

**North Shore Water District
Grand County, Colorado**

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2014

North Shore Water District

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December 31, 2014

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Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of North Shore Water District, as of and for the year ended December 31, 2014, and the related notes to the 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 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of North Shore Water District, as of December 31, 2014, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and legal requirements, and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic 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 basic financial statements as a whole.

Wagner Barnett & Higgins, PC

Lakewood, Colorado
July 13, 2015

BASIC FINANCIAL STATEMENTS

North Shore Water District
STATEMENT OF NET POSITION
December, 31, 2014

ASSETS

Current assets

Cash and cash equivalents	\$ 29,719
Cash and cash investments - restricted	100
Investments	10,066
Accounts receivable - users	1,633
Property tax receivable	516
Total current assets	42,034

Capital assets

Capital assets, not being depreciated	4,200
Capital assets, being depreciated, net	1,110,173
Capital assets, net	1,114,373
Total assets	1,156,407

LIABILITIES

Current liabilities

Unearned user fees	2,883
Accrued interest payable	3,860
Current maturities of long-term obligations	22,350
Other accrued liabilities	811
Total current liabilities	29,904

Long-term obligations

	149,239
Total liabilities	179,143

NET POSITION

Net investment in capital assets	942,784
Restricted for emergency	100
Unrestricted	34,380
Total net position	\$ 977,264

The accompanying Notes to the Financial Statements are an integral part of these statements.

North Shore Water District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2014

OPERATING REVENUES	
Water fees	\$ 97,175
Other revenue	812
Total operating revenues	<u>97,987</u>
OPERATING EXPENSES	
Depreciation	26,438
Repairs and maintenance	3,548
Three lakes operation	7,124
Utilities	2,805
Water testing, treatment	1,325
Total operating expenses	<u>41,240</u>
Gross Profit from water operations	<u>56,747</u>
GENERAL AND ADMINISTRATIVE EXPENSES	
Directors expenses	7,092
Insurance	1,869
Professional fees	6,894
Office	2,359
Telephone	2,178
Three Lakes administration	11,197
Total general and administrative expenses	<u>31,589</u>
OPERATING INCOME (LOSS)	<u>25,158</u>
NONOPERATING REVENUES (EXPENSES)	
Property and specific ownership taxes	1,323
Net investment income	79
Interest expense	(12,289)
Total nonoperating revenues (expenses)	<u>(10,887)</u>
CHANGE IN NET POSITION	14,271
NET POSITION - beginning of the year	<u>962,993</u>
NET POSITION - end of the year	<u><u>\$ 977,264</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

North Shore Water District
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 97,640
Payments to supplies for goods and services	(46,830)
Net cash provided (used) by operating activities	<u>50,810</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Net collection of property and specific ownership taxes	1,323
Net cash provided (used) by noncapital financing activities	<u>1,323</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Payments on long-term debt - principal	(51,287)
Payments on long-term debt - interest	(11,935)
Net cash provided (used) by capital financing activities	<u>(63,222)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings received	79
Net cash provided (used) by investing activities	<u>79</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,010)
CASH AND CASH EQUIVALENTS - beginning of year	<u>40,829</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 29,819</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ 25,158
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	26,438
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(2,666)
Increase (decrease) in:	
Accrued liabilities	1,880
Net cash provided (used) by operating activities	<u>\$ 50,810</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

North Shore Water District

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

Note 1 – Definition of 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 the northeastern portion of Grand County, Colorado. The District was established to provide water services to inhabitants within the District's boundaries. On February 10, 2011, the District amended the District's name from "North Shore Water and Sanitation District" to "North Shore Water District". The name change did not affect the responsibilities or obligations to the citizens of the District.

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 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 since 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.

The District follows Governmental Accounting Standards Board pronouncements.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. This applies in situations where funds are collected and restricted for payment of a particular purpose.

North Shore Water District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2014

Basis of Accounting

The District's financial statements are reported using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and payments on loans are recorded as reductions in liabilities. Tap fees and contributed assets from developers are recorded as capital contributions when received or collectible.

Operating revenues and expenses

The District distinguishes between operating revenues and expenses from 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 services to its customers. Operating revenues consist of charges to customers for service provided. Operating expenses include the cost of service, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Cash equivalents

For purposes of the Statement of Cash Flows, the District considers cash deposits and highly liquid investments with original maturities of three months or less from the date of acquisition, to be cash equivalents.

