

**ROXBOROUGH WATER AND  
SANITATION DISTRICT  
FINANCIAL STATEMENTS  
December 31, 2013**

## TABLE OF C O N T E N T S

Independent Auditors' Report	i-ii
Management's Discussion and Analysis	iii-ix
<b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Net Position	1
Statement of Activities	2
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Statement of Net Position - Proprietary Funds	6
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	7
Statement of Cash Flows - Proprietary Funds	8-9
Notes to Financial Statements	10-20
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule - General Fund	21
Notes to Required Supplementary Information	22
<b>INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES</b>	
Budgetary Comparison Schedule - Capital Projects Fund	23
Budgetary Comparison Schedule - Debt Service Fund	24
Budgetary Comparison Schedule Non GAAP Basis - Water Fund	25-26
Budgetary Comparison Schedule Non GAAP Basis - Sewer Fund	27



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Roxborough Water and Sanitation District  
Littleton, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Roxborough Water and Sanitation District, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Roxborough Water and Sanitation 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 opinions 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 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 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.

400 South Colorado Boulevard, Suite 690 • Denver, Colorado 80246  
303 733-3796 • FAX 303 733-6230 • [www.pnacpa.com](http://www.pnacpa.com)

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Roxborough Water and Sanitation District, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other-Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages iii through ix and 21 and 22 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other 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 individual major fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual major fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 statements 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.

April 23, 2014  
Denver, Colorado

*Payton & Adams, LLC*

## Management's Discussion and Analysis

As management of the Roxborough Water & Sanitation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2013

### Financial Highlights

- Assets exceeded liabilities by \$62,998,739 at the close of the fiscal year. Of this amount, \$30,882,833 is unrestricted and available to meet ongoing and future obligations of the District.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$25,291,977.
- Total net position increased by \$2,035,199.
- Total cash and investments increased by \$1,922,844 as compared to the prior year.
- General fund expenditures increased by \$2,093 as compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 542,712 or 216.97% of total general fund expenditures.
- Total debt decreased by \$410,000 or 5.8% during the current fiscal year. The reason for this decrease was the scheduled payment of principal on long-term debt.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the District that are principally to be supported by ad valorem taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include the financing, construction of, and maintenance of public infrastructure improvements constructed or

acquired by the District. The business-type activities of the District include water and sewer facilities construction, maintenance and operations.

The government-wide financial statements can be found on pages 1-2 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories – Governmental Funds and Proprietary Funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The governmental funds use the modified accrual basis of accounting. During the year ended December 2013, the District implemented GASB Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds - general fund and debt service fund - all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 3-5 of this report.

**Proprietary Funds.** The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its water and sewer operations. These services are reported as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, which are considered to be major funds of the District.

The proprietary fund financial statements can be found on pages 6-9 of this report.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 10-20 of this report.

**Required Supplementary Information.** The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement for this fund has been provided as required supplementary information to demonstrate compliance with this budget. The general fund budget statements and notes are found on pages 21-22 of this report.

**Other information.** The report includes individual fund schedules. A budgetary comparison statement has been provided in this section for the debt service fund, the water fund and the sewer fund to demonstrate compliance with these budgets. The budget statements are found on pages 23-27 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's net position was \$62,998,739 at the close of the most recent fiscal year. Of this amount \$30,882,833 is unrestricted and is available to meet the District's ongoing financial obligations.

Statements of Net Position

	2013			2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	\$ 27,007,485	\$ 7,861,650	\$ 34,869,135	\$ 25,573,977	\$ 7,068,654	\$ 32,642,631
Other Assets	-	-	-	-	2,883	2,883
Capital Assets, net	663	37,458,372	37,459,035	1,106	37,938,611	37,939,717
Total Assets	27,008,148	45,320,022	72,328,170	25,575,083	45,010,148	70,585,231
Current Liabilities	537,660	448,889	986,549	524,372	325,724	850,096
Long-Term Obligations	6,515,338	115,504	6,630,842	6,963,678	113,264	7,076,942
Total Liabilities	7,052,998	564,393	7,617,391	7,488,050	438,988	7,927,038
Deferred Inflow of Resources						
Unavailable Revenue	1,712,040	-	1,712,040	1,694,653	-	1,694,653
Net Investment in						
Capital Assets	(6,922,477)	37,458,372	30,535,895	(7,356,167)	37,938,611	30,582,444
Restricted Net Position	1,580,011	-	1,580,011	261,417	-	261,417
Unrestricted Net Position	23,585,576	7,297,257	30,882,833	23,487,130	6,632,549	30,119,679
Total Net Position	\$ 18,243,110	\$ 44,755,629	\$ 62,998,739	\$ 16,392,380	\$ 44,571,160	\$ 60,963,540

Statements of Activities

	2013			2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenue						
Program Revenue						
Charges for Services	\$ -	\$ 4,913,424	\$ 4,913,424	\$ -	\$ 4,981,530	\$ 4,981,530
Operating Grants and Contributions	-	129,655	129,655	-	131,568	131,568
Capital Grants and Contributions	-	1,300,101	1,300,101	-	712,109	712,109
General Revenue						
Property Taxes	1,680,142	-	1,680,142	1,677,286	-	1,677,286
Specific Ownership Taxes	142,841	-	142,841	136,267	-	136,267
Investment Income	31,933	6,649	38,582	22,183	36,656	58,839
Total Revenue	1,854,916	6,349,829	8,204,745	1,835,736	5,861,863	7,697,599
Expenses						
General Government	263,853	-	263,853	264,557	-	264,557
Interest on Long-Term Debt	246,179	-	246,179	258,613	-	258,613
Water/Sewer Facilities	-	5,659,514	5,659,514	-	5,811,423	5,811,423
Total Expenses	510,032	5,659,514	6,169,546	523,170	5,811,423	6,334,593
Excess	1,344,884	690,315	2,035,199	1,312,566	50,440	1,363,006
Transfers	505,846	(505,846)	-	16,091,568	(16,091,568)	-
Change in Net Position	1,850,730	184,469	2,035,199	17,404,134	(16,041,128)	1,363,006
Net Position - Beginning	16,392,380	44,571,160	60,963,540	(1,011,754)	60,612,288	59,600,534
Net Position - Ending	\$ 18,243,110	\$ 44,755,629	\$ 62,998,739	\$ 16,392,380	\$ 44,571,160	\$ 60,963,540



**Governmental activities.** Governmental activities increased the District's net position by \$1,850,730, several highlights are as follows:

- Property taxes increased \$2,856 (.17%) over the prior year.
- Specific ownership taxes increased \$6,574.
- General Government expenses decreased by \$704 this year.
- A new subdivision was formed due to the inclusion of the Plum Valley Heights neighborhood into the District.

