

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
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## Independent Auditor's Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Northern Douglas County Water & Sanitation District (the "District") as of and for the year ended December 31, 2019, 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 2019 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Northern Douglas County Water & Sanitation District as of December 31, 2019, 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 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.

## **Prior Period Financial Statements**

The financial statements of Northern Douglas County Water & Sanitation District as of December 31, 2018, were audited by Stratagem PC, who merged with Wipfli LLP as of January 1, 2020, and whose report dated June 17, 2019, expressed an unmodified opinion on the financial statements.

*Wipfli LLP*  
*Lakewood, Colorado*

June 29, 2020

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019 AND 2018**

The management of Northern Douglas County Water & 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 years ended December 31, 2019 and December 31, 2018.

**Financial Highlights**

- Net position increased \$2,857,315 during 2019.
- Net operating loss increased from \$(502,164) the previous year to \$(578,449) on operating revenue of \$2,675,832 and \$2,724,621, respectively.
- Operating revenue increased \$48,789 or 1.82%, from prior year.
- Operating expenses, exclusive of depreciation, increased \$52,690, or 2.66%, 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 \$19,230,831 to \$21,010,067 at December 31, 2019.

**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 21 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 & SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019 AND 2018**

**Statement of Net Position**

	December 31,		
	2019	2018	2017
Current and Noncurrent Assets	\$ 22,665,393	\$ 20,585,848	\$ 19,053,815
Capital Assets	19,719,136	18,641,057	18,413,536
Total Assets	<u>42,384,529</u>	<u>39,226,905</u>	<u>37,467,351</u>
Current Liabilities	580,415	404,135	438,257
Total Liabilities	<u>580,415</u>	<u>404,135</u>	<u>438,257</u>
Deferred Inflow of Resources	1,074,911	950,882	943,720
Total Deferred Inflow of Resources	<u>1,074,911</u>	<u>950,882</u>	<u>943,720</u>
Net Investment in Capital Assets	19,719,136	18,641,057	18,413,536
Restricted Net Position	131,000	122,000	112,000
Unrestricted Net Position	20,879,067	19,108,831	17,559,838
Total Net Position	<u>\$ 40,729,203</u>	<u>\$ 37,871,888</u>	<u>\$ 36,085,374</u>

The District's net position increased \$2,857,315 during 2019, 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 \$1,786,514 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 \$19,230,831 to \$21,010,067 which is available for working capital.

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019 AND 2018**

**Changes in Net Position**

	December 31,		
	2019	2018	2017
<b>REVENUES</b>			
Operating Revenues:			
Water Services	\$ 1,928,744	\$ 1,926,376	\$ 1,786,111
Sewer Services	795,877	749,456	802,696
Total Operating Revenues	<u>2,724,621</u>	<u>2,675,832</u>	<u>2,588,807</u>
Nonoperating Revenues:			
Taxes	1,045,024	1,041,734	977,263
Investment Income	545,623	264,208	107,918
Other	72,496	121,471	63,069
Contributions:			
Contributed Capital	-	80,072	-
Tap and Option Fees	1,781,679	817,673	184,127
Reimbursed Expenditures	29,078	28,155	-
Total Other Revenues	<u>3,473,900</u>	<u>2,353,313</u>	<u>1,332,377</u>
Total Revenues	6,198,521	5,029,145	3,921,184
<b>EXPENSES</b>			
Operating Expenses:			
Water	1,454,682	1,474,802	1,367,112
Sewer	558,427	485,617	505,930
Subtotal	<u>2,013,109</u>	<u>1,960,419</u>	<u>1,873,042</u>
General and Administrative	586,361	547,353	586,771
Depreciation	703,600	670,224	660,542
Total Operating Expenses	<u>3,303,070</u>	<u>3,177,996</u>	<u>3,120,355</u>
Nonoperating Expenses	<u>38,136</u>	<u>64,635</u>	<u>28,031</u>
Total Expenses	<u>3,341,206</u>	<u>3,242,631</u>	<u>3,148,386</u>
<b>CHANGE IN NET POSITION</b>	2,857,315	1,786,514	772,798
Net Position - Beginning of Year	<u>37,871,888</u>	<u>36,085,374</u>	<u>35,312,576</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 40,729,203</u>	<u>\$ 37,871,888</u>	<u>\$ 36,085,374</u>

