

NORTH SHORE WATER DISTRICT
GRAND COUNTY, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2018



Crady, Puca & Associates

Certified Public Accountants & Consultants

**NORTH SHORE WATER DISTRICT
GRAND COUNTY, COLORADO**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
North Shore Water District
Grand County, Colorado

We have audited the accompanying financial statements of the North Shore Water District (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 audits. We conducted our audits 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 of 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 District'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 District'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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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

Other Matters

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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 supplemental information on pages 13 and 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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.

Crady, Puca & Associates

Aurora, CO 80016
June 19, 2019

BASIC FINANCIAL STATEMENTS

NORTH SHORE WATER DISTRICT
Statement of Net Position
December 31, 2018

Assets:

Current assets:

Cash and cash equivalents	\$ 93,461
Accounts receivable	2,805
Prepaid expenses	345
Property taxes receivable	1,464
	<hr/>
Total current assets	98,075
	<hr/>

Capital assets:

Capital assets, not being depreciated	4,200
Capital assets, being depreciated, net	1,006,901
	<hr/>
	1,011,101
	<hr/>
Total assets	1,109,176
	<hr/>

Liabilities:

Current liabilities:

Accounts payable	333
Prepaid customer fees	1,450
	<hr/>
Total current liabilities	1,783
	<hr/>
Total liabilities	1,783
	<hr/>

Deferred Inflows of Resources:

Deferred property taxes	1,456
	<hr/>

Net Position:

Net investment in capital assets	1,011,101
Restricted	55
Unrestricted	94,781
	<hr/>
Total net position	\$ 1,105,937
	<hr/>

The accompanying notes are an integral part of this statement.

NORTH SHORE WATER DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2018

Operating revenues:	
Water fees	\$ 97,913
Other income	443
Total operating revenues	<u>98,356</u>
Operating expenses:	
Water operations and maintenance:	
Three Lakes operations contract	7,973
Repairs and maintenance	6,547
Utilities	3,639
Water testing and treatment	1,552
Depreciation	25,865
Total operations and maintenance	<u>45,576</u>
General and administration:	
Three Lakes administration contract	10,714
Directors' fees and expenses	6,237
Professional fees	750
Telephone	1,821
Insurance	1,977
Dues and fees	20
Postage/box rental	364
Office supplies and expense	421
Election expense	58
Miscellaneous	273
Total general and administration	<u>22,635</u>
Total operating expenses	<u>68,211</u>
Operating income	<u>30,145</u>
Non-operating revenues (expenses):	
Property taxes	1,390
Specific ownership taxes	104
Investment income	339
Interest expense	(1,233)
County Treasurer's fees	(70)
Total non-operating revenues, net	<u>530</u>
Income before capital contributions	<u>30,675</u>
Capital contributions of assets - tap fees	<u>9,000</u>
Change in net position	39,675
Net position, beginning of year	<u>1,066,262</u>
Net position, end of year	<u><u>\$ 1,105,937</u></u>

The accompanying notes are an integral part of this statement.

NORTH SHORE WATER DISTRICT
Statement of Cash Flows
For the Year Ended December 31, 2018

Cash flows from operating activities:	
Cash received from customers	\$ 95,399
Cash paid to suppliers of goods and services	(42,906)
	<hr/>
Net cash provided by operating activities	52,493
	<hr/>
Cash flows from capital and related financing activities:	
Tap fees	9,000
Interest paid on DOLA Loan	(1,233)
Principal payment on DOLA Loan	(26,899)
	<hr/>
Net cash used in capital financing activities	(19,132)
	<hr/>
Cash flows from non-capital financing activities:	
Property taxes and specific ownership taxes received	1,556
County treasurer's fees	(70)
	<hr/>
Net cash provided by non-capital financing activities	1,486
	<hr/>
Cash flows from investing activities:	
Interest on cash and investments	339
	<hr/>
Net cash provided by investing activities	339
	<hr/>
Net increase in cash and cash equivalents	35,186
Cash and cash equivalents, beginning of year	58,275
	<hr/>
Cash and cash equivalents, end of year	\$ 93,461
	<hr/> <hr/>
Reconciliation of operating income to net cash provided by operations	
Operating income	\$ 30,145
	<hr/>
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation expense	25,865
(Increase) decrease in:	
Accounts receivable	(2,489)
Prepaid expenses	(345)
(Decrease) increase in:	
Accounts payable	(218)
Prepaid customer fees	(465)
	<hr/>
Total adjustments	22,348
	<hr/>
Net cash provided by operating activities	\$ 52,493
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The accounting policies of the North Shore Water District (the District) conform to accounting principles generally accepted in the United States of America as applicable to governments (US GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of such significant policies consistently applied in the preparation of the District's financial statements.