**Business-type activities.** Business-type activities increased the District's net position by \$184,469. Some of the key elements of the change in net position are as follows:

- Service charges decreased \$68,106 (1.36%) over prior year.
- Investment income decreased \$30,007 due to decreasing interest rates, and the transfer to the Capital Projects Fund.
- Total operating expenses are decreased \$151,909 as a result of a decrease in operations expenses \$164,670, and an increase in personnel expenses of \$13,407.

### **Financial Analysis of the Government's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$25,291,977 of which \$542,712 constitutes unassigned fund balance, which is available for spending at the government's discretion within the parameters established for each fund.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$542,712 out of a total fund balance of \$680,328. In compliance with an amendment to the State Constitution, Article X, Section 20, the District has established an emergency reserve representing 3% of qualifying expenditures. At December 31, 2013, the emergency reserve was \$8,129.

The debt service fund has a total fund balance of \$1,571,882, all of which is restricted for the repayment of long-term indebtedness. The long term loans payable as of December 31, 2013 is \$6,645,000.

On November 1, 2011 the District voted in favor of Ballot Issue 5A. This positive vote authorized the District debt to be increased by a total of \$ 6,500,000 for the purpose of being the repayment of loans advanced from the District's water fund to the District's sewer fund to finance a portion of the costs of improvements to the District's sanitary sewer collection and transmission system. This debt was repaid from the District's current property tax fund balance established by the District pursuant to voter authorization obtained at the November 2002

election and without future increases in the annual taxes authorized by the November 2002 election.

**Proprietary funds.** The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary fund at the end of the year amounted to \$7,279,257. The total net position of the District's proprietary funds as of December 31, 2013 was \$44,755,629. Other factors concerning the finances of this fund have already been addressed in the discussion of the District's business-type activities.

### **General Fund Budgetary Highlights**

The District's total expenditures for 2013 did not exceed the final budgeted appropriation. The difference between the original and final budgeted revenue of \$845,535 and the actual revenue of \$854,258 was \$8,723. The difference between the original budgeted expenditures of \$325,000 and the actual expenditures of \$250,135 was \$74,865.

### **Capital Assets**

The District has invested \$37,459,035 in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of the year ended December 31, 2013. This investment in capital assets includes water and sewer facilities, water rights and vehicles and equipment. This includes \$967,268 of upgrades and improvements to the District's collection and distribution systems in 2013.

Additional information on the District's capital assets can be found in Note 4 beginning on page 16 of this report.

### **Long-Term Debt**

At the end of the current fiscal year, the District had total outstanding long-term debt of \$6,940,338. Accrued compensated absences accounts for \$17,198 of this amount. The remaining \$6,923,140 is related to the District's 2005 Clean Water Revenue Bonds through the Colorado Water Resources and Power Development Authority (2005 CWRPDA) which are due annually through 2026 and pay interest rates of 3.35% semi-annually on February 1 and August 1.

Additional information on the District's long-term debt can be found in Note 5 beginning on page 17 of this report.

### **Next Year's Budgets and Rates**

**Government funds.** The 2014 budget reflects a slight increase in property tax revenue. The total assessed value for 2014 is \$ 129,054,751 up from \$127,743,991 in 2013. The total mill levy in 2013 is 13.2658 mills. General fund expenditures are expected to increase due to natural growth of the District. The District did include a Capital Projects fund budget for 2013 of \$36,313,150, representing purchase of a permanent water supply from the City of Aurora and expenses related to the construction of a new Water Treatment Plant.

**Proprietary funds.** Water and sewer sales are expected to increase slightly over 2013 as a result of some growth and potential rate increase. Expenditures are expected to increase slightly also. The District is anticipating an additional rate increase from the City of Aurora, which is the

District's water source, and also from the City of Littleton, which is the District's wastewater treatment provider.

## **Capital Projects.**

### **Denver Water Emergency Interconnect:**

In 2013 the District completed our emergency interconnect with Denver Water which would allow the District to obtain potable water in an emergency situation such as a Water Treatment Plant failure. The District constructed emergency connections on two of Denver Water's main pipelines coming from Denver Water's Foothills Water Treatment Facility. The cost for the project was \$613,856.

### **Replacement Water Treatment Plant:**

The District began the design of the replacement Water Treatment Plant in 2013. This is the beginning of a 3 year project from start to finish. Design will continue through 2014 with construction in 2015 and into 2016.

### **Aurora Water Supply:**

The District has entered into an agreement to purchase its water supply from the City of Aurora, Colorado. This agreement expires in 2105 and then automatically and continuously renews for another ninety years. As part of the agreement with the City of Aurora, the District will pay the City development and connection fee of \$ 6,575 per customer. This fee is due December 2015, although the District may purchase taps before that date. The District estimates that this fee will be \$ 24,985,000. It is anticipated the District will purchase these fees during 2014 from a loan the District has received from the Colorado Water Conservation Board.

## **Requests for Information**

This financial report is designed to provide a general overview of the Roxborough Water & Sanitation District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Roxborough Water & Sanitation District, 6222 N. Roxborough Park Road, Littleton, CO 80125.

## BASIC FINANCIAL STATEMENTS

ROXBOROUGH WATER AND SANITATION DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2013

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Totals</u>	
			<u>2013</u>	<u>2012</u>
<u>Assets</u>				
Cash and investments	\$ 25,274,184	\$ 6,961,057	\$ 32,235,241	\$ 30,312,397
Accounts receivable	21,027	848,073	869,100	638,464
Internal balances	(11,306)	11,306	0	0
Property taxes receivable	1,712,040	0	1,712,040	1,694,653
Prepaid expenses	11,540	41,214	52,754	0
Capital assets, not being Depreciated	0	6,862,071	6,862,071	6,495,900
Capital assets, net of accumulated depreciation	<u>663</u>	<u>30,596,301</u>	<u>30,596,964</u>	<u>31,443,817</u>
 Total Assets	 <u>27,008,148</u>	 <u>45,320,022</u>	 <u>72,328,170</u>	 <u>70,585,231</u>
<u>Liabilities</u>				
Accounts payable	3,468	169,360	172,828	41,328
Deposits	0	25,996	25,996	25,996
Deferred revenue	0	253,533	253,533	258,400
Accrued interest payable	109,192	0	109,192	114,372
Non current liabilities				
Due within one year	425,000	0	425,000	410,000
Due in more than one year	<u>6,515,338</u>	<u>115,504</u>	<u>6,630,842</u>	<u>7,076,942</u>
 Total Liabilities	 <u>7,052,998</u>	 <u>564,393</u>	 <u>7,617,391</u>	 <u>7,927,038</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue-property taxes	<u>1,712,040</u>	<u>0</u>	<u>1,712,040</u>	<u>1,694,653</u>
<u>Net Position</u>				
Net investment in capital assets	(6,922,477)	37,458,372	30,535,895	30,582,444
Restricted for debt service	1,571,882	0	1,571,882	253,976
Restricted for emergencies	8,129	0	8,129	7,441
Unrestricted	<u>23,585,576</u>	<u>7,297,257</u>	<u>30,882,833</u>	<u>30,119,679</u>
 Total Net Position	 <u>\$ 18,243,110</u>	 <u>\$ 44,755,629</u>	 <u>\$ 62,998,739</u>	 <u>\$ 60,963,540</u>

