

**WASHINGTON COUNTY
WATER DISTRICT
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2015 AND JUNE 30, 2014**

**WASHINGTON COUNTY WATER DISTRICT
JUNE 30, 2015 and 2014**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Washington County Water District
Washington, California

We have audited the accompanying financial statements of the governmental and business like activities of each major fund, of the Washington County Water District as of and for the years ended June 30, 2014 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express 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 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 the governmental activities, each major fund, and the aggregate remaining fund information of the Washington County Water District as of June 30, 2014 and 2015, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Washington County Water District
Washington, California

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 20-21 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.

The Washington County Water District has not presented the Management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Fechter & Company,
Certified Public Accountants

A handwritten signature in cursive script that reads "Fechter & Company, CPAs". The signature is written in dark ink and is positioned above the printed name and address of the firm.

Sacramento, California
August 24, 2017

WASHINGTON COUNTY WATER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 68,897	\$ 9,743	\$ 78,640
Accounts receivable, net of allowance for doubtful accounts of \$2,230	11,780	8,546	20,326
Prepaid expenses	-	2,214	2,214
Capital Assets:			
Land	1,250	-	1,250
Structures and improvements	80,420	4,644	85,064
Vehicles	20,100	-	20,100
Furniture and fixtures	-	1,105	1,105
Infrastructure and equipment	4,434	1,167,428	1,171,862
Accumulated depreciation	(104,853)	(886,032)	(990,885)
Net Capital Assets	1,351	287,145	288,496
Total Assets	\$ 82,028	\$ 307,648	\$ 389,676
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ 6,359	\$ 6,359
Accrued expenses	-	628	628
Long-Term Liabilities:			
Due within one year	-	5,704	5,704
Due in more than one year	-	76,174	76,174
Total Liabilities	-	88,865	88,865
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	1,351	287,145	288,496
Reserved for specific purposes	-	-	-
Unrestricted net position	80,677	(68,362)	12,315
Total Net Position	\$ 82,028	\$ 218,783	\$ 300,811

WASHINGTON COUNTY WATER DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

	<u>Program Revenue</u>			<u>Net Revenue (Expenses)</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Governmental Activities:						
General Government	\$ 7,583	\$ -	\$ 11,439	\$ 3,856	\$ -	\$ 3,856
Total Governmental Activities	<u>7,583</u>	<u>-</u>	<u>11,439</u>	<u>3,856</u>	<u>-</u>	<u>3,856</u>
Business-Type Activities						
Water	106,312	75,538	-	-	(30,774)	(30,774)
Interest on Long-Term Debt	4,666	-	-	-	(4,666)	(4,666)
Total Business-Type Activities	<u>110,978</u>	<u>75,538</u>	<u>-</u>	<u>-</u>	<u>(35,440)</u>	<u>(35,440)</u>
Total	<u><u>118,561</u></u>	<u><u>75,538</u></u>	<u><u>11,439</u></u>	<u><u>3,856</u></u>	<u><u>(35,440)</u></u>	<u><u>(31,584)</u></u>
General Revenues:						
Taxes:						
Property taxes				27,635	-	27,635
Other taxes				5,743	-	5,743
Interest				-	724	724
Miscellaneous				-	432	432
Total General Revenues				<u>33,378</u>	<u>1,156</u>	<u>34,534</u>
Transfers In				-	19,114	19,114
Transfers Out				<u>(19,114)</u>	<u>-</u>	<u>(19,114)</u>
Change in Net Position				18,120	(15,170)	2,950
Net Position - Beginning				<u>63,908</u>	<u>233,953</u>	<u>297,861</u>
Net Position - Ending				<u><u>\$ 82,028</u></u>	<u><u>\$ 218,783</u></u>	<u><u>\$ 300,811</u></u>

