

NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021

NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT
ENTERPRISE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/19/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUNDS AVAILABLE	\$ 19,230,831	\$ 21,010,067	\$ 22,098,295
REVENUE			
Property taxes	949,654	1,074,911	1,147,297
Specific ownership tax	95,370	88,500	91,784
Net investment income	545,623	550,000	100,000
Administration fees	171,092	22,512	27,595
Sewer service fees	795,877	906,000	977,000
Water service fees	1,757,652	2,173,000	2,094,000
Tap and option fees	1,781,679	238,754	919,823
Contributed capital	-	100,000	100,000
Reimbursed expenditures	29,078	-	20,000
Developer reimbursement	28,655	30,000	20,000
Other income	43,841	20,000	35,000
Total revenue	<u>6,198,521</u>	<u>5,203,677</u>	<u>5,532,499</u>
Total funds available	<u>25,429,352</u>	<u>26,213,744</u>	<u>27,630,794</u>
EXPENDITURES			
General and administrative			
Accounting	65,906	80,000	80,000
Auditing	4,675	4,675	5,000
Banking & processing fees	21,053	22,000	25,000
County Treasurer's fee	14,257	16,124	17,210
Directors' fees	700	1,000	4,000
Dues and membership	6,238	6,238	7,500
Insurance and bonds	22,819	36,459	40,000
District management	67,638	80,000	80,000
District management - capital	-	4,000	10,000
Engineering	107,841	120,000	120,000
Engineering - Capital	-	100,000	70,000
Engineering - EPA requirement	-	10,000	55,000
Engineering - Development review	57,990	95,000	20,000
Election	-	619	-
Legal	30,157	40,000	55,000
Miscellaneous	936	1,500	2,000
Payroll taxes	54	80	500
Web page development	1,800	5,000	3,000
Contingency	-	-	59,967
Operations and maintenance			
Sewer charges	517,265	602,000	616,000
Water charges	1,409,264	1,751,000	1,699,000
Utilities	350	1,000	1,000
Mapping	-	-	15,000
Meter purchases / install	30,452	30,000	30,000
Master meter replacement	-	-	1,600,000
Retail meter replacement	-	400,000	350,000
Meter reading & billing	117,848	120,000	145,000
Repairs, unscheduled	36,882	75,000	50,000
Maintenance, scheduled	67,353	100,000	225,000
Sewer line cleaning	16,153	20,000	20,000
Sewer - TV video program	18,679	20,000	20,000
Sewer line and manhole inspection	6,330	10,000	10,000
Water system inspection	14,966	15,000	15,000
Water line leak detection	-	10,000	10,000
BFP device retrofit - Shadow Canyons	-	-	25,000
Contributed facilities	-	100,000	100,000
Purchased capacity - Centennial	1,781,679	238,754	919,823
Total expenditures	<u>4,419,285</u>	<u>4,115,449</u>	<u>6,505,000</u>
Total expenditures and transfers out requiring appropriation	<u>4,419,285</u>	<u>4,115,449</u>	<u>6,505,000</u>
ENDING FUND BALANCE	<u>\$ 21,010,067</u>	<u>\$ 22,098,295</u>	<u>\$ 21,125,794</u>
EMERGENCY RESERVE	\$ 131,000	\$ 146,000	\$ 135,000
CAPITAL IMPROVEMENT RESERVE	16,536,140	17,200,000	18,000,000
TOTAL RESERVE	<u>\$ 16,667,140</u>	<u>\$ 17,346,000</u>	<u>\$ 18,135,000</u>

No assurance is provided. See summary of significant assumptions.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/2021