Reporting Entity

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized in 1964 and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Grand County, Colorado. The District was established to provide water service to the inhabitants of the District. Five elected board members govern the District.

The District complies with GASB, Statement No. 61, "*The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*" and GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*". These statements establish standards for defining and reporting on the financial reporting entity. It defines component units as legally separate entities for which the officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District has no component units as defined by the GASB.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The District's financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

The accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. Enterprise funds are used by governments to report any activity for which a fee is charged to external users for goods or services.

The District distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services in connection with an enterprise fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for the District include costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions. Tap fees and contributed assets from developers are recorded as capital contributions when received.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then use unrestricted resources as they are needed.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and all highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments

The District reports certain investments at fair value and classifies investments as current or non-current based on their maturity date. Investments held in the local government investment pools are reported at net asset value as allowed under US GAAP.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value 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 market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. At December 31, 2018, the District did not hold any investments required to be reported under fair value.

Receivables

Accounts receivable consists primarily of water user fees earned at December 31, 2018. Water user fees constitute a perpetual lien on or against property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

Property Taxes

Property taxes are levied annually and attach as an enforceable lien on property as of January 1. At the option of the taxpayer, property taxes may be paid in full or in two equal installments. The first of such installment is to be paid as of February 28 and the second installment is to be paid no later than June 15. If elected to be paid in full, the amount is to be paid no later than April 30. If payments are not made timely, delinquent interest accrues. If the taxes are not paid within subsequent statutory periods, the property tax lien will be sold at public auction. The County bills and collects the property taxes and remits collections to the District on a monthly basis. No provision has been made for uncollected taxes, as all taxes are deemed collectible.

Property taxes are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. These amounts are recorded as revenue in the subsequent year when they are available or collected.

1. **Summary of Significant Accounting Policies (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position (continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital Assets

Capital assets are defined by the District as assets with an initial cost of \$500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. Capital expenditures for projects are capitalized as constructed. 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.

Capital assets, excluding water rights, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Water lines and mechanical	25-50

Water rights

The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Water rights have a perpetual life; thus, the cost is not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In the current year, the District did not have any items in this reporting category.

In addition to liabilities, the statement of net position will sometimes report 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(s) and so will *not* be recognized as inflow of resources (revenue) until that time frame. The District has one item that qualifies for reporting in this category, *deferred property taxes*. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position (continued)

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

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 estimated fair market value when received.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with US GAAP with the following exceptions: debt service costs are shown as expenses for budget purposes, whereas depreciation is not. State law requires the District to adopt annual appropriated budgets for all funds.

The District conforms to the following procedures, in compliance with Colorado Revised Statutes, in establishing the budgetary data reflected in the financial statements:

On or before October 15 of each year, the District's administrator submits to the Board of Directors a proposed operating budget which details the necessary property taxes needed along with other available revenues, including water fees, to meet the District's operating requirements.

After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopts the proposed budget and an appropriating resolution, which legally appropriates expenditures for the upcoming year.

2. Stewardship, Compliance, and Accountability (continued)

Budgets and Budgetary Accounting (continued)

After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated revenues in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient. The budget is only amended in conformity with Colorado Revised Statutes which allows the District to amend the budget and adopt a supplementary appropriation if money for a specific purpose, other than ad valorem taxes, becomes available to meet a contingency.

The level of control in the budget at which expenditures exceeded appropriations is at the fund level. All appropriations lapse at year end.