WASHINGTON COUNTY WATER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 51,611	\$ 8,115	\$ 59,726
Accounts receivable, net of allowance for doubtful accounts of \$6,390	10,821	12,156	22,977
Prepaid expenses	-	701	701
Capital Assets:			
Land	1,250	-	1,250
Structures and improvements	80,420	4,644	85,064
Vehicles	20,100	-	20,100
Furniture and fixtures	-	1,105	1,105
Infrastructure and equipment	4,434	1,167,428	1,171,862
Accumulated depreciation	(104,728)	(858,461)	(963,189)
Net Capital Assets	1,476	314,716	316,192
Total Assets	<u>\$ 63,908</u>	<u>\$ 335,688</u>	<u>\$ 399,596</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ 9,285	\$ 9,285
Accrued expenses	-	734	734
Long-Term Liabilities:			
Due within one year	-	14,338	14,338
Due in more than one year	-	77,378	77,378
Total Liabilities	-	101,735	101,735
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	1,476	314,716	316,192
Reserved for specific purposes	-	-	-
Unrestricted net position	62,432	(80,763)	(18,331)
Total Net Positions	<u>\$ 63,908</u>	<u>\$ 233,953</u>	<u>\$ 297,861</u>

WASHINGTON COUNTY WATER DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

	<u>Program Revenue</u>			<u>Net Revenue (Expenses)</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Governmental Activities:						
General Government	\$ 11,249	\$ -	\$ 10,821	\$ (428)	\$ -	\$ (428)
Total Governmental Activities	<u>11,249</u>	<u>-</u>	<u>10,821</u>	<u>(428)</u>	<u>-</u>	<u>(428)</u>
Business-Type Activities						
Water	120,867	73,556	-	-	(47,311)	(47,311)
Interest on Long-Term Debt	5,000	-	-	-	(5,000)	(5,000)
Total Business-Type Activities	<u>125,867</u>	<u>73,556</u>	<u>-</u>	<u>-</u>	<u>(52,311)</u>	<u>(52,311)</u>
Total	<u>137,116</u>	<u>73,556</u>	<u>10,821</u>	<u>(428)</u>	<u>(52,311)</u>	<u>(52,739)</u>
General Revenues:						
Taxes:						
Property taxes				26,518	-	26,518
Other taxes				5,576	-	5,576
Interest				-	1,234	1,234
Miscellaneous				-	-	-
Total General Revenues				<u>32,094</u>	<u>1,234</u>	<u>33,328</u>
Transfers In				-	-	-
Transfers Out				<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position				31,666	(51,077)	(19,411)
Net Position - Beginning				<u>32,242</u>	<u>285,030</u>	<u>317,272</u>
Net Position - Ending				<u>\$ 63,908</u>	<u>\$ 233,953</u>	<u>\$ 297,861</u>

**WASHINGTON COUNTY WATER DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2015 and June 30, 2014**

	2015	2014
<u>ASSETS</u>		
Cash and cash equivalents	\$ 68,897	\$ 51,611
Accounts receivable, net	11,780	10,821
Prepaid expenses	-	-
Total Assets	\$ 80,677	\$ 62,432
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ -	\$ -
Accrued expenses	-	-
Deferred revenue	-	-
Total Liabilities	-	-
Fund balances:		
Unreserved	62,432	30,641
Reserved	-	-
Net Income	18,245	31,791
Total Liabilities and Fund Balances	\$ 80,677	\$ 62,432

WASHINGTON COUNTY WATER DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND

For the Years Ending June 30, 2015 and June 30, 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
Property taxes	\$ 27,635	\$ 26,518
Other taxes	5,743	5,576
Grant revenue	11,439	10,821
	<hr/>	<hr/>
Total Revenue	44,817	42,915
	<hr/>	<hr/>
EXPENDITURES		
General government	7,458	11,124
Capital outlay	-	-
	<hr/>	<hr/>
Total Expenditures	7,458	11,124
	<hr/>	<hr/>
Change in Fund Balances Before Other Financing Sources (Uses)	37,359	31,791
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Operating Transfers In	-	-
Operating Transfers Out	(19,114)	-
	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(19,114)	-
	<hr/>	<hr/>
Net Change in Fund Balance	18,245	31,791
	<hr/>	<hr/>
Fund Balance - Beginning of Year	62,432	30,641
	<hr/>	<hr/>
Fund Balance - End of Year	\$ 80,677	\$ 62,432
	<hr/>	<hr/>