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Function/Programs</u>				
Governmental Activities				
General government	\$ 263,853	\$ 0	\$ 0	\$ 0
Interest on long-term debt	<u>246,179</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Governmental Activities	<u>510,032</u>	<u>0</u>	<u>0</u>	<u>0</u>
Business-Type Activities				
Water	3,028,075	3,090,602	72,444	1,110,500
Sewer	<u>2,631,439</u>	<u>1,822,822</u>	<u>57,211</u>	<u>189,601</u>
Total Business-Type Activities	<u>5,659,514</u>	<u>4,913,424</u>	<u>129,655</u>	<u>1,300,101</u>
Total Primary Government	<u>\$ 6,169,546</u>	<u>\$ 4,913,424</u>	<u>\$ 129,655</u>	<u>\$ 1,300,101</u>

General Revenues  
Property taxes  
Specific ownership taxes  
Investment income  
Transfers

Total General Revenues and  
Transfers

Change in net position

Net Position, Beginning

Net Position, Ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenues and Changes in Net Position

Primary Government

<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Totals</u>	
		<u>2013</u>	<u>2012</u>
\$ (263,853)	\$ 0	\$ (263,853)	\$ (264,557)
<u>(246,179)</u>	<u>0</u>	<u>(246,179)</u>	<u>(258,613)</u>
<u>(510,032)</u>	<u>0</u>	<u>(510,032)</u>	<u>(523,170)</u>
0	1,245,471	1,245,471	529,892
<u>0</u>	<u>(561,805)</u>	<u>(561,805)</u>	<u>(516,108)</u>
<u>0</u>	<u>683,666</u>	<u>683,666</u>	<u>13,784</u>
<u>(510,032)</u>	<u>683,666</u>	<u>173,634</u>	<u>(509,386)</u>
1,680,142	0	1,680,142	1,677,286
142,841	0	142,841	136,267
31,933	6,649	38,582	58,839
<u>505,846</u>	<u>(505,846)</u>	<u>0</u>	<u>0</u>
<u>2,360,762</u>	<u>(499,197)</u>	<u>1,861,565</u>	<u>1,872,392</u>
1,850,730	184,469	2,035,199	1,363,006
<u>16,392,380</u>	<u>44,571,160</u>	<u>60,963,540</u>	<u>59,600,534</u>
<u>\$ 18,243,110</u>	<u>\$ 44,755,629</u>	<u>\$ 62,998,739</u>	<u>\$ 60,963,540</u>

**ROXBOROUGH WATER AND SANITATION DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2013**

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Plum Valley Heights</u>	<u>Total Governmental Funds</u>	
					<u>2013</u>	<u>2012</u>
<u>Assets</u>						
Cash and investments	\$ 667,707	\$ 23,039,767	\$ 1,566,710	\$ 0	\$ 25,274,184	\$ 23,869,787
Accounts receivable	4,549	0	5,172	11,306	21,027	9,537
Property taxes receivable	801,172	0	910,868	0	1,712,040	1,694,653
Prepaid items	<u>11,540</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,540</u>	<u>0</u>
Total Assets	<u>\$ 1,484,968</u>	<u>\$ 23,039,767</u>	<u>\$ 2,482,750</u>	<u>\$ 11,306</u>	<u>\$ 27,018,791</u>	<u>\$ 25,573,977</u>
<u>Liabilities and Fund Balances</u>						
<u>Liabilities</u>						
Accounts payable	3,468	0	0	0	3,468	0
Due to other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,306</u>	<u>11,306</u>	<u>0</u>
Total Liabilities	<u>3,468</u>	<u>0</u>	<u>0</u>	<u>11,306</u>	<u>14,774</u>	<u>0</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue property taxes	<u>801,172</u>	<u>0</u>	<u>910,868</u>	<u>0</u>	<u>1,712,040</u>	<u>1,694,653</u>
<u>Fund Balances</u>						
<u>Nonspendable</u>						
Prepaid items	11,540	0	0	0	11,540	0
<u>Restricted for:</u>						
Emergencies	8,129	0	0	0	8,129	7,441
Debt service	0	0	1,571,882	0	1,571,882	253,976
<u>Committed to:</u>						
Construction of water treatment plant	0	23,039,767	0	0	23,039,767	23,009,143
<u>Assigned to:</u>						
<u>Subsequent year's budget:</u>						
<u>Appropriation of fund</u>						
balance	117,947	0	0	0	117,947	234,596
Unassigned	<u>542,712</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>542,712</u>	<u>374,168</u>
Total Fund Balances	<u>680,328</u>	<u>23,039,767</u>	<u>1,571,882</u>	<u>0</u>	<u>25,291,977</u>	<u>23,879,324</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,484,968</u>	<u>\$ 23,039,767</u>	<u>\$ 2,482,750</u>	<u>\$ 11,306</u>	<u>\$ 27,018,791</u>	<u>\$ 25,573,977</u>

(Continued)

The accompanying notes are an integral part of these financial statements.