The overall increase in revenue of \$1,169,376 can be attributed to an increase in property taxes, investment income, and nonrecurring tap and options fee revenue received in 2019. Total expenses increased \$98,575.

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019 AND 2018**

**Capital Assets Activity**

The activity related to capital assets during 2019 and 2018 is as follows:

	December 31, 2017	Net Changes	December 31, 2018	Net Changes	December 31, 2019
Land and Easements	\$ 27,837	\$ -	\$ 27,837	\$ -	\$ 27,837
Water System:					
Water Capacity	22,301,155	817,673	23,118,828	1,781,679	24,900,507
Water Facilities	4,832,557	80,072	4,912,629	-	4,912,629
Sewer System:					
Sewer Facilities	3,520,011	-	3,520,011	-	3,520,011
Total Assets	30,681,560	897,745	31,579,305	1,781,679	33,360,984
Accumulated Depreciation	(12,268,024)	(670,224)	(12,938,248)	(703,600)	(13,641,848)
Net Capital Assets	<u>\$ 18,413,536</u>	<u>\$ 227,521</u>	<u>\$ 18,641,057</u>	<u>\$ 1,078,079</u>	<u>\$ 19,719,136</u>

The 2019 activity relating to capital assets reflected depreciation expense of \$703,600 and purchased capacity of \$1,781,679.

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 more than the budgeted revenue, primarily as a result of more taps purchased than what was projected during 2019.

Actual expenditures of the District were less than the appropriation by \$1,338,715, 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 \$9,685,170, or 13.04%, in 2019.
- The mill levy for 2019 remained the same as 2018.
- Water service and usage fees revenues are anticipated to increase in 2020 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 2020 in response to Centennial's rate increase to the District.
- The District anticipates and budgets to replace its master meters, retail meters, and backflow preventers in 2020. However, these projects may be delayed until future years.
- The 2020 budget was completed prior to the ongoing global health crisis created by the COVID-19 (coronavirus) outbreak, the duration and consequences of which are still largely unknown. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the District expects this matter to have some negative impacts on its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019 AND 2018**

**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 & SANITATION DISTRICT**  
**STATEMENTS OF NET POSITION**  
**DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 8,783,629	\$ 9,159,942
Cash and Cash Equivalents - Restricted	131,000	122,000
Investments - Government Securities	3,961,432	2,593,522
Service Charges Receivable	204,556	184,448
Accounts Receivable - Non-service		
Net of Allowance for Doubtful Accounts of \$15,000	33,459	75,081
Property Taxes Receivable	1,074,911	950,882
Interest Receivable	55,838	50,654
Prepaid Expenses	400	350
Total Current Assets	14,245,225	13,136,879
<b>NONCURRENT ASSETS</b>		
Investments - Government Securities	8,420,168	7,448,969
Total Restricted Current Assets	8,420,168	7,448,969
<b>CAPITAL ASSETS, NET</b>		
	19,719,136	18,641,057
Total Assets	\$ 42,384,529	\$ 39,226,905
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 476,974	\$ 299,635
Deposits Payable	69,500	104,500
Deferred Revenue	33,941	-
Total Current Liabilities	580,415	404,135
<b>DEFERRED INFLOW OF RESOURCES</b>		
Property Tax Revenue	1,074,911	950,882
Total Deferred Inflow of Resources	1,074,911	950,882
<b>NET POSITION</b>		
Invested in Capital Assets	19,719,136	18,641,057
Restricted	131,000	122,000
Unrestricted	20,879,067	19,108,831
Total Net Position	40,729,203	37,871,888
Total Liabilities, Deferred Inflow of Resources and Net Position	\$ 42,384,529	\$ 39,226,905

See accompanying Notes to Basic Financial Statements.