**WASHINGTON COUNTY WATER DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Years Ending June 30, 2015 and June 30, 2014**

	2015	2014
Net Change in Fund Balance - Governmental Fund	\$ 18,245	\$ 31,791
<p>The change in net assets for governmental activities in the statement of activities is different because:</p>		
<p>Governmental fund reports capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount that capital outlay exceeds depreciation expense in the current periods.</p>	(125)	(125)
Change in Net Position - Governmental Activities	\$ 18,120	\$ 31,666

**WASHINGTON COUNTY WATER DISTRICT
BALANCE SHEET
WATER FUND
June 30, 2015 and June 30, 2014**

	2015	2014
<u>ASSETS</u>		
Cash and cash equivalents	\$ 9,743	\$ 8,115
Accounts receivable, net allowance for doubtful accounts of \$2,230 and \$6,390, respectively	8,546	12,156
Prepaid expenses	2,214	701
Capital Assets:		
Structures and improvements	4,644	4,644
Furniture and fixtures	1,105	1,105
Infrastructure and equipment	1,167,428	1,167,428
Accumulated depreciation	(886,032)	(858,461)
Total Capital Assets	287,145	314,716
Total Assets	\$ 307,648	\$ 335,688
 <u>LIABILITIES</u>		
Liabilities:		
Accounts payable	\$ 6,359	\$ 9,285
Accrued expenses	628	734
Long-Term Liabilities:		
Due within one year	5,704	14,338
Due in more than one year	76,174	77,378
Total Liabilities	88,865	101,735
 <u>NET POSITION</u>		
Invested in capital assets, net of related debt	287,145	314,716
Reserved for specific purposes	-	-
Unrestricted net position	(68,362)	(80,763)
Total Net Potision	\$ 218,783	\$ 233,953

WASHINGTON COUNTY WATER DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
WATER FUND

For the Years Ending June 30, 2015 and June 30, 2014

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES		
Charges for services	\$ 75,538	\$ 73,556
Total Operating Revenue	<u>75,538</u>	<u>73,556</u>
OPERATING EXPENSES		
Salary expense	13,989	14,639
Materials and supplies	4,986	4,044
Telephone and utilities	1,358	1,807
Repairs and maintenance	6,318	15,306
Purchase of service	43,212	47,310
Insurance	7,103	8,740
Depreciation expense	27,571	27,571
Other expenses	1,775	1,450
Total Operating Expenses	106,312	120,867
Operating Loss	(30,774)	(47,311)
NON-OPERATING REVENUES (EXPENSES)		
Interest income	724	1,234
Interest expense	(4,666)	(5,000)
Miscellaneous income (expense)	432	-
Total Non-operating Revenue (Expense)	(3,510)	(3,766)
Capital Contributions		
Transfers In	19,114	-
Transfers Out	-	-
	<u>19,114</u>	<u>-</u>
Change in Net Position	<u>(15,170)</u>	<u>(51,077)</u>
Total Net Position - Beginning	<u>233,953</u>	<u>285,030</u>
Total Net Position - Ending	<u>\$ 218,783</u>	<u>\$ 233,953</u>

WASHINGTON COUNTY WATER DISTRICT
STATEMENT OF CASH FLOWS
WATER FUND
For the Years Ending June 30, 2014 and June 30, 2014

	2015	2014
Cash Flows From Operating Activities		
Operating Income (Loss)	\$ (15,170)	\$ (51,077)
Adjustments to Reconcile Operating Income to		
Cash Provided by Operating Activities:		
Depreciation expense	27,571	27,571
Bad debt expense	-	593
Changes in Assets and Liabilities:		
Decrease (increase) in accounts receivable	3,610	4,304
Decrease (increase) in prepaid expenses	(1,513)	145
Increase (decrease) in accounts payable	(2,926)	820
Decrease in accrued liabilities	(106)	(684)
Net Cash Provided by Operating Activities	11,466	(18,328)
 Cash Flow from Capital and Related Financing Activities		
Principal Paid on Debt	(9,838)	(270)
Net Cash Used for Investing Activities	(9,838)	(270)
 Increase in Cash and Cash Equivalents	1,628	(18,598)
 Cash and Cash Equivalents - Beginning	8,115	26,713
 Cash and Cash Equivalents - Ending	\$ 9,743	\$ 8,115

WASHINGTON COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 and 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Washington County Water District (District) was incorporated November 29, 1962, under the provision of the statutes of the State of California. This District operates under a Board of Directors and provides drinking and fire protection water to the community of Washington in Nevada County.