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
ASSESSED VALUATION			
Residential	\$ 53,391,260	\$ 60,777,390	\$ 61,679,620
Commercial	13,177,260	12,029,830	11,422,360
Industrial	2,940,000	5,868,470	11,472,250
Vacant Land	865,930	550,190	448,110
Natural Resources	-	-	510
Personal Property	3,472,320	4,249,460	4,135,060
State Assessed	406,100	462,700	432,700
Certified Assessed Value	<u>\$ 74,252,870</u>	<u>\$ 83,938,040</u>	<u>\$ 89,590,610</u>
MILL LEVY			
General	12.806	12.806	12.806
Total mill levy	<u>12.806</u>	<u>12.806</u>	<u>12.806</u>
PROPERTY TAXES			
General	\$ 950,882	\$ 1,074,911	\$ 1,147,297
Levied property taxes	950,882	1,074,911	1,147,297
Adjustments to actual/rounding	(857)	-	-
Refunds and abatements	(371)	-	-
Budgeted property taxes	<u>\$ 949,654</u>	<u>\$ 1,074,911</u>	<u>\$ 1,147,297</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 949,654</u>	<u>\$ 1,074,911</u>	<u>\$ 1,147,297</u>
	<u>\$ 949,654</u>	<u>\$ 1,074,911</u>	<u>\$ 1,147,297</u>

No assurance is provided. See summary of significant assumptions.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was formed to provide water and sewer service to properties in the service area of the District. The District's service area is located in Douglas County, Colorado. The District entered into an Extended Service Area (ESA) Agreement dated May 3, 1989, with Centennial Water and Sanitation District (Centennial) to provide water supply and water and sewage treatment to an area that currently constitutes the majority of the District. The term of the agreement is to May 2039 and may be extended. 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 agreement and adopt the same standards as Centennial within the Centennial Service Area. The District bills its customers directly.

On November 2, 1993, the electors of the District approved an exemption of the collection, retention and spending of non-property tax revenues from the Tabor Amendment.

On November 7, 1995, the electors of the District approved an annual increase in property taxes of \$137,000 for 1996 and an exemption of the collection, retention, and spending of property taxes with a total operations mill levy up to 25 mills.

The District has no employees and all operations and administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. For financial statement reporting purposes in accordance with generally accepted accounting principles (GAAP), the District uses the accrual method of accounting. Under GAAP, capital expenditures are recorded as assets, and depreciation on fixed assets is recognized as an operating expense. For budget reporting, capital expenditures are reported as expenditures, and depreciation is not recognized. To distinguish the difference in reporting, for budget reporting the District uses "Funds Available" which is defined as current assets less current liabilities, in lieu of fund balance for GAAP reporting.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

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 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.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8% of the property taxes collected.

Net Investment Income

Interest to be earned on the District's available funds has been estimated based on prior year's interest earnings.

Service Fees

Water service and usage fees revenues are anticipated to increase in 2021 in response to Centennial's proposed rate increases to the District. Water charge expenditures for 2021 are expected to increase by approximately 5% as a result of Centennial's proposed rate increases to the District for 2021.

Sewer service and usage fees revenues are anticipated to increase in 2021. Since the majority of users have billings based on winter water usage, the District does not expect significant variances in usage from year to year.

Sewer charge expenditures for 2021 are expected to increase by approximately 5% as a result of Centennial's proposed rate increases to the District for 2021.

Tap Fees

Based on tap options payments at the end of 2020, the budget assumes that in 2021, the Developers for the following projects will be purchasing capacity in the District's water supply and water and sewage treatment facilities as follows:

- Rock Canyon – 50 residential taps (50 SFE) and 1-1/2" irrigation tap (4SFE)

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Administration Fees

These fees are collected at the time taps and tap options are purchased to cover the meter cost and installation, administration, and initial operating expenses.

Expenditures

Operating Expenses

The majority of the District's operating expenditures are paid to Centennial for water provided and sewage treatment, both of which are metered. Additional preventative maintenance and unscheduled repairs have been budgeted.

Administrative Expenses

Administrative expenses have been assumed to be at a level consistent with 2020 services.

Capital Expenditures

Tap option and tap fees collected by the District are paid to Centennial as capacity purchases.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Debt and Leases

The District has no outstanding debt nor any capital or operating leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of fiscal year spending for 2021 as defined under the TABOR Amendment. Such emergency reserve is an integral part of Ending Funds Available.

This information is an integral part of the accompanying budget.