

NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT
ENTERPRISE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/17/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUNDS AVAILABLE	\$ 21,010,067	\$ 22,179,974	\$ 23,184,240
REVENUE			
Property taxes	1,073,012	1,137,795	1,243,021
Specific ownership tax	92,719	113,330	99,442
Net investment income	453,036	188,200	100,000
Administration fees	22,512	93,779	-
Sewer service fees	904,509	949,000	1,080,135
Water service fees	2,131,502	2,043,000	2,366,469
Tap and option fees	238,754	937,790	-
Contributed capital	-	-	100,000
Developer review fees	36,308	40,000	20,000
Other income	16,089	5,500	35,000
Total revenue	<u>4,968,441</u>	<u>5,508,394</u>	<u>5,044,067</u>
Total funds available	<u>25,978,508</u>	<u>27,688,368</u>	<u>28,228,307</u>
EXPENDITURES			
General and administrative			
Accounting	82,275	85,000	93,500
Auditing	4,675	4,750	5,500
Banking & processing fees	21,053	19,300	25,000
County Treasurer's fee	16,110	17,067	18,645
Directors' fees	800	1,900	4,000
Dues and membership	6,238	6,238	7,500
Insurance and bonds	36,459	34,228	46,000
District management	76,337	90,000	90,000
District management - capital	4,286	14,000	12,000
Engineering	90,458	125,000	125,000
Engineering - Capital	56,758	34,000	100,000
Engineering - EPA requirement	458	37,000	-
Engineering - Development review	93,231	22,000	20,000
Election	619	-	20,000
Legal	38,010	50,000	57,000
Miscellaneous	592	2,200	2,000
Payroll taxes	61	145	500
Web page development	7,376	6,800	5,000
Contingency	-	-	46,366
Operations and maintenance			
Sewer charges	617,339	640,000	724,025
Water charges	1,747,594	1,724,000	1,946,935
Utilities	688	600	1,100
GIS Mapping	-	-	15,000
Meter purchases / install	15,150	8,000	20,000
Master meter replacement	-	-	1,600,000
Retail meter replacement	402,110	405,000	30,000
Backflow preventors	-	-	-
Meter reading & billing	105,733	106,000	145,000
Repairs, unscheduled	48,352	21,000	30,000
Maintenance, scheduled	50,320	70,000	-
Operator responsible charge	-	-	24,000
Turf conversion program	-	-	15,000
Sewer line cleaning	11,314	12,000	-
Sewer - TV video program	5,028	5,000	-
Sewer line and manhole inspection	5,610	6,000	-
Sewer maintenance, scheduled	-	-	40,000
Sewer maintenance, unscheduled	-	-	50,000
Water maintenance, scheduled	-	-	20,000
Water maintenance, unscheduled	-	-	50,000
Water system inspection	14,746	19,000	-
Water line leak detection	-	-	10,000
Strategic plan update / water study	-	-	-
BFP device retrofit - Shadow Canyons	-	-	45,000
BFP device testing	-	-	14,000
Facility locates, 811 charges	-	-	24,000
Contributed facilities	-	-	100,000
Purchased capacity - Centennial	238,754	937,900	-
Total expenditures	<u>3,798,534</u>	<u>4,504,128</u>	<u>5,582,071</u>
Total expenditures and transfers out requiring appropriation	<u>3,798,534</u>	<u>4,504,128</u>	<u>5,582,071</u>
ENDING FUND BALANCE	<u>\$ 22,179,974</u>	<u>\$ 23,184,240</u>	<u>\$ 22,646,236</u>
EMERGENCY RESERVE	\$ 141,000	\$ 136,000	\$ 148,000
CAPITAL IMPROVEMENT RESERVE	16,536,140	18,000,000	18,800,000
TOTAL RESERVE	<u>\$ 16,677,140</u>	<u>\$ 18,136,000</u>	<u>\$ 18,948,000</u>

No assurance is provided. See summary of significant assumptions.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/2022

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Residential	\$ 60,777,390	\$ 61,679,620	\$ 66,202,470
Commercial	12,029,830	11,422,360	11,902,310
Industrial	5,868,470	11,472,250	12,510,360
Vacant Land	550,190	448,110	1,385,100
Natural Resources	-	510	510
Personal Property	4,249,460	4,135,060	4,615,650
State Assessed	462,700	432,700	449,100
Certified Assessed Value	<u>\$ 83,938,040</u>	<u>\$ 89,590,610</u>	<u>\$ 97,065,500</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	\$ 1,074,911	\$ 1,147,297	\$ 1,243,021
Levied property taxes	1,074,911	1,147,297	1,243,021
Adjustments to actual/rounding	(1,524)	-	-
Refunds and abatements	(375)	(9,502)	-
Budgeted property taxes	<u>\$ 1,073,012</u>	<u>\$ 1,137,795</u>	<u>\$ 1,243,021</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 1,073,012</u>	<u>\$ 1,137,795</u>	<u>\$ 1,243,021</u>
	<u>\$ 1,073,012</u>	<u>\$ 1,137,795</u>	<u>\$ 1,243,021</u>

No assurance is provided. See summary of significant assumptions.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
2022 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
2022 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 2022 in response to Centennial's proposed rate increases to the District. Water charge expenditures for 2022 are expected to increase by approximately 3% as a result of Centennial's proposed rate increases to the District for 2022.

Sewer service and usage fees revenues are anticipated to increase in 2022. 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 2022 are expected to increase by approximately 7% as a result of Centennial's proposed rate increases to the District for 2022.

Tap Fees

Based on tap options payments at the end of 2021, the District does not anticipate any tap options payments in 2022.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
2022 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 2021 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 2022 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.