B. Basis of Presentation

The District accounts for its financial transactions in accordance with the policies and procedures for California special districts. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, and as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Governmental Units, issued by the American Institute of Certified Public Accountants.

C. Basis of Accounting and Measurement Focus

Government-wide Financial Statements: The government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the District accompanied by a totals column.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized as soon as they both are measurable and available. Revenues are recorded when earned and expenses are recorded when a 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 by the provider have been met.

Fund Financial Statements: Government 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is usually 60 days. For this purpose the District generally considers revenues to be available if they are collected within ninety days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred as under accrual accounting.

WASHINGTON COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 and 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Funds: Separate financial statements are provided for governmental funds and propriety funds. The District reports a governmental fund and a propriety fund. The *General Fund* is the District’s fire protection fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Water Fund is used to account for the operation and maintenance of the District’s water department.

The Water Fund Reserve Account represents resources reserved for water system improvements.

D. Budget

The District’s procedures for establishing an annual budget are that the Treasurer develop and present a budget to the Board of Directors for review and approval.

All budgets are adopted on a cash basis not consistent with generally accepted accounting principles (GAAP). Budgeting comparisons presented in this report are on the non GAAP budgetary basis. However, for financial reporting purposes, revenues are recognized when measureable and available, and expenditures are recognized as incurred.

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., water piping and systems) are recorded at historical costs or estimated historical cost, if actual cost is not available. Contributed assets are recorded at estimated fair value on the date of contribution. The District historically has capitalized assets with a value of greater than \$500 and an estimated useful life in excess of two years. All land is recorded regardless of cost. Normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is computed using the straight-line method over the estimated useful life of the assets as follows:

	<u>Years</u>
Buildings	30-50
Infrastructure and equipment	5-50
Vehicles	5-30
Furniture and fixtures	3-5

WASHINGTON COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 and 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. Cash and Cash Equivalents

The District follows the practice of pooling cash of its General and Water funds held by the County of Nevada County (the County). Each fund's portion of this pool is displayed on the combined balance sheet as cash and investments.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Accounts Receivable

Accounts receivable consists of amounts due from outside parties for service charges as well as reimbursements owed under grant agreements. Accounts receivable is presented net of an allowance for doubtful accounts that reflects management's best estimate of receivables that will become uncollectible. The estimate made is based on a variety of factors including the length of time receivables are past due, economic trends and conditions affecting our customer base and historical write-off experience. Accounts that are deemed to be uncollectible are written off against the allowance for doubtful accounts.

I. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position.

J. Property Taxes

Property tax receivables are recorded in the fiscal year for which the tax is levied. Revenue is recognized when measurable and available. The County levies bills and collects property taxes for the District. Property taxes paid to the District by the end of the year are recognized as revenue in that year.

WASHINGTON COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 and 2014

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2015 and 2014, consist of the following:

<u>For the Year Ended</u>	<u>General Fund</u>	<u>Water Fund</u>
June 30, 2015	\$ 68,897	\$ 9,743
June 30, 2014	51,611	8,115

The District deposits its cash receipts received for the water enterprise fund into the County investment pool. Interest income earned on pooled cash is allocated to the various funds and is entirely insured. The funds received by the fire department from sources separate from the water fund are deposited into a separate checking account.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2015 and June 30, 2014 were as follows:

	2014			
	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 1,250	\$ -	\$ -	\$ 1,250
Total capital assets, not being depreciated	1,250	-	-	1,250
Capital assets, being depreciated				
Structures and improvements	80,420	-	-	80,420
Vehicles	20,100	-	-	20,100
Furniture and fixtures	-	-	-	-
Infrastructure and equipment	3,577	-	-	4,434
Total historical cost	104,097	-	-	104,954
Accumulated depreciation	(104,603)	(125)	-	(104,728)
Total capital assets, being depreciated	351	(125)	-	226
Governmental Activities Capital Assets	\$ 1,601	\$ (125)	\$ -	\$ 1,476

WASHINGTON COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 and 2014

NOTE 3: CAPITAL ASSETS - continued

	2014			
	Beginning Balance	Additions	Deletions	Ending Balance
Enterprise Activities:				
Capital assets, being depreciated				
Structures and improvements	\$ -	\$ -	\$ -	\$ -
Vehicles	-	-	-	-
Furniture and fixtures	1,105	-	-	1,105
Infrastructure and equipment	1,172,072	-	-	1,172,072
Total historical cost	1,173,177	-	-	1,173,177
Accumulated depreciation	(830,890)	(27,571)	-	(858,461)
Total capital assets, being depreciated	342,287	(27,571)	-	314,716
Enterprise Activities Capital Assets	\$ 342,287	\$ (27,571)	\$ -	\$ 314,716

	2015			
	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 1,250	\$ -	\$ -	\$ 1,250
Total capital assets, not being depreciated	1,250	-	-	1,250
Capital assets, being depreciated				
Structures and improvements	80,420	-	-	80,420
Vehicles	20,100	-	-	20,100
Furniture and fixtures	-	-	-	-
Infrastructure and equipment	4,434	-	-	4,434
Total historical cost	104,954	-	-	104,954
Accumulated depreciation	(104,728)	(125)	-	(104,853)
Total capital assets, being depreciated	226	(125)	-	101
Governmental Activities Capital Assets	\$ 1,476	\$ (125)	\$ -	\$ 1,351

WASHINGTON COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 and 2014

NOTE 3: CAPITAL ASSETS – continued

	2015			
	Beginning Balance	Additions	Deletions	Ending Balance
Enterprise Activities:				
Capital assets, being depreciated				
Structures and improvements	\$ -	\$ -	\$ -	\$ -
Vehicles	-	-	-	-
Furniture and fixtures	1,105	-	-	1,105
Infrastructure and equipment	1,172,072	-	-	1,172,072
Total historical cost	<u>1,173,177</u>	<u>-</u>	<u>-</u>	<u>1,173,177</u>
Accumulated depreciation	(858,461)	(27,571)	-	(886,032)
Total capital assets, being depreciated	<u>314,716</u>	<u>(27,571)</u>	<u>-</u>	<u>287,145</u>
Enterprise Activities Capital Assets	<u>\$ 314,716</u>	<u>\$ (27,571)</u>	<u>\$ -</u>	<u>\$ 287,145</u>

NOTE 4: ACCRUED EXPENSES

Accrued expenses include advanced payments on customer accounts, deposits and accrued salary expenses.

NOTE 5: LONG TERM DEBT

Individual Loan: In August 2008, the district issued a promissory note to an individual for \$25,000. The loan bears an interest rate of 1% and calls for 60 fixed monthly payments. In 2012 the loan was modified to extend payments through April 2015. The loan was paid in full in the year ended June 30, 2015.

USDA As part of a loan and grant assistance from the USDA, the District received a loan of \$96,983 at 4.5% in June 2002. The payments of \$5,272 are due annually starting in June 2003 through June 2043.