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>WATER OPERATIONS</b>		
Water Income	\$ 1,928,744	\$ 1,926,376
Direct Water Expenses	(1,454,682)	(1,474,802)
Depreciation and Amortization	(627,075)	(593,703)
Gross Loss from Water Operations	(153,013)	(142,129)
<b>SEWER OPERATIONS</b>		
Sewer Income	795,877	749,456
Direct Sewer Expenses	(558,427)	(485,617)
Depreciation	(76,525)	(76,521)
Gross Profit from Sewer Operations	160,925	187,318
Total Gross Profit from Operations	7,912	45,189
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	586,361	547,353
<b>OPERATING LOSS</b>	(578,449)	(502,164)
<b>NONOPERATING REVENUES</b>		
Property Taxes	949,654	941,935
Specific Ownership Taxes	95,370	99,799
Net Investment Income	545,623	264,208
Developer Reimbursements	28,655	60,601
Miscellaneous	43,841	60,870
Total Nonoperating Revenues	1,663,143	1,427,413
<b>NONOPERATING EXPENSES</b>		
County Treasurer's Fees	14,257	14,134
Professional Fees Reimbursed	23,879	50,501
Total Nonoperating Expenses	38,136	64,635
<b>INCOME BEFORE CONTRIBUTIONS</b>	1,046,558	860,614
<b>CAPITAL CONTRIBUTIONS</b>		
Contributed Capital	-	80,072
Tap and Option Fees	1,781,679	817,673
Reimbursed Expenditures	29,078	28,155
Total Capital Contributions	1,810,757	925,900
<b>CHANGE IN NET POSITION</b>	2,857,315	1,786,514
Total Net Position - Beginning of Year	37,871,888	36,085,374
<b>TOTAL NET POSITION - END OF YEAR</b>	\$ 40,729,203	\$ 37,871,888

See accompanying Notes to Basic Financial Statements.

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 2,704,513	\$ 2,661,483
Payments to Suppliers	(2,423,240)	(2,528,630)
Net Cash Provided by Operating Activities	281,273	132,853
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property Tax Collections for Operations	949,654	941,935
Specific Ownership Taxes	96,274	96,713
Miscellaneous Income	43,841	60,870
County Treasurer's Fees	(14,257)	(14,134)
Net Cash Provided by Noncapital Financing Activities	1,075,512	1,085,384
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Tap Fees and Top Option Fees	1,781,679	817,673
Purchased Capacity	(1,781,679)	(817,673)
Developer Deposits (Reimbursements)	45,494	(26,092)
Reimbursed Expenditures (Meter Installation)	29,078	28,155
Net Cash Provided By Capital and Related Financing Activities	74,572	2,063
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(2,191,915)	(141,359)
Net Interest and Dividends Received	393,245	301,177
Net Cash Provided (Used) by Investing Activities	(1,798,670)	159,818
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(367,313)	1,380,118
Cash and Cash Equivalents - Beginning of Year	9,281,942	7,901,824
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 8,914,629	\$ 9,281,942
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (578,449)	\$ (502,164)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	703,600	670,224
(Increase) Decrease in:		
Service Charges Receivable	(20,108)	(14,349)
Prepaid Expenses	(50)	13,264
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses and Deposits Payable	176,280	(34,122)
Net Cash Provided by Operating Activities	\$ 281,273	\$ 132,853
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>		
* Change in Fair Market Value	\$ (147,193)	\$ (50,860)

See accompanying Notes to Basic Financial Statements.