ROXBOROUGH WATER AND SANITATION DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2013

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances of governmental funds	\$ 25,291,977	\$ 23,879,324
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount is net of accumulated depreciation of \$97,322.	663	1,106
Long-term liabilities, including related items, including loans payable (\$6,645,000), loan premium (\$278,140), accrued compensated absences (\$17,198), and accrued interest payable (\$109,192) are not due and payable in the current year and, therefore, are not reported in the funds.	<u>(7,049,530)</u>	<u>(7,488,050)</u>
Total Net Assets of Governmental Activities	<u>\$ 18,243,110</u>	<u>\$ 16,392,380</u>

ROXBOROUGH WATER AND SANITATION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Plum Valley Heights</u>	<u>Total Governmental Funds</u>	
					<u>2013</u>	<u>2012</u>
<u>Revenues</u>						
Property taxes	\$ 788,605	\$ 0	\$ 891,537	\$ 0	\$ 1,680,142	\$ 1,677,286
Specific ownership taxes	64,505	0	78,336	0	142,841	136,267
Investment income	1,148	30,624	161	0	31,933	22,183
Miscellaneous revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,822</u>	<u>20,822</u>	<u>0</u>
Total Revenues	<u>854,258</u>	<u>30,624</u>	<u>970,034</u>	<u>20,822</u>	<u>1,875,738</u>	<u>1,835,736</u>
<u>Expenditures</u>						
General government	250,135	0	13,482	20,822	284,439	262,505
Debt service						
Principal	0	0	410,000	0	410,000	395,000
Interest and fiscal charges	<u>0</u>	<u>0</u>	<u>274,492</u>	<u>0</u>	<u>274,492</u>	<u>286,926</u>
Total Expenditures	<u>250,135</u>	<u>0</u>	<u>697,974</u>	<u>20,822</u>	<u>968,931</u>	<u>944,431</u>
Excess of Revenues Over Expenditures	<u>604,123</u>	<u>30,624</u>	<u>272,060</u>	<u>0</u>	<u>906,807</u>	<u>891,305</u>
<u>Other Financing Sources (Uses)</u>						
Transfers in	0	0	1,045,846	0	1,045,846	23,131,568
Transfers out	<u>(540,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(540,000)</u>	<u>(7,040,000)</u>
Total Other Financing Sources (Uses)	<u>(540,000)</u>	<u>0</u>	<u>1,045,846</u>	<u>0</u>	<u>505,846</u>	<u>16,091,568</u>
Net change in fund balances	64,123	30,624	1,317,906	0	1,412,653	16,982,873
Fund balances, beginning	<u>616,205</u>	<u>23,009,143</u>	<u>253,976</u>	<u>0</u>	<u>23,879,324</u>	<u>6,896,451</u>
Fund balances, ending	<u>\$ 680,328</u>	<u>\$ 23,039,767</u>	<u>\$ 1,571,882</u>	<u>\$ 0</u>	<u>\$ 25,291,977</u>	<u>\$ 23,879,324</u>

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

Amounts reported for governmental activities in the statements of activities are different because:

	<u>2013</u>	<u>2012</u>
Net change in fund balances, total governmental funds	\$ 1,412,653	\$ 16,982,873
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This amount represents depreciation expense in the current year.	(443)	(738)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt and related items: amortization of loan premium \$23,133, and change in accrued interest payable \$5,180.	28,313	28,313
Loan payments \$410,000 and changes in compensated absences \$207 are expenditures in the governmental funds, but they change long-term liabilities in the statement of net position and do not affect the statement of activities.	<u>410,207</u>	<u>393,686</u>
Change in Net Assets of Governmental Activities	<u>\$ 1,850,730</u>	<u>\$ 17,404,134</u>

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2013</u>	<u>2012</u>
<u>Assets</u>				
Current Assets				
Cash and cash equivalents	\$ 5,445,289	\$ 1,515,768	\$ 6,961,057	\$ 6,442,610
Accounts receivable	577,092	270,981	848,073	626,044
Due from other funds	11,306	0	11,306	0
Prepaid expenses	<u>20,607</u>	<u>20,607</u>	<u>41,214</u>	<u>0</u>
Total Current Assets	<u>6,054,294</u>	<u>1,807,356</u>	<u>7,861,650</u>	<u>7,068,654</u>
Noncurrent Assets				
Accounts receivable	0	0	0	2,883
Capital assets, net of accumulated depreciation	<u>13,457,037</u>	<u>24,001,335</u>	<u>37,458,372</u>	<u>37,938,611</u>
Total Noncurrent Assets	<u>13,457,037</u>	<u>24,001,335</u>	<u>37,458,372</u>	<u>37,941,494</u>
Total Assets	<u>19,511,331</u>	<u>25,808,691</u>	<u>45,320,022</u>	<u>45,010,148</u>
<u>Liabilities</u>				
Current liabilities				
Accounts payable	123,992	45,368	169,360	41,328
Deposits	18,600	7,396	25,996	25,996
Deferred revenues	<u>53,533</u>	<u>200,000</u>	<u>253,533</u>	<u>258,400</u>
Total Current Liabilities	<u>196,125</u>	<u>252,764</u>	<u>448,889</u>	<u>325,724</u>
Noncurrent Liabilities				
Accrued compensated absences	<u>57,752</u>	<u>57,752</u>	<u>115,504</u>	<u>113,264</u>
Total Noncurrent Liabilities	<u>57,752</u>	<u>57,752</u>	<u>115,504</u>	<u>113,264</u>
Total Liabilities	<u>253,877</u>	<u>310,516</u>	<u>564,393</u>	<u>438,988</u>
<u>Net Position</u>				
Net investment in capital assets	13,457,037	24,001,335	37,458,372	37,938,611
Unrestricted	<u>5,800,417</u>	<u>1,496,840</u>	<u>7,297,257</u>	<u>6,632,549</u>
Total Net Position	<u>\$ 19,257,454</u>	<u>\$ 25,498,175</u>	<u>\$ 44,755,629</u>	<u>\$ 44,571,160</u>

