

NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT
ENTERPRISE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/7/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUNDS AVAILABLE	\$ 22,179,974	\$ 22,983,501	\$ 24,347,805
REVENUE			
Property taxes	1,137,791	1,241,834	1,269,807
Specific ownership tax	110,643	112,764	114,283
Net investment income	(183,494)	97,650	100,000
Administration fees	123,702	-	-
Sewer service fees	951,463	1,005,000	1,134,000
Water service fees	2,220,908	2,285,000	2,485,000
Tap and option fees	1,254,145	-	-
Contributed capital	-	-	808,000
Developer review fees	20,000	-	20,000
Other income	5,535	6,000	35,000
Total revenue	<u>5,640,693</u>	<u>4,748,248</u>	<u>5,966,090</u>
Total funds available	<u>27,820,667</u>	<u>27,731,749</u>	<u>30,313,895</u>
EXPENDITURES			
General and administrative			
Accounting	87,481	80,000	103,000
Auditing	4,750	5,000	5,500
Banking & processing fees	19,578	28,500	30,000
Bad debt expense	15,000	-	-
County Treasurer's fee	17,083	18,628	19,047
Directors' fees	1,800	4,600	4,800
Dues and membership	6,238	1,500	7,500
Insurance and bonds	34,228	30,120	46,000
District management	91,627	96,000	110,000
District management - capital	10,854	-	50,000
Engineering	132,233	177,000	140,000
Engineering - Capital	20,698	-	100,000
Engineering - EPA requirement	25,587	-	-
Engineering - Development review	26,664	17,800	20,000
Election	-	1,011	20,000
Legal	36,215	46,000	57,000
Legal - Capital	-	-	30,000
Miscellaneous	1,975	2,600	3,000
Payroll taxes	138	575	600
Web page development	3,378	5,000	5,000
Contingency	-	-	45,953
Operations and maintenance			
Sewer charges	652,838	686,000	775,000
Water charges	1,840,502	1,786,000	2,083,000
Utilities	3,747	800	1,100
GIS Mapping	-	-	25,000
Meter purchases / install	44,750	76,000	20,000
Master meter replacement	-	-	835,000
Retail meter replacement	269,236	-	30,000
Backflow preventors	-	-	1,250,000
Meter reading & billing	105,439	100,000	145,000
Repairs, unscheduled	43,190	49,500	50,000
Maintenance, scheduled	57,275	-	-
Operator responsible charge	-	17,100	24,000
Turf conversion program	-	-	15,000
Sewer maintenance, scheduled	16,792	6,000	30,000
Sewer maintenance, unscheduled	-	-	50,000
Water Maintenance, scheduled	13,140	50,957	60,000
Water maintenance, unscheduled	-	11,000	75,000
BFP device retrofit - Shadow Canyons	-	43,608	-
BFP device testing	585	1,785	14,000
Facility locates, 811 charges	-	40,860	24,000
Contributed facilities	-	-	808,000
Purchased capacity - Centennial	1,254,145	-	-
Total expenditures	<u>4,837,166</u>	<u>3,383,944</u>	<u>7,111,500</u>
Total expenditures and transfers out requiring appropriation	<u>4,837,166</u>	<u>3,383,944</u>	<u>7,111,500</u>
ENDING FUND BALANCE	<u>\$ 22,983,501</u>	<u>\$ 24,347,805</u>	<u>\$ 23,202,395</u>
EMERGENCY RESERVE	\$ 131,000	\$ 143,000	\$ 155,000
BOARD DESIGNATED RESERVE	-	-	243,625
CAPITAL IMPROVEMENT RESERVE	18,000,000	18,800,000	19,600,000
TOTAL RESERVE	<u>\$ 18,131,000</u>	<u>\$ 18,943,000</u>	<u>\$ 19,998,625</u>

No assurance is provided. See summary of significant assumptions.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/7/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Residential	\$ 61,679,620	\$ 66,202,470	\$ 64,933,410
Commercial	11,422,360	11,902,310	11,904,600
Industrial	11,472,250	12,510,360	15,735,100
Vacant Land	448,110	1,385,100	1,367,480
Natural Resources	510	510	510
Personal Property	4,135,060	4,615,650	4,780,670
State Assessed	432,700	449,100	435,400
Certified Assessed Value	<u>\$ 89,590,610</u>	<u>\$ 97,065,500</u>	<u>\$ 99,157,170</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	\$ 1,147,297	\$ 1,243,021	\$ 1,269,807
Levied property taxes	1,147,297	1,243,021	1,269,807
Adjustments to actual/rounding	122	-	-
Refunds and abatements	(9,628)	(1,187)	-
Budgeted property taxes	<u>\$ 1,137,791</u>	<u>\$ 1,241,834</u>	<u>\$ 1,269,807</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 1,137,791</u>	<u>\$ 1,241,834</u>	<u>\$ 1,269,807</u>
	<u>\$ 1,137,791</u>	<u>\$ 1,241,834</u>	<u>\$ 1,269,807</u>

No assurance is provided. See summary of significant assumptions.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
2023 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
2023 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 9% 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 2023 in response to Centennial's proposed rate increases to the District. Water charge expenditures for 2023 are expected to increase by approximately 5% as a result of Centennial's proposed rate increases to the District for 2023.

Sewer service and usage fees revenues are anticipated to increase in 2023. 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 2023 are expected to increase by approximately 7% as a result of Centennial's proposed rate increases to the District for 2023.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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 2022 services.

Capital Expenditures

The District anticipates improvements including the replacement of 17 master meters and the addition of backflow preventers for each master meter.

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 2023 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.