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Northern Douglas County Water & 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 & SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 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 & SANITATION DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2019 AND 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, 2019 and 2018 are classified in the accompanying financial statements as follows:

	2019	2018
Statement of Net Position:		
Cash and Cash Equivalents	\$ 8,783,629	\$ 9,159,942
Cash and Cash Equivalents - Restricted	131,000	122,000
Total Cash and Cash Equivalents	\$ 8,914,629	\$ 9,281,942

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

Cash and cash equivalents as of December 31, 2019 and 2018 consist of the following:

	2019	2018
Deposits with Financial Institutions	\$ 431,248	\$ 2,859,453
Investments	8,483,381	6,422,489
Total Cash and Cash Equivalents	\$ 8,914,629	\$ 9,281,942

**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, 2019 and 2018, the District's cash deposits had a bank balance of \$431,248 and \$2,859,453, respectively, and a carrying balance of \$431,248 and \$2,859,453, 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 & SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 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, 2019, 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)	\$ 6,233,633	\$ -	\$ 6,233,633
Colorado Surplus Asset Fund Trust (CSAFE)	1,187,873	-	1,187,873
Colorado Statewide Investment Program (CSIP)	1,061,875	-	1,061,875
US Treasury Issues (*)	3,561,762	6,945,989	10,507,751
Agency Securities (*)	399,670	1,474,179	1,873,849
Total	<u>\$ 12,444,813</u>	<u>\$ 8,420,168</u>	<u>\$ 20,864,981</u>

\* As of March 31, 2020, the District's US Treasury Issues are valued at \$10,005,286 and Agency Securities are valued at \$1,898,069.

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

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

<u>Investment</u>	Less Than 1 Year	1-5 Years	Value
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>

**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 & SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 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, 2019 and 2018, consisted of \$131,000 and \$122,000, respectively, for Emergency Reserves as required by Article X, Section 20 of the Constitution of the state of Colorado.

At December 31, 2019 and 2018, the Board had designated cash and investments totaling \$17,200,000 and \$16,330,000, 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, 2019, investment details are as follows:

<u>Description</u>	<u>Market Value</u>	<u>S&amp;P Rating</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>
US Treasury Notes	\$ 549,044	n/a	-	2/13/2020
US Treasury Notes	499,766	n/a	1.375	2/15/2020
US Treasury Notes	756,062	n/a	2.250	3/31/2020
US Treasury Notes	1,056,234	n/a	2.625	8/15/2020
US Treasury Notes	700,656	n/a	1.750	12/31/2020
US Treasury Notes	715,203	n/a	3.625	2/15/2021
US Treasury Notes	1,110,484	n/a	2.375	4/15/2021
US Treasury Notes	715,436	n/a	2.000	11/15/2021
US Treasury Notes	978,504	n/a	1.750	5/31/2022
US Treasury Notes	808,375	n/a	2.000	10/31/2022
US Treasury Notes	544,934	n/a	2.750	7/31/2023
US Treasury Notes	1,451,406	n/a	2.625	12/31/2023
US Treasury Notes	621,647	n/a	1.750	7/31/2024
Total US Treasury Issues	<u>\$ 10,507,751</u>			

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

As of December 31, 2018, investment details are as follows:

<u>Description</u>	<u>Market Value</u>	<u>S&amp;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>			

**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, 2019, investment details are as follows:

<u>Description</u>	<u>Market Value</u>	<u>S&amp;P Rating</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>
Freddie Mac	\$ 399,670	AA+	1.375	5/1/2020
Fannie Mae	548,598	AA+	1.375	2/26/2021
Fannie Mae	422,864	AA+	1.250	5/6/2021
Fannie Mae	502,717	AA+	1.875	4/5/2022
Total Agency Securities	<u>\$ 1,873,849</u>			

As of December 31, 2018, investment details are as follows:

<u>Description</u>	<u>Market Value</u>	<u>S&amp;P Rating</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>
Fannie 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>			

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the years ended December 31, 2019 and 2018, follows:

	Balance December 31, 2018	Additions	Retirements/ Reclassifications	Balance December 31, 2019
Capital Assets, Not Being Depreciated:				
Easements	\$ 27,837	\$ -	\$ -	\$ 27,837
Total Capital Assets, Not Being Depreciated	<u>27,837</u>	<u>-</u>	<u>-</u>	<u>27,837</u>
Capital Assets, Being Depreciated:				
Water Capacity	23,118,828	1,781,679	-	24,900,507
Water System	4,912,629	-	-	4,912,629
Sewer System	3,520,011	-	-	3,520,011
Total Capital Assets, Being Depreciated	<u>31,551,468</u>	<u>1,781,679</u>	<u>-</u>	<u>33,333,147</u>
Less Accumulated Depreciation For:				
Water Capacity	9,423,413	518,797	-	9,942,210
Water System	1,975,970	108,278	-	2,084,248
Sewer System	1,538,865	76,525	-	1,615,390
Total Accumulated Depreciation	<u>12,938,248</u>	<u>703,600</u>	<u>-</u>	<u>13,641,848</u>
Total Capital Assets, Being Depreciated, Net	<u>18,613,220</u>	<u>1,078,079</u>	<u>-</u>	<u>19,691,299</u>
Total Capital Assets, Net	<u>\$ 18,641,057</u>	<u>\$ 1,078,079</u>	<u>\$ -</u>	<u>\$ 19,719,136</u>

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

	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	<u>27,837</u>	<u>-</u>	<u>-</u>	<u>27,837</u>
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	<u>30,653,723</u>	<u>897,745</u>	<u>-</u>	<u>31,551,468</u>
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	<u>12,268,024</u>	<u>670,224</u>	<u>-</u>	<u>12,938,248</u>
Total Capital Assets, Being Depreciated, Net	<u>18,385,699</u>	<u>227,521</u>	<u>-</u>	<u>18,613,220</u>
Total Capital Assets, Net	<u>\$ 18,413,536</u>	<u>\$ 227,521</u>	<u>\$ -</u>	<u>\$ 18,641,057</u>

Depreciation expense for the years ended December 31, 2019 and 2018, was charged to the following operations:

	2019	2018
Water	\$ 627,075	\$ 593,703
Sewer	76,525	76,521
Total	<u>\$ 703,600</u>	<u>\$ 670,224</u>

**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 & SANITATION DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2019 AND 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, 2019, it includes \$17,200,000 in board designation for future capital replacements.

**NOTE 6 INTERGOVERNMENTAL AGREEMENTS**

**Extended Service Area (ESA)**

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:

	2019	2018
Accounts - Service Billings	\$ 204,556	\$ 184,448
Property Taxes	1,074,911	950,882
Specific Ownership Taxes	8,645	9,549
Accounts - Backcharges, Net	24,814	65,532
Interest	55,838	50,654
Total	\$ 1,368,764	\$ 1,261,065

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 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 & SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 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.

**NOTE 10 SUBSEQUENT EVENT**

The District evaluated its December 31, 2019 financial statements for subsequent events through the date the financial statements are issued. As a result of the COVID-19 (coronavirus) outbreak, economic uncertainties have arisen which are likely to negatively impact revenues such as net investment income and user charges. Other financial impact could occur though such potential impact is unknown at this time.

