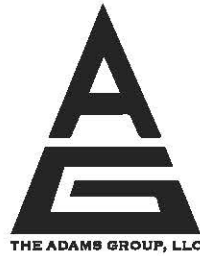


**ROXBOROUGH WATER AND  
SANITATION DISTRICT  
FINANCIAL STATEMENTS  
December 31, 2019**

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CERTIFIED PUBLIC ACCOUNTANTS

## 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 (District), as of and for the year ended December 31, 2019, 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.

### **Auditors' 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 auditors' 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, the business-type activities and each major fund of Roxborough Water and Sanitation District, as of December 31, 2019, 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 24 to 26 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 Roxborough Water and Sanitation 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.

May 10, 2020  
Denver, Colorado

*The Adorno Group, 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, 2019.

## Financial Highlights

- Assets exceeded liabilities by \$103,323,137 at the close of the fiscal year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$7,515,175.
- Total net position increased by \$4,163,400.
- Total cash and investments increased by \$2,802,091 as compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$906,084 or 214.80% of total general fund expenditures.
- The district repaid \$2,203,897 of long term debt during the year ended 12/31/19. The district anticipates repayment of an additional \$1,263,852 of long term debt in 2020.

## 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 1-3 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.

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 four 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, debt service fund, capital projects fund, and plum valley heights fund - all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 4-6 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 8-11 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 12-23 of this report.

**Required Supplementary Information.** The District adopts an annual appropriated budget for its general fund and the plum valley heights special revenue fund. The budgetary comparison statements for these funds have been provided as required supplementary information to demonstrate compliance with these budgets. The budget statements and notes are found on pages 24-26 of this report.

**Other information.** The report includes individual fund schedules. The budgetary comparison statement has been provided in this section for the debt service fund, the capital projects fund, the water fund, and the sewer fund to demonstrate compliance with these budgets. The budget statements are found on pages 27-33 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 assets exceeded liabilities by \$103,323,137 at the close of the most recent fiscal year.

Statement of Net Assets

	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	\$ 10,119,536	\$ 19,899,766	\$ 30,019,302	\$ 9,031,602	\$ 18,136,029 #	\$ 27,167,631
Capital Assets, net	6,117,983	102,284,555	108,402,538	6,798,061	101,976,638	108,774,699
Total Assets	16,237,519	122,184,321	138,421,840	15,829,663	120,112,667	135,942,330
Current Liabilities	1,504,556	3,620,452	5,125,008	1,446,381	4,497,617	5,943,998
Long-Term Obligations	27,345,835	58,702	27,404,537	28,160,545	82,361	28,242,906
Total Liabilities	28,850,391	3,679,154	32,529,545	29,606,926	4,579,978	34,186,904
Deferred Inflows of Resources						
Unavailable revenue - property taxes	2,569,158	0	2,569,158	2,595,689	0	2,595,689
Net Investment in Capital Assets	6,117,983	102,284,555	108,402,538	6,798,061	101,976,638	108,774,699
Restricted Net Position	6,089,500	0	6,089,500	5,697,244	0	5,697,244
Unrestricted Net Position	(27,389,513)	16,220,612	(11,168,901)	(28,868,257)	13,556,051	(15,312,206)
Total Net Position	<u>\$ (15,182,030)</u>	<u>\$ 118,505,167</u>	<u>\$103,323,137</u>	<u>\$ (16,372,952)</u>	<u>\$ 115,532,689</u>	<u>\$ 99,159,737</u>

Statements of Activities

	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenue						
Program Revenue						
Charges for Services		\$ 6,474,286	\$ 6,474,286	\$ 0	\$ 6,395,400	\$ 6,395,400
Operating Grants and Contributions		131,222	131,222	0	116,673	116,673
Capital Grants and Contributions		-	-	1,235,842	0	1,235,842
Gain on Sale of Equipment		-	-	0	-	\$0
General Revenue						
Property Taxes	2,571,530		2,571,530	2,460,149	0	2,460,149
Specific Ownership Taxes	253,214		253,214	235,454	0	235,454
Investment Income	73,004	312,703	385,707	59,020	234,942	293,962
Other	330,267		330,267	4,564	0	4,564
Total Revenue	<u>3,228,015</u>	<u>6,918,211</u>	<u>10,146,226</u>	<u>3,995,029</u>	<u>6,747,015</u>	<u>10,742,044</u>
Expenses						
General Government	1,974,022		1,974,022	1,602,819	0	1,602,819
Interest on Long-Term Debt	815,909		815,909	842,254	0	842,254
Water/Sewer Facilities		8,691,136	8,691,136	0	6,984,313	6,984,313
Total Expenses	<u>2,789,931</u>	<u>8,691,136</u>	<u>11,481,067</u>	<u>2,445,073</u>	<u>6,984,313</u>	<u>9,429,386</u>
Total Primary Government Transfers	438,084	(1,772,925)	(1,334,841)	1,549,956	(237,298)	1,312,658
Change in Net Position	1,190,922	2,972,478	4,163,400	1,903,504	4,488,512	6,392,016
Net Assets - Beginning	(16,372,952)	115,532,689	99,159,737	(18,276,456)	111,044,177	92,767,721
Net Assets - Ending	<u>\$ (15,182,030)</u>	<u>\$ 118,505,167</u>	<u>\$ 103,323,137</u>	<u>\$ (16,372,952)</u>	<u>\$ 115,532,689</u>	<u>\$ 99,159,737</u>

**Governmental activities.** Governmental activities increased the District's net position by \$1,190,922, several highlights are as follows:

- Property taxes increased by \$111,381 or 4.52% over the prior year.
- Specific ownership taxes increased by \$17,760 or 7.54%.
- Investment Income increased by \$91,745 or 31.20%.