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGE IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2013</u>	<u>2012</u>
Operating Revenues				
Charges for services	\$ 2,651,112	\$ 1,481,358	\$ 4,132,470	\$ 4,253,565
Charges for services Lockheed Martin Agreement	0	307,299	307,299	342,010
Permit fees	1,550	5,670	7,220	12,470
Reimbursed expenses	169,340	0	169,340	0
Outside treatment	176,018	22,412	198,430	234,092
Miscellaneous	<u>92,582</u>	<u>6,083</u>	<u>98,665</u>	<u>139,393</u>
Total Operating Revenues	<u>3,090,602</u>	<u>1,822,822</u>	<u>4,913,424</u>	<u>4,981,530</u>
Operating Expenses				
Personnel services	404,820	404,820	809,640	796,233
Operations	2,052,494	1,307,948	3,360,442	3,525,112
Depreciation	<u>570,761</u>	<u>918,671</u>	<u>1,489,432</u>	<u>1,490,078</u>
Total Operating Expenses	<u>3,028,075</u>	<u>2,631,439</u>	<u>5,659,514</u>	<u>5,811,423</u>
Operating Income (Loss)	<u>62,527</u>	<u>(808,617)</u>	<u>(746,090)</u>	<u>(829,893)</u>
Non-Operating Revenues (Expenses)				
Investment income	5,610	1,039	6,649	36,656
Availability charges	<u>72,444</u>	<u>57,211</u>	<u>129,655</u>	<u>131,568</u>
Total Non-Operating Revenue (Expenses)	<u>78,054</u>	<u>58,250</u>	<u>136,304</u>	<u>168,224</u>
Net Income (Loss) Before Transfers and Capital contributions	140,581	(750,367)	(609,786)	(661,669)
Transfer in	340,000	200,000	540,000	540,000
Transfer out	(988,635)	(57,211)	(1,045,846)	(16,631,568)
Capital contributions	<u>1,110,500</u>	<u>189,601</u>	<u>1,300,101</u>	<u>712,109</u>
Change in net position	602,446	(417,977)	184,469	(16,041,128)
Net position, beginning	<u>18,655,008</u>	<u>25,916,152</u>	<u>44,571,160</u>	<u>60,612,288</u>
Net position, ending	<u>\$ 19,257,454</u>	<u>\$ 25,498,175</u>	<u>\$ 44,755,629</u>	<u>\$ 44,571,160</u>

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2013</u>	<u>2012</u>
<u>Cash Flows from Operating Activities</u>				
Cash received from customers	\$ 2,679,756	\$ 1,871,305	\$ 4,551,061	\$ 4,960,784
Cash payments to suppliers	(2,035,383)	(1,291,472)	(3,326,855)	(3,625,337)
Cash payments to employees	(403,700)	(403,700)	(807,400)	(784,381)
Other cash received	<u>261,922</u>	<u>6,083</u>	<u>268,005</u>	<u>139,393</u>
Net Cash Provided by Operating Activities	<u>502,595</u>	<u>182,216</u>	<u>684,811</u>	<u>690,459</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers from other funds	340,000	200,000	540,000	540,000
Transfers to other funds	<u>(988,635)</u>	<u>(57,211)</u>	<u>(1,045,846)</u>	<u>(16,631,568)</u>
Net Cash Provided by (Used in) Non Financing Activities	<u>(648,635)</u>	<u>142,789</u>	<u>(505,846)</u>	<u>(16,091,568)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	(939,213)	(28,055)	(967,268)	(426,394)
Capital charges received	<u>1,110,500</u>	<u>189,601</u>	<u>1,300,101</u>	<u>712,109</u>
Net Cash Provided By Capital and Related Financing Activities	<u>171,287</u>	<u>161,546</u>	<u>332,833</u>	<u>285,715</u>
<u>Cash Flows from Investing Activities</u>				
Purchases of investment	0	0	0	8,817,876
Investment income	<u>5,610</u>	<u>1,039</u>	<u>6,649</u>	<u>36,656</u>
Net Cash Provided by Investing Activities	<u>5,610</u>	<u>1,039</u>	<u>6,649</u>	<u>8,854,532</u>
Net increase (decrease)	30,857	487,590	518,447	(6,260,862)
Cash and cash equivalents, beginning	<u>5,414,432</u>	<u>1,028,178</u>	<u>6,442,610</u>	<u>12,703,472</u>
Cash and cash equivalents, ending	<u>\$ 5,445,289</u>	<u>\$ 1,515,768</u>	<u>\$ 6,961,057</u>	<u>\$ 6,442,610</u>

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2013</u>	<u>2012</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 62,527	\$ (808,617)	\$ (746,090)	\$ (829,893)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	570,761	918,671	1,489,432	1,490,078
Receipt of system availability charges	72,444	57,211	129,655	131,568
Changes in assets and liabilities:				
Accounts receivable	(216,501)	(2,645)	(219,146)	(8,054)
Prepaid expenses	(20,607)	(20,607)	(41,214)	31,302
Due from other funds	(11,306)	0	(11,306)	0
Accounts payable	49,024	37,083	86,107	(131,527)
Deferred revenues	(4,867)	0	(4,867)	(4,867)
Accrued compensated absences	<u>1,120</u>	<u>1,120</u>	<u>2,240</u>	<u>11,852</u>
Net Cash Provided by Operating Activities	<u>\$ 502,595</u>	<u>\$ 182,216</u>	<u>\$ 684,811</u>	<u>\$ 690,459</u>

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Roxborough Water and Sanitation District (“the District”), previously the Roxborough Park Metropolitan District, was formed on January 12, 1972, to provide water, sewer and fire protection services within its boundaries. Effective July 1, 1999, the District’s fire protection services were merged into the West Metro Fire Protection District (the “WMFP”). By intergovernmental agreement, the District conveyed ownership of the fire station and all fire equipment to the WMFP, along with property tax revenues related to these services. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are reported as part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus blended component units are appropriately presented as funds of the District.

Based upon the application of this criteria, the District reports Plum Valley Heights as a blended component unit. Colorado State Statutes allow for the formation of subdistricts. Under the statute, subdistricts are independent quasi-municipal corporations, for whom the District’s Board of Directors constitutes the Plum Valley Heights Board of Directors. In addition, management of the District is also management of the subdistrict. Plum Valley Heights does not prepare separate financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.



ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Separate financial statements are provided for governmental and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Property taxes, specific ownership taxes, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

In the fund financial statements, the District reports the following major governmental funds.

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)

The *Capital Projects Fund* accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

The *Debt Service Fund* accounts for resources accumulated for, and payments made on, long-term obligations of the District.

The *Plum Valley Heights Fund* accounts for the activity in the subdistrict of Plum Valley Heights. This fund is reported as a special revenue fund, as the revenues derived from this subdistrict are used to support its operations.

Additionally, the District reports the following major proprietary funds.

The *Water Fund* accounts for the activities associated with the provision of water services.

The *Sewer Fund* accounts for the activities associated with the provision of sewer services.

Assets, Liabilities and Net Assets/Fund Balances

*Cash and Cash Equivalents* – For purposes of the statement of cash flows, cash and cash equivalents are defined as investments with original maturities of three months or less. Pooled cash and investments are categorized as cash equivalents.

*Investments* – Investments are stated at fair value.

*Receivables* – All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2013, the District expects to collect all accounts receivable balances.

*Capital Assets* – Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. 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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Collection and Distribution Systems	30-50 years
Vehicles and Equipment	3-10 years

*Deferred Revenues* – Deferred revenues include lease proceeds which have not been earned, and as more fully described in Note 9, amounts received from the sale of its waste water treatment plant.