The following is a summary of long term debt balances for the district for the years ended June 30, 2015 and June 30, 2014:

Loan	Beginning Balance July 1, 2014	Loan Proceeds	Principle Payments	Ending Balance June 30, 2015	Amount Due Within One Year
Promissory Note	\$ 9,066	-	\$ 8,634	\$ -	\$ -
USDA depreciated	81,150	-	1,772	79,810	1,700
Long Term Liabilities	<u>\$ 90,216</u>	<u>\$ -</u>	<u>\$ 10,406</u>	<u>\$ 79,810</u>	<u>\$ 1,700</u>

WASHINGTON COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 and 2014

NOTE 5: LONG TERM DEBT - continued

Loan	Beginning Balance July 1, 2013	Loan Proceeds	Principle Payments	Ending Balance June 30, 2014	Amount Due Within One Year
Promissory Note	\$ 9,066	\$ -	\$ -	\$ 9,066	\$ 9,066
USDA depreciated	82,920	-	1,770	81,150	1,772
Long Term Liabilities	<u>\$ 91,986</u>	<u>\$ -</u>	<u>\$ 1,770</u>	<u>\$ 90,216</u>	<u>\$ 10,838</u>

The annual debt requirements are as follows:

2016	\$ 5,704
2017	5,272
2018	5,272
2019	5,272
2020	5,272
Thereafter	<u>115,984</u>
Total	\$ 142,776
Less Interest	<u>62,966</u>
Principal	\$ 78,810

NOTE 6: FUNDS NOT PROPERLY ACCOUNTED FOR

For approximately fourteen years prior to the fiscal year ended June 30, 2012, the Fire Department failed to properly account for funds raised through an annual fundraiser barbeque. The net funds not accounted cannot be reasonably estimated.

NOTE 7: SUBSEQUENT EVENTS

The District has reviewed events through August 24, 2017. As of July 1, 2015, the USDA loan was under default due to the failure to deliver audited financial statements for the fiscal years ended June 30, 2014, 2015 and 2016 within 180 days of the fiscal year ends.

No other matters have been noted that would materially affect the carrying balances of district assets and liabilities.

REQUIRED SUPPLEMENTARY INFORMATION

**WASHINGTON COUNTY WATER DISTRICT
GENERAL AND WATER FUNDS
BUDGETARY COMPARISON SCHEDULE
June 30, 2015**

	Budget (Cash Basis)	Actual (Unaudited)	Variance with Final Budget Positive (Negative)
Revenues			
Water sales	\$ 72,000	\$ 75,538	\$ 3,538
Property taxes	25,525	27,635	2,110
Other taxes	4,200	5,743	1,543
Interest income	300	724	424
Grant revenue	2,000	10,480	8,480
Rental income		1	1
Miscellaneous revenue	-	-	-
Total Revenues	104,025	120,121	16,096
Expenditures			
Salaries and benefits	26,400	16,780	(9,620)
Depreciation	-	-	-
Insurance	11,998	12,077	79
Professional services	36,200	46,445	10,245
Maintenance and repair	9,250	5,041	(4,209)
Supplies	6,551	5,033	(1,518)
Utilities	3,300	2,543	(757)
Capital outlay	-	-	-
Miscellaneous	4,460	5,516	1,056
Total Expenditures	98,159	93,435	(4,724)
Net changes in fund balances	\$ 5,866	\$ 26,686	\$ 20,820

**WASHINGTON COUNTY WATER DISTRICT
GENERAL AND WATER FUNDS
BUDGETARY COMPARISON SCHEDULE
June 30, 2014**

	Budget (Cash Basis)	Actual (Unaudited)	Variance with Final Budget Positive (Negative)
Revenues			
Water sales	\$ 72,000	\$ 73,556	\$ 1,556
Property taxes	27,925	26,518	(1,407)
Other taxes	-	5,576	5,576
Interest income	100	1,234	1,134
Grant revenue	-	-	-
Rental income	-	-	-
Miscellaneous revenue	-	-	-
Total Revenues	100,025	106,884	6,859
Expenditures			
Salaries and benefits	27,842	20,101	(7,741)
Depreciation	-	-	-
Insurance	11,852	12,032	180
Professional services	30,700	46,667	15,967
Maintenance and repair	9,000	14,500	5,500
Supplies	9,515	4,365	(5,150)
Utilities	3,590	3,416	(174)
Capital outlay	-	-	-
Miscellaneous	5,272	14,034	8,762
Total Expenditures	97,771	115,115	17,344
Net changes in fund balances	\$ 2,254	\$ (8,231)	\$ (10,485)