## **SUPPLEMENTARY INFORMATION**

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
SCHEDULE OF EXPENSES  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>DIRECT WATER EXPENSES</b>		
Water Purchases	\$ 1,409,264	\$ 1,438,379
Meter Purchases And Installation	30,452	36,423
Water Sytem Inspection	14,966	-
Depreciation And Amortization	627,075	593,703
Total Direct Water Expenses	<u>\$ 2,081,757</u>	<u>\$ 2,068,505</u>
<b>DIRECT SEWER EXPENSES</b>		
Sewage Treatment	\$ 517,265	\$ 465,113
Sewer Cleaning	16,153	12,595
Sewer - TV Video Program	18,679	7,909
Sewer Line and Manhole Repairs	6,330	-
Depreciation	76,525	76,521
Total Direct Sewer Expenses	<u>\$ 634,952</u>	<u>\$ 562,138</u>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Accounting	\$ 65,906	\$ 69,568
Audit	4,675	4,675
Asset Assessment	-	33,985
Directors' Fees	700	1,300
Election Costs	-	623
Engineering	141,952	75,993
Insurance	22,819	13,614
Legal	30,157	43,578
Membership Dues	6,238	1,238
Management	67,638	50,150
Meter Reading and Billing	117,848	118,610
Miscellaneous	22,043	27,241
Repairs and Maintenance	104,235	104,056
Utilities	350	622
Web Page Development	1,800	2,100
Total General and Administrative Expenses	<u>\$ 586,361</u>	<u>\$ 547,353</u>

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND FUNDS AVAILABLE –  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual	Variance - Positive (Negative)
<b>REVENUES</b>			
Water Service Fees	\$ 1,927,000	\$ 1,757,652	\$ (169,348)
Sewer Service Fees	885,000	795,877	(89,123)
Miscellaneous Income	35,000	43,841	8,841
Property Taxes	950,882	949,654	(1,228)
Specific Ownership Taxes	95,100	95,370	270
Net Investment Income	100,000	545,623	445,623
Tap and Option Fees (Water)	1,126,195	1,781,679	655,484
Reimbursed Expenditures	20,000	29,078	9,078
Administration Fees	110,935	171,092	60,157
Developer Reimbursement	18,000	28,655	10,655
Contributed Capital - Construction	100,000	-	(100,000)
Total Revenues and Transfers	<u>5,368,112</u>	<u>6,198,521</u>	<u>830,409</u>
<b>EXPENDITURES</b>			
Direct Water Expenses	2,965,000	1,454,682	1,510,318
Direct Sewer Expenses	583,000	558,427	24,573
General and Administrative Expenses	889,063	624,497	264,566
Capital Outlay	1,126,195	1,781,679	(655,484)
Contributed Facilities	100,000	-	100,000
Contingency	94,742	-	94,742
Total Expenditures and Transfers	<u>5,758,000</u>	<u>4,419,285</u>	<u>1,338,715</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>			
	(389,888)	1,779,236	2,169,124
Funds Available - Beginning of Year	<u>19,040,452</u>	<u>19,230,831</u>	<u>190,379</u>
<b>FUNDS AVAILABLE - END OF YEAR</b>	<u><u>\$ 18,650,564</u></u>	<u><u>\$ 21,010,067</u></u>	<u><u>\$ 2,359,503</u></u>

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
RECONCILIATION OF BUDGETARY BASIS (ACTUAL)  
TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2019**

	Actual
Funds Available Are Defined As Follows:	
Restricted Current and Noncurrent Assets	\$ 22,665,393
Less Current Liabilities and Deferred Inflow of Resources	<u>(1,655,326)</u>
Funds Available	<u><u>\$ 21,010,067</u></u>
Reconciliation of Budgetary Basis (Actual) to Statement of Revenues, Expenses, and Changes in Net Position:	
Revenue (Budgetary Basis)	<u>\$ 6,198,521</u>
Total Revenue Per Statement of Revenues, Expenses, and Changes in Net Position	6,198,521
Expenditures (Budgetary Basis)	4,419,285
Depreciation and Amortization	703,600
Capital Outlay	<u>(1,781,679)</u>
Total Expenses Per Statement of Revenues, Expenses, and Changes in Net Position	<u>3,341,206</u>
Change in Net Position Per Statement of Revenues, Expenses, and Changes in Net Position	<u><u>\$ 2,857,315</u></u>

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2019**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
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
2019	74,252,870	12.806	950,882	949,654	99.9
Estimated for the year ended December 31, 2020	\$ 83,938,040	12.806	\$ 1,074,911		

**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.