*Deferred Outflows/Inflows of Resources* – In addition to assets, the statement of financial position will sometimes report a separate section for deferred inflows of resources.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Balances (Continued)

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 an inflow of resources (revenue) until that time. Accordingly, the item, *unavailable revenue*, is reported for property taxes levied in the current year but collected for use in the next fiscal period.

*Compensated Absences* – Employees of the District are allowed to accumulate unused vacation and sick time. Upon termination of employment from the District, an employee will be compensated for all accrued vacation time, and for all accrued sick time at a rate of one day for every two days accumulated. A liability for these compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in the governmental funds only when due.

*Long-Term Debt* – In the government-wide financial statements, and for the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize debt premiums and discounts during the current year. The face amount of debt issued is reported as other financing sources.

Fund Balance

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

*Nonspendable* – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – Amounts that can be used only for specific purposes, determined by a formal action of the Board of Directors. The Board of Directors is the highest level of decision making body for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

*Assigned* – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board of Directors may assign fund balances for specific purposes.

*Unassigned* – All other spendable amounts.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Balances (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance is available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

Net Position

Net position in the government-wide Statement of Net Position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits them to the District on a monthly basis.

Comparative Information

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read. Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 2 - CASH AND INVESTMENTS

At December 31, 2013, cash and investments consisted of the following:

Deposits	\$ 10,618,997
Investments	<u>21,616,244</u>
Total	<u>\$ 32,235,241</u>

Deposits

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 regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. 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 least equal to 102% of the uninsured deposits. At December 31, 2013, the District had bank deposits, with a book balance of \$10,618,997, comprised of \$500,000 which was covered by FDIC insurance and \$10,149,200 which was collateralized with securities held by the financial institution's agent but not in the District's name.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments

The District is required to comply with State statutes which specify instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk. The District's investment policy follows State statutes, and allows the following investments.

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

*Interest Rate Risk* – State statutes limit investments in U.S. Agency securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

*Credit Risk* – State statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

*Concentration of Credit Risk* – State statutes do not limit the amount the District may invest in one issuer.

*Local Government Investment Pools* – At December 31, 2013, the District had \$12,776,005 and \$8,840,239 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), and the Colorado Surplus Asset Fund Trust (CSAFE), investment vehicles established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating COLOTRUST and CSAFE. COLOTRUST and CSAFE operate similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST and CSAFE are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. COLOTRUST and CSAFE are rated AAAM by Standard and Poor's.

The District has interest rate risk related only to the investment in COLOTRUST and CSAFE. At December 31, 2013, COLOTRUST's portfolio had a weighted average maturity of 40 days to reset and 68 days to maturity. Also, at December 31, 2013, CSAFE had a weighted average maturity of 51 days.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INTERFUND BALANCES AND TRANSACTIONS

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Sewer Fund	General Fund	\$ 200,000
Water Fund	General Fund	340,000
Debt Service Fund	Water Fund	988,635
Debt Service Fund	Sewer Fund	57,211

Availability charges collected by the Water and Sewer Funds are required by State statute to be used for debt service and are transferred to the Debt Service Fund. The transfers from the General Fund to the Water and Sewer Funds were determined during the budget process.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, is summarized below:

	<u>Balances</u> <u>12/31/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/13</u>
<u>Governmental Activities</u>				
Capital assets, being depreciated				
Furniture and equipment	\$ 97,985	\$ 0	\$ 0	\$ 97,985
Less accumulated depreciation				
Furniture and equipment	(96,879)	(443)	0	(97,322)
Total Capital Assets, Being Depreciated, Net	1,106	(443)	0	663
Governmental Activities Capital Assets	<u>\$ 1,106</u>	<u>\$ (443)</u>	<u>\$ 0</u>	<u>\$ 663</u>
<u>Business-Type Activities</u>				
Capital assets, not being depreciated				
Land	\$ 204,511	\$ 0	\$ 0	\$ 204,511
Tap fees	5,152,150	0	0	5,152,150
Water rights	1,139,239	0	0	1,139,239
Construction in progress	0	366,171	0	366,171
Total Capital Assets, Not Being Depreciated	6,495,900	366,171	0	6,862,071
Capital assets, being depreciated				
Land improvements	5,514	0	0	5,514
Collection and distribution	48,669,404	643,022	0	49,312,426
Vehicles and equipment	361,344	0	0	361,344
Total Capital Assets, Being Depreciated	49,036,262	643,022	0	49,679,284
Less Accumulated Depreciation				
Land improvements	(5,514)	0	0	(5,514)
Collection and distribution	(17,234,135)	(1,483,056)	0	(18,717,191)
Vehicles and equipment	(353,902)	(6,376)	0	(360,278)
Total Accumulated Depreciation	(17,593,551)	(1,489,432)	0	(19,082,983)
Total Capital Assets, Being Depreciated, Net	31,442,711	(846,410)	0	30,596,301
Business-Type Activities Capital Assets, Net	<u>\$ 37,938,611</u>	<u>\$ (480,239)</u>	<u>\$ 0</u>	<u>\$ 37,458,372</u>

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS (CONTINUED)

All water rights of the District are for sale at December 31, 2013.

Depreciated expense was charged to programs of the District as follows:

Governmental activities	
General Government	\$ <u>433</u>
Business-type activities	
Water	\$ 570,761
Sewer	<u>918,671</u>
Total	<u>\$ 1,489,432</u>

NOTE 5 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2013:

	<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/13</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
Accrued Compensated					
Absences	\$ 17,405	\$ 0	\$ 207	\$ 17,198	\$ 0
2005 CWRPDA Loan	7,055,000	0	410,000	6,645,000	425,000
Loan premium	<u>301,273</u>	<u>0</u>	<u>23,133</u>	<u>278,140</u>	<u>0</u>
 Total	 <u>\$ 7,373,678</u>	 <u>\$ 0</u>	 <u>\$ 433,340</u>	 <u>\$ 6,940,338</u>	 <u>\$ 425,000</u>

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

2005 Clean Water Revenue Bonds were issued by the Colorado Water Resources and Power Development Authority and proceeds were loaned to the District to finance a sewer pipeline and two pump stations. Principal and interest payments are due semi-annually on February 1 and August 1, through 2026. Interest accrues at the rate of 3.35% per annum.