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, and revenue and debt limitations which apply to the State of Colorado and all local governments. 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 increase with certain exceptions. Revenue in excess of the "fiscal year spending" limit must be refunded unless the voters approve retention of such revenue.

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.

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 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, as it is currently understood. However, TABOR is complex and subject to interpretation. Many of the provisions may not become fully understood without judicial review.

3. Detailed Notes on the Funds

Deposits and Investments

The following is a summary of deposits and investments held by the District at December 31, 2018:

Type	Ratings per Standards & Poor's	Carrying amount
Deposits	Not rated	\$ 83,010
CSAFE Cash	AAAm	10,451
Total		\$ 93,461

The total deposits and investments of \$93,461 are reported as cash and cash equivalents in the Statement of Net Position at December 31, 2018.

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at a minimum of 102% of the aggregate uninsured deposits.

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

Investments

The District has not adopted a formal investment policy; however, the District follows Colorado Revised Statutes (CRS) regarding investments. CRS specify the types of investment instruments meeting defined rating and risk criteria in which local governments may invest. The allowed investment instruments may include but are not limited to:

- Certain money market funds
- Certain certificates of deposit
- Obligations of the U.S. and certain U.S. government agencies securities
- Local government investment pools

NORTH SHORE WATER DISTRICT
Notes to Financial Statements
December 31, 2018

3. Detailed Notes on the Funds

Investments (continued)

The Colorado Surplus Asset Fund Trust (CSAFE) is an investment vehicle established by state statute for local governmental entities to pool surplus assets. As an investment pool, CSAFE operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. CSAFE offers two accounts, CSAFE Cash (Cash) and CSAFE Colorado Core. At December 31, 2018, the District had invested \$10,451 in Cash. Cash records its investments at amortized cost and the District records its investment in Cash at net asset value (NAV). Purchases and redemptions are available daily at a NAV of \$1.00 per share with no redemption limits. Cash limits its investments to those allowed by state statute; the portfolio has a weighted average maturity of 60 days or less. A designated custodial bank provides safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal function of CSAFE. The custodian's internal records segregate investments owned by the participating governments.

Custodial Credit Risk: At December 31, 2018, all of the District's deposits and investments were insured by the Federal Deposit Insurance Corporation or held in eligible public depositories as required by PDPA.

Interest Rate Risk: CRS limit investment maturities to five years or less unless formally approved by the Board of Directors.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The District follows the general provisions of CRS which limits the District's exposure to credit risk. CRS specify investment instruments meeting defined rating and risk criteria in which local governmental entities may invest. The District holds investments in certain money market accounts, included in deposits, which are unrated.

Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Water rights	\$ 4,200	\$ -	\$ -	\$ 4,200
Total capital assets, not being depreciated	<u>4,200</u>	<u>-</u>	<u>-</u>	<u>4,200</u>
Capital assets being depreciated:				
Water lines and mechanical	1,502,652	-	-	1,502,652
Total capital assets being depreciated	<u>1,502,652</u>	<u>-</u>	<u>-</u>	<u>1,502,652</u>
Less accumulated depreciation for:				
Buildings	(469,886)	(25,865)	-	(495,751)
Total accumulated depreciation	<u>(469,886)</u>	<u>(25,865)</u>	<u>-</u>	<u>(495,751)</u>
Total capital assets being depreciated, net	<u>1,032,766</u>	<u>(25,865)</u>	<u>-</u>	<u>1,006,901</u>
Capital assets, net	\$ <u>1,036,966</u>	\$ <u>(25,865)</u>	\$ <u>-</u>	\$ <u>1,011,101</u>

Depreciation expense of \$25,865 was charged to the water operations of the District.

3. Detailed Notes on the Funds (continued)

Long-Term Obligations

Changes in long-term obligations for the year ended December 31, 2018 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
DOLA Loan payable	\$ 26,899	\$ -	\$ (26,899)	\$ -

On November 6, 2007, the District entered into a Loan/Grant Contract (Contract) under the Energy and Mineral Impact Assistance Program with the State of Colorado's Department of Local Affairs (DOLA). The loan was for \$439,314 and was payable annually with a 5% interest rate with payments commencing September 2009. Annual payments were \$33,930, however the District made additional principal payments throughout the term of the loan and paid it in full on August 20, 2018.