Investments

Investments for the District are reported at fair value.

Accounts receivable, allowance for doubtful accounts

Any and all user charges 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.

North Shore Water District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2014

Capital assets

Capital assets include land, water rights, water system infrastructure, furniture and equipment. Capital assets are defined by the District as those assets with an initial, individual cost of \$500 or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation or at the developer's cost.

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. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Water system improvements	25 to 50 years
Equipment and fixtures	5 to 25 years

Property Taxes

Property taxes are levied 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 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 and December. The County Treasurer remits the taxes collected monthly to the District.

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.

Capital contributions

Tap fees are recorded as capital contributions when received. Water lines contributed to the District by developers are recorded as capital contributions and additions to the

North Shore Water District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2014

sewer system when received. Grants are recognized as capital contributions as soon as all eligibility requirements imposed by the provider have been met.

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 total appropriation can only be modified upon completion of notification and publication requirements.

Estimates

The presentation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting amounts of net assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the period. Actual results could differ from those estimates.

Note 3 – Cash and investments

Cash and investments are reflected on the December 31, 2014 Statement of Net Position as follows:

Cash and cash equivalents	\$ 29,719
Cash and cash equivalents - restricted	100
Investments	10,066
Total cash and investments	<u>\$ 39,885</u>

At December 31, 2014 the District's cash deposits had bank balances of \$33,619 and carrying balances of \$29,819. All cash deposits consist of deposits with financial institutions.

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. As of December 31, 2014 the federal insurance limits were \$250,000. 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

North Shore Water District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2014

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.

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has adopted a deposit policy for custodial credit risk. As of December 31, 2014, the District's bank balances and carrying balances were insured or collateralized and not exposed to custodial credit risk.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District primarily limits its investments to certain money market funds, certain U.S. government agency securities, and local government investments pools, 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 disclosure requirements or subject to custodial credit risk 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.

Revenue bonds of local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest including the following:

- . Obligations of the United States and certain U.S. government agency securities
- . Certain international agency securities
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts

North Shore Water District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2014

. Local government investment pools

The local government investment pools, which include the Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Local Government Liquid Asset Trust (Colostrust), are both rated AAAM by Standard & Poor's.

As of December 31, 2014, the District had the following investments, recorded at fair value:

<u>Investment</u>	<u>Maturity</u>	
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	\$ 10,066
Total investments		<u><u>\$ 10,066</u></u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), 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 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.

Restricted cash and investments

Restricted cash includes emergency reserves as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 9) of \$100 at December 31, 2014.

North Shore Water District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2014

Note 4 – Capital assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	Balance at December 31, 2013	Increases	Decreases	Balance at December 31, 2014
Capital assets, not being depreciated				
Water rights	4,200	-	-	4,200
Total capital assets, not being depreciated	4,200	-	-	4,200
Capital assets being depreciated				
Water lines and mechanical	1,409,042	-	-	1,409,042
Machinery and equipment	93,609	-	-	93,609
Total capital assets being depreciated	1,502,651	-	-	1,502,651
Less accumulated depreciation for				
Water lines and mechanical	272,431	26,438	-	298,869
Machinery and equipment	93,609	-	-	93,609
Total accumulated depreciation	366,040	26,438	-	392,478
Total capital assets being depreciated, net	1,136,611	(26,438)	-	1,110,173
Capital assets, net	<u>\$ 1,140,811</u>	<u>\$ (26,438)</u>	<u>\$ -</u>	<u>\$ 1,114,373</u>

Depreciation expense for the year ended December 31, 2014 was changed to water operations.

Note 5 – Fair value measurement

The District has adopted the methods of fair value as defined by the U.S. generally accepted accounting principles "GAAP" to value its financial assets and liabilities. Fair value is based on 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. In order to increase consistency and comparability in fair value measurements, GAAP establishes a fair value hierarchy that prioritizes observable inputs used to measure fair value into three broad levels. Cash and equivalents and investments held by the District are determined by reference to quoted market prices and other relevant information generated by market transaction (Level 1).