Future payments for the outstanding debt are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest and</u> <u>Admin. Fees</u>	<u>Total</u>
2014	\$ 425,000	\$ 261,587	\$ 686,587
2015	435,000	248,209	683,209
2016	450,000	234,517	684,517
2017	465,000	220,353	685,353
2018	480,000	205,716	685,716
2019-2023	2,595,000	830,080	3,425,080
2024-2026	<u>1,795,000</u>	<u>327,767</u>	<u>2,122,767</u>
 Total	 <u>\$ 6,645,000</u>	 <u>\$ 2,328,229</u>	 <u>\$ 8,973,229</u>

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Business-Type Activities

Following are the long-term debt transactions of the business-type activities for the year ended December 31, 2013:

	Balance 12/31/12	Additions	Payments	Balance 12/31/13	Due Within One Year
<b>Business-Type Activities</b>					
Accrued compensated absences	\$ 113,264	\$ 2,240	\$ 0	\$ 115,504	\$ 0

Loan Commitments

During 2013, the Colorado Water Conservation Board (CWCB) approved the District's application for a thirty year loan. The loan principal balance shall not exceed \$18,538,550 at an annual interest rate of 3.25%.

NOTE 6 - PUBLIC ENTITY RISK POOL

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, with the exception of workers' compensation, the District carries commercial insurance. For workers' compensation, the District participates in the Colorado Special Districts Property and Liability Pool, a separate and independent governmental and legal entity formed by intergovernmental agreement.

The purposes of the Pool are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to property and to persons or property which might result in claims being made against members of the Pool, their employees and officers.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability of loss, to the limit of the financial resources of the Pool. It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members. The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the Pool.

NOTE 7 - RETIREMENT COMMITMENTS

Profit Sharing Plan

The District has established a profit sharing pension plan on behalf of all District employees. The contribution requirements of plan participants and the District are established and may be amended by the Board of Directors. All employees are eligible to participate in the plan upon employment, and become fully vested after five years of service.



ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - RETIREMENT COMMITMENTS (CONTINUED)

The District may contribute up to 15% of each participating employee's compensation. During the year ended December 31, 2013, the District contributed \$50,782 to the Plan, representing 15% of employee compensation. All contributions are deposited to the individual employee's self-directed accounts and the District has no further fiduciary responsibility for the plan assets.

Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all District employees and permits them to defer a portion of their salary until future years. All plan investments are held in trust for the exclusive benefit of the employees. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 8 - CONCENTRATIONS

One company paid 9.4% of all revenue for the year ended December 31, 2013. This same company was responsible for 27.5% of the property tax collected.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment") which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

In November, 2001, the District electors allowed the District to spend the full proceeds of any taxes, fees, charges, grants, rates, tolls or any other revenues collected in fiscal year 2000 and in all subsequent fiscal years without regard to any limitation contained in the Amendment.

The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2013, the emergency reserve of \$8,129 was reported as a restriction of fund balance in the General Fund.

Other Commitments And Contingencies

The District has entered into a contract to purchase sewer treatment services from the City of Littleton, Colorado. This City is treating all wastewater of the District. The contract is irrevocable by the District as long as bonds to finance the City's treatment plant are still outstanding.

The District has entered into an agreement to purchase is water from the City of Aurora, Colorado. This agreement expires in 2105 and then automatically and continuously renews for another ninety years. As part of the agreement with the City of Aurora, the District will pay the City development and connection fee of \$6,575 per customer.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

This fee is due in December 2015, although the District may purchase taps before that date. The District estimates that this fee will be \$24,985,000. As more fully described in Note 5, the District has received a loan from the CWCB to finance a portion of these tap fees.

In November 2011, the District electors approved an increase in District debt of \$6,500,000. These funds will be used to build a water treatment plant. At December 31, 2013, the District had entered into an engineering contract related to the plant which totals \$1,333,000.

The District has agreed to sell its waste water treatment plant to another water and sanitation district. This total sale price is \$4,000,000 plus \$300 for every tap sold by the buyer. The District anticipates a total minimum price of \$7,000,000. The District has received, and included in deferred income, the amount of \$200,000 at December 31, 2013.

During the 1970's the District presold approximately 2,500 taps. For the year ended December 31, 2013 each prepaid tap had a credit value of \$14,757 against the total tap cost of approximately \$37,125. At December 31, 2013, 87 presold taps remained.

NOTE 10 - CHANGE IN ACCOUNTING PRINCIPLES

During the year ended December 31, 2013, the District implemented GASB Statement Number 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. Implementation of this standard did not have a material effect on the District.

REQUIRED SUPPLEMENTARY INFORMATION

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2013

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Property taxes	\$ 793,035	\$ 788,605	\$ (4,430)
Specific ownership taxes	50,000	64,505	14,505
Investment income	2,000	1,148	(852)
Miscellaneous revenues	<u>500</u>	<u>0</u>	<u>(500)</u>
Total Revenues	<u>845,535</u>	<u>854,258</u>	<u>8,723</u>
<u>Expenditures</u>			
Salaries and benefits	120,000	118,900	1,100
Accounting and audit	25,000	16,928	8,072
Contract labor	1,000	0	1,000
Director fees	8,000	6,700	1,300
Education	20,000	9,486	10,514
Engineering	15,000	14,417	583
Insurance	13,000	11,176	1,824
Legal fees	20,000	19,796	204
Miscellaneous	5,000	5,637	(637)
Office expense	20,000	13,214	6,786
Permits, dues and subscriptions	1,500	1,238	262
Rent	20,000	2,694	17,306
Repairs and maintenance	25,000	10,606	14,394
Treasurer fees	15,000	11,862	3,138
Utilities	7,500	4,529	2,971
Vehicle expense	4,000	2,952	1,048
Capital outlay	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>325,000</u>	<u>250,135</u>	<u>74,865</u>
Excess of Revenues Over Expenditures	520,535	604,123	83,588
<u>Other Financing Uses</u>			
Transfers out	<u>(540,000)</u>	<u>(540,000)</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ (19,465)</u>	64,123	<u>\$ 83,588</u>
Fund Balances, Beginning		<u>616,205</u>	
Fund Balances, Ending		<u>\$ 680,328</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2013

NOTE 1 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

Budgets are legally adopted for all funds of the District. Budgets for the General and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures, and depreciation is not budgeted.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- In September, District management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

As Plum Valley Heights was formed in 2013, the subdistrict does not have a budget for the twelve months ending December 31, 2013. This maybe a violation of Colorado State Statutue.

INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
YEAR ENDED DECEMBER 31, 2013

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Investment income	\$ 0	\$ 30,624	\$ 30,624
<u>Expenditures</u>			
Capital outlay	<u>23,000,000</u>	<u>0</u>	<u>23,000,000</u>
Net Change in Fund Balances	(23,000,000)	30,624	23,030,624
Fund Balances, Beginning	<u>0</u>	<u>23,009,143</u>	<u>23,009,143</u>
Fund Balances, Ending	<u>\$(23,000,000)</u>	<u>\$ 23,039,767</u>	<u>\$ 46,039,767</u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
YEAR ENDED DECEMBER 31, 2013

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Property taxes	\$ 901,617	\$ 891,537	\$ (10,080)
Specific ownership taxes	80,000	78,336	(1,664)
Investment income	<u>10,000</u>	<u>161</u>	<u>(9,839)</u>
Total Revenues	<u>991,617</u>	<u>970,034</u>	<u>(21,583)</u>
<u>Expenditures</u>			
General government	15,000	13,482	1,518
Principal	410,000	410,000	0
Interest	<u>274,492</u>	<u>274,492</u>	<u>0</u>
Total Expenditures	<u>699,492</u>	<u>697,974</u>	<u>1,518</u>
Excess of Revenues Over (Under) Expenditures	292,125	272,060	(20,065)
<u>Other Financing Sources (Uses)</u>			
Transfers in	<u>118,000</u>	<u>1,045,846</u>	<u>927,846</u>
Net Change in Fund Balances	410,125	1,317,906	907,781
Fund Balances, Beginning	<u>6,316,736</u>	<u>253,976</u>	<u>(6,062,760)</u>
Fund Balances, Ending	<u>\$ 6,726,861</u>	<u>\$ 1,571,882</u>	<u>\$ (5,154,979)</u>

See the accompanying Independent Auditors' Report.



ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS  
WATER FUND  
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 2,720,000	\$ 2,651,112	\$ (68,888)
Permit fees	3,300	1,550	(1,750)
Other water sales	138,022	176,018	37,996
Miscellaneous	89,200	92,582	3,382
Investment income	10,000	5,610	(4,390)
Availability charges	60,000	72,444	12,444
Capital charges	500,000	1,064,714	564,714
Dominion reimbursements	0	169,340	169,340
System development charges	21,000	45,786	24,786
Transfers in	<u>340,000</u>	<u>340,000</u>	<u>0</u>
 Total Revenues	 <u>3,881,522</u>	 <u>4,619,156</u>	 <u>737,634</u>
<u>Expenditures</u>			
Accounting and audit	25,000	16,528	8,472
Permits, dues and subscriptions	27,000	20,511	6,489
Contract labor	10,000	8,400	1,600
Education	25,000	33,978	(8,978)
Engineering and other professional costs	120,000	77,090	42,910
GPS/GIS	15,000	19,251	(4,251)
Insurance	25,000	22,278	2,722
Lab and test fees	15,000	11,585	3,415
Legal fees	40,000	24,986	15,014
Meter expense	150,000	116,393	33,607
Miscellaneous	12,000	8,021	3,979
Office expense	30,000	26,865	3,135
Operating supplies	90,000	98,484	(8,484)
Payroll, taxes and benefits	390,000	404,820	(14,820)
Repairs and maintenance	250,000	218,435	31,565
Utilities	105,000	104,965	35
Vehicle expense	15,000	13,164	1,836
Loan fees	0	26,201	(26,201)
Dominion	35,000	15,534	19,466
Water cost	1,500,000	1,172,469	327,531
Capital outlay	2,050,000	981,138	1,068,862
Conservation rebates	5,000	5,875	(875)
Chatfield reallocation	20,000	1,941	18,059
Water rights capital	10,000	9,540	460
Transfers out	<u>60,000</u>	<u>988,635</u>	<u>(928,635)</u>
 Total Expenditures	 <u>5,024,000</u>	 <u>4,427,087</u>	 <u>596,913</u>
 Change in Net Assets, Budgetary Basis	 <u>\$ (1,142,478)</u>	 192,069	 <u>\$ 1,334,547</u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS  
WATER FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation to GAAP Basis			
Capital outlay		\$ 981,138	
Depreciation		<u>(570,761)</u>	
Change in Net Assets, GAAP Basis		602,446	
Fund Balances, Beginning		<u>18,655,008</u>	
Fund Balances, Ending		<u>\$ 19,257,454</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS  
SEWER FUND  
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Charges for services	\$ 1,430,000	\$ 1,481,358	\$ 51,358
Charges for services – Lockheed Martin Agreement	415,000	307,299	(107,701)
Permit fees	1,000	5,670	4,670
Ravenna service charge	22,000	22,412	412
Miscellaneous	42,000	6,083	(35,917)
Investment income	1,500	1,039	(461)
Availability charges	58,000	57,211	(789)
Capital charges	120,000	158,581	38,581
System development charges	30,252	31,020	768
Transfer in	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Total Revenues	<u>2,319,752</u>	<u>2,270,673</u>	<u>(49,079)</u>
<u>Expenditures</u>			
Accounting and audit	25,000	16,723	8,277
Contract labor	1,000	0	1,000
Dominion expense	10,000	5,230	4,770
Education	20,000	7,387	12,613
Engineering	100,000	98,261	1,739
GPS/GIS	15,000	19,431	(4,431)
Insurance	25,000	22,207	2,793
Lab and test fees	300	400	(100)
Legal fees	20,000	23,146	(3,146)
Miscellaneous	12,000	7,716	4,284
Office expense	30,000	26,600	3,400
Operating supplies	45,000	56,540	(11,540)
Permits, dues and subscriptions	5,000	7,025	(2,025)
Payroll, taxes and benefits	390,000	404,820	(14,820)
Repairs and maintenance	200,000	135,225	64,775
Service fees	810,000	778,362	31,638
Utilities	115,000	92,304	22,696
Vehicle expense	15,000	11,391	3,609
Capital outlay	200,000	28,055	171,945
Transfer out	<u>58,000</u>	<u>57,211</u>	<u>789</u>
Total Expenditures	<u>2,096,300</u>	<u>1,798,034</u>	<u>298,266</u>
Change in Net Assets, Budgetary Basis	<u>\$ 223,452</u>	472,639	<u>\$ 249,187</u>
Reconciliation to GAAP Basis			
Capital outlay		28,055	
Depreciation		<u>(918,671)</u>	
Change in Net Assets, GAAP Basis		(417,977)	
Fund Balances, Beginning		<u>25,916,152</u>	
Fund Balances, Ending		<u>\$ 25,498,175</u>	

See the accompanying Independent Auditors' Report.