4. Other Information

Risk Management

The District is exposed to various risks of loss related to general liability, torts, theft of, damage to, and destruction of assets, errors and omissions and natural disasters.

The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the "Pool") which is sponsored by the Special District Association of Colorado. The Pool is an organization created by an intergovernmental agreement to provide property, liability, public official's 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 property, general liability, and public official's liability coverage. Members of the Pool may be required to make additional surplus contributions in the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool. 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. No distributions were made during the year ended December 31, 2018.

Intergovernmental Agreements

In 1996, The District entered into an intergovernmental agreement with Three Lakes Water and Sanitation District (Three Lakes), whereby Three Lakes serves as the Operator of Record of the District's water system and performs all operational duties. In 2004, as an addendum to the original agreement, Three Lakes also provides administrative functions for the District. The agreement automatically renews for successive one-year terms. However, either party may terminate this agreement, for any reason, with thirty days written notice to the other party. For the year ended December 31, 2018, the District incurred \$7,973 and \$10,714 for operational and administrative services, respectively, under this agreement.

5. Related parties

The District's Treasurer is an employee of Three Lakes. In addition, one board member of the District is married to a board member of Three Lakes.

SUPPLEMENTAL INFORMATION

NORTH SHORE WATER DISTRICT
Schedule of Revenues, Expenditures and Changes in Funds Available -
Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Water fees	\$ 97,356	\$ 97,913	\$ 557
Investment income	130	339	209
Property taxes	1,460	1,390	(70)
Specific ownership taxes	50	104	54
Other income	200	443	243
Tap fees	6,000	9,000	3,000
Total Revenues	<u>105,196</u>	<u>109,189</u>	<u>3,993</u>
Expenditures:			
Water operations and maintenance:			
Water treatment contract	10,836	7,973	2,863
Repairs and maintenance	18,000	6,547	11,453
Utilities	3,800	3,639	161
Water testing and treatment	2,200	1,552	648
Miscellaneous	250	-	250
Total operations and maintenance	<u>35,086</u>	<u>19,711</u>	<u>15,375</u>
General and administration:			
Three Lakes administration contract	10,740	10,714	26
Directors' fees and expenses	10,337	6,237	4,100
Professional fees	5,000	750	4,250
Telephone	2,000	1,821	179
Insurance	2,111	1,977	134
Dues and fees	500	20	480
Postage/box rental	450	364	86
Office supplies and expense	300	421	(121)
Election expense	3,000	58	2,942
Miscellaneous	300	273	27
County treasurer fees	73	70	3
Total general and administration	<u>34,811</u>	<u>22,705</u>	<u>12,106</u>
Debt service:			
Principal	30,000	26,899	3,101
Interest	-	1,233	(1,233)
Total Expenditures	<u>99,897</u>	<u>70,548</u>	<u>29,349</u>
Revenues over expenditures	<u>5,299</u>	<u>38,641</u>	<u>33,342</u>
Beginning Funds Available	<u>57,366</u>	<u>56,195</u>	<u>(1,171)</u>
Ending Funds Available	<u>\$ 62,665</u>	<u>\$ 94,836</u>	<u>\$ 32,171</u>

The accompanying notes are an integral part of this statement.

NORTH SHORE WATER DISTRICT
Reconciliation of Budgetary Basis to Statement of Revenues, Expenses and Changes
in Net Position
For the Year Ended December 31, 2018

Revenue (budgetary basis)	<u>\$ 109,189</u>
Revenues per Statement of Revenues, Expenses and Changes in Net Position	<u>109,189</u>
Expenditures (budgetary basis)	70,548
Depreciation	25,865
Loan principal payment	<u>(26,899)</u>
Expenses per Statement of Revenues, Expenses and Changes in Net Position	<u>69,514</u>
Change in net position per Statement of Revenues, Expenses and Changes in Net Position	<u><u>\$ 39,675</u></u>

The accompanying notes are an integral part of this statement.