North Shore Water District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2014

Note 6 – Long term obligations

	Balance at December 31, 2013	Additions	Reductions	Balance at December 31, 2014	Due Within One Year
Loan	\$ 222,875	\$ -	\$ 51,286	\$ 171,589	\$ 22,350

Loan

On November 6, 2007, the District entered into a Loan/Grant Contract (the Contract) under the Energy and Mineral Impact Assistance Program with the State of Colorado's Department of Local Affairs (the State). The loan in the original amount of \$439,314 is payable annually, with interest at the rate of 5%, on September 1, beginning on September 1, 2009, in equal installments of principal and interest of \$33,930. The final payment is due on September 1, 2023. During 2014, the District made principal payments of \$30,000 in excess of the required payment.

Debt service on the loan follows:

Year Ended December 31,	Minimum Principal	Approximate Interest	Total
2015	\$ 22,350	\$ 8,580	\$ 30,930
2016	23,468	7,462	30,930
2017	24,641	6,289	30,930
2018	25,873	5,057	30,930
2019	27,167	3,763	30,930
2020-2023	48,090	3,383	51,473
Total	\$ 171,589	\$ 34,533	\$ 206,122

Debt authorization

At December 31, 2014, the District had no authorized but unissued indebtedness.

Note 7 – Net Position

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements

North Shore Water District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2014

of those assets. As of December 31, 2014 the District had net invested in capital assets as follows:

Capital assets, net	\$ 1,114,373
Current portion of outstanding long-term obligations	(22,350)
Noncurrent portion of outstanding long-term obligations	(149,239)
Net Investment in capital assets	<u>\$ 942,784</u>

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2014, the District had \$100 restricted net position for emergencies.

The District's unrestricted net position as of December 31, 2014 was \$34,380.

Note 8 – Intergovernmental service agreement

The District entered 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. Pursuant to the agreement, Three Lakes also provides administrative functions. During 2014, the District paid \$7,124 and \$11,197, respectively, for operational and administrative services under the agreement.

Note 9 – Risk management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors and omissions; injuries to personnel, or natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2014. 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, 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.

North Shore Water District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2014

Note 10 – 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. As a result of the Enterprise's business-type activities, the District's management believes that the District's operations qualify for this exclusion.

Spending and revenue limits are determined based on the prior year's fiscal year spending as adjusted for allowable increases for inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenues in excess of the fiscal year spending limit must be refunded unless retention of such revenue has been approved by the voters.

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 restricted \$5,200 in compliance with this requirement.

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.

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SUPPLEMENTAL INFORMATION

North Shore Water District
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - BUDGETARY BASIS
For the Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Water fees	\$ 96,382	\$ 97,175	\$ 793
Other fees	-	812	812
Tap fees	6,000	-	(6,000)
Property and specific ownership taxes	1,378	1,323	(55)
Net investment income	100	79	(21)
Total revenues	<u>103,860</u>	<u>99,389</u>	<u>(4,471)</u>
EXPENDITURES			
Repairs and maintenance	15,000	3,548	11,452
Three Lakes operation	9,365	7,124	2,241
Utilities	3,391	2,805	586
Water lease, testing and treatment	2,000	1,325	675
Directors expenses	7,750	7,092	658
Insurance	1,950	1,869	81
Professional fees	5,450	6,894	(1,444)
Office and supplies	1,977	2,359	(382)
Election	3,000	-	3,000
Telephone	2,075	2,178	(103)
Three Lakes administration	10,122	11,197	(1,075)
Capital improvements	10,000	-	10,000
Debt service:			
Principal	21,286	51,286	(30,000)
Interest	12,644	12,289	355
Contingency	40,000	-	40,000
Total expenditures	<u>146,010</u>	<u>109,966</u>	<u>36,044</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(42,150)	(10,577)	31,573
Funds available - beginning of year	<u>50,564</u>	<u>45,057</u>	<u>(5,507)</u>
Funds available - end of year	<u>\$ 8,414</u>	<u>\$ 34,480</u>	<u>\$ 26,066</u>

North Shore Water District

**RECONCILIATION OF ACTUAL (BUDGETARY BASIS) TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION**

For the Year Ended December 31, 2014

Revenues (budgetary basis)	<u>\$ 99,389</u>
Total revenues per Statement of Revenues, Expenses and Changes in Net Position	<u>99,389</u>
Expenditures (budgetary basis)	109,966
Depreciation and amortization	26,438
Principal paid on debt	<u>(51,286)</u>
Total expenses per Statement of Revenues, Expenses and Changes in Net Position	<u>85,118</u>
Change in net position per Statement of Revenues, Expenses and Changes in Net Position	<u><u>\$ 14,271</u></u>