation for future capital replacements.

NOTE 6 INTERGOVERNMENTAL AGREEMENTS

Extended Service Area (ESA)

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

NOTE 7 RECEIVABLES

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

	<u>2018</u>	<u>2017</u>
Accounts - Service Billings	\$ 184,448	\$ 170,099
Property Taxes	950,882	943,720
Specific Ownership Taxes	9,549	6,463
Accounts - Backcharges, Net	65,532	29,340
Interest	50,654	36,764
Total	<u>\$ 1,261,065</u>	<u>\$ 1,186,386</u>

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 RISK MANAGEMENT

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

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

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

NOTE 9 TAX, SPENDING AND DEBT LIMITATIONS

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

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

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

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

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

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 9 TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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

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

SUPPLEMENTARY INFORMATION

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF EXPENSES
YEAR ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
DIRECT WATER EXPENSES		
Water Purchases	\$ 1,438,379	\$ 1,362,206
Meter Purchases And Installation	36,423	4,906
Depreciation And Amortization	593,703	584,022
Total Direct Water Expenses	\$ 2,068,505	\$ 1,951,134
DIRECT SEWER EXPENSES		
Sewage Treatment	\$ 465,113	\$ 466,825
Sewer Cleaning	12,595	17,505
Sewer - TV Video Program	7,909	21,600
Depreciation	76,521	76,520
Total Direct Sewer Expenses	\$ 562,138	\$ 582,450
GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting	\$ 69,568	\$ 71,622
Audit	4,675	4,675
Asset Assessment	33,985	-
Directors' Fees	1,300	1,600
Election Costs	623	-
Engineering	75,993	65,865
Insurance	13,614	14,524
Legal	43,578	26,727
Mapping	-	213
Membership Dues	1,238	6,238
Management	50,150	49,855
Meter Reading and Billing	118,610	113,015
Miscellaneous	27,241	21,240
Repairs and Maintenance	104,056	208,040
Utilities	622	607
Web Page Development	2,100	2,550
Total General and Administrative Expenses	\$ 547,353	\$ 586,771

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual	Variance - Positive (Negative)
REVENUES			
Water Service Fees	\$ 1,864,000	\$ 1,851,228	\$ (12,772)
Sewer Service Fees	843,000	749,456	(93,544)
Miscellaneous Income	35,000	60,870	25,870
Property Taxes	943,720	941,935	(1,785)
Specific Ownership Taxes	94,400	99,799	5,399
Net Investment Income	100,000	264,208	164,208
Tap and Option Fees (Water)	1,126,195	817,673	(308,522)
Reimbursed Expenditures	-	28,155	28,155
Administration Fees	110,935	75,148	(35,787)
Developer Reimbursement	14,400	60,601	46,201
Contributed Capital - Construction	100,000	80,072	(19,928)
Total Revenues and Transfers	5,231,650	5,029,145	(202,505)
EXPENDITURES			
Direct Water Expenses	1,518,000	1,474,802	43,198
Direct Sewer Expenses	551,000	485,617	65,383
General and Administrative Expenses	877,656	611,988	265,668
Capital Outlay	1,126,195	817,673	308,522
Contributed Facilities	100,000	80,072	19,928
Contingency	80,149	-	80,149
Total Expenditures and Transfers	4,253,000	3,470,152	782,848
EXCESS REVENUES OVER (UNDER) EXPENDITURES			
	978,650	1,558,993	580,343
Funds Available - Beginning of Year	17,471,759	17,671,838	200,079
FUNDS AVAILABLE - END OF YEAR	\$ 18,450,409	\$ 19,230,831	\$ 780,422

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS (ACTUAL)
TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2018**

	Actual
Funds Available Are Defined As Follows:	
Restricted Current Assets	\$ 20,585,848
Less Current Liabilities and Deferred Inflow of Resources	<u>(1,355,017)</u>
Funds Available	<u><u>\$ 19,230,831</u></u>
Reconciliation of Budgetary Basis (Actual) to Statement of Revenues, Expenses, and Changes in Net Position:	
Revenue (Budgetary Basis)	<u>\$ 5,029,145</u>
Total Revenue Per Statement of Revenues, Expenses, and Changes in Net Position	5,029,145
Expenditures (Budgetary Basis)	3,470,152
Depreciation and Amortization	670,224
Capital Outlay	(817,673)
Contributed Facilities	<u>(80,072)</u>
Total Expenses Per Statement of Revenues, Expenses, and Changes in Net Position	<u>3,242,631</u>
Change in Net Position Per Statement of Revenues, Expenses, and Changes in Net Position	<u><u>\$ 1,786,514</u></u>

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2018**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2014	\$ 58,047,422	12.212	\$ 708,875	\$ 705,173	99.5 %
2015	57,661,280	12.876	742,446	729,396	98.2
2016	66,925,440	12.806	857,047	849,210	99.1
2017	68,207,190	12.914	880,828	880,774	99.9
2018	73,693,550	12.806	943,720	941,935	99.8
Estimated for the year ended December 31, 2019	\$ 74,252,870	12.806	\$ 950,882		

NOTE:

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