**Business-type activities.** Business-type activities increased the District's net position by \$2,972,478. Some of the key elements of the change in net position are as follows:

- Service charges increased from \$6,395,400 to \$6,414,286, an increase of \$78,886 or 1.23%.
- Total operating expenses increased \$1,701,374 or 20.60% mainly due to increased payroll and WTP operations.

### **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 \$7,515,175 of which \$1,452,673 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 \$906,084 out of a total fund balance of \$939,739. 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, 2019, the emergency reserve was \$33,655.

The debt service fund has a total fund balance of \$5,829,607 all of which is restricted for the repayment of long-term indebtedness. The long-term loans payable as of December 31, 2019 is \$28,609,687.

The capital projects fund has a total balance of \$546,589 consisting of total assets in the amount of \$553,716 less total liabilities of \$7,127.

The Plum Valley Heights Fund has a total balance of \$199,240 of which \$176,573 is restricted to construction of annexed properties and \$22,667 is restricted for emergencies.

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 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 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 \$16,220,612. The total net position of the District's proprietary funds as of December 31, 2019 are \$118,505,167. 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 and transfers for 2019 did not exceed the final budgeted appropriation. The difference between the original and final budgeted revenue of \$1,319,571 and the actual revenue of \$1,358,463 was \$38,892. The difference between the final budgeted expenditures and transfers of \$1,182,500 and the actual expenditures of \$1,121,820 was \$60,680.

### **Capital Assets**

The District has invested \$108,402,538 in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of the year ended December 31, 2019. This investment in capital assets includes water and sewer facilities, water rights and vehicles and equipment.

The capital assets are recorded at cost less estimated accumulated depreciation on the financial statement. The District believes the book value of these capital assets is substantially less than the actual replacement costs of these assets. The District uses an estimated replacement cost when calculating and setting their customer billing rates in an effort to provide reserves for future asset replacements. The District maintains a responsibility to provide water and sewer services to their customers and these reserves are necessary to be able to repair and replace these capital assets as needed. The District's engineering consultants estimate the replacement costs for the water system currently would be approximately \$285,000,000 and the estimated replacement costs for the sewer system currently would be \$275,000,000. Should these reserves be insufficient to provide these repairs or replacements, additional rate increases or borrowings would be required by the District.

Additional information on the District's capital assets can be found in Note 4 beginning on page 18 of this report.

### **Long-Term Debt**

At the end of the current fiscal year, the District had total outstanding governmental long-term debt of \$28,609,687 as follows:

1. \$16,542,239 was related to the Water Enterprise Fund acquisition of a permanent water supply from the City of Aurora. This loan is through the Colorado Water Conservation Board.
2. \$4,039,342 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.
3. Accrued compensated absences accounts for \$12,739 of this amount.
4. \$4,466,623 was related to the 2015 CWRPDA Loan. This loan provided financing for the Plum Valley Heights Subdistrict and was used to secure financing for a pipeline to allow customers to discontinue their use of private wells and non-renewable water. This debt is repaid through mill levies assessed to property owners within the subdistrict.

5. \$2,087,080 was related to the purchase of renewable Raw Water from CWCB for the Subdistrict.
6. \$1,461,664 was related to a CWCB Loan related to the Ravenna Development Water Infrastructure.

The Business Type activities had long-term debt of \$58,702 related to compensated absences.

Additional information on the District's long-term debt can be found in Note 5 beginning on page 19 of this report.

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

**Government funds.** The 2020 budget reflects an increase in property tax revenue. The total assessed value for 2020 is \$224,795,373 up from \$197,630,848 in 2019. The total mill levy in 2019 was 10.708 mills. The district mill levy for 2020 is 9.268 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 2020 of \$1,000,000, representing expenses related to the construction of additional planned facility upgrades.

**Proprietary funds.** Water and sewer sales are expected to increase slightly over 2019 as a result of some growth and the approved 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**

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

The District began the design of the replacement Water Treatment Plant in 2013. This was the beginning of an estimated 4 year project. Design was completed with construction beginning in 2015 and substantial completion in 2018. Site improvements were completed in 2019.

#### **Plum Valley Heights**

The Subdistrict obtained financing for their water supply and transmission project. Construction began in 2016 with substantial completion in 2017. The District paid \$3,499,910 for construction costs related to the infrastructure to connect the annexed properties. The District also paid \$722,853 for debt service during the year.

### **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, 2019

	Govern- mental Activities	Business- Type Activities	Totals	
			2019	2018
<u>Assets</u>				
Cash and investments	\$ 7,346,807	\$ 18,731,922	\$ 26,078,729	\$ 23,276,638
Restricted cash	203,571	0	203,571	442,644
Accounts receivable	0	1,167,844	1,167,844	697,093
Due from other governments	0	0	0	71,228
Property taxes receivable	2,569,158	0	2,569,158	2,595,688
Prepaid expenses	0	0	0	84,340
Capital assets not being depreciated	6,093,403	34,329,805	40,423,208	45,205,063
Capital assets, net of accumulated depreciation	24,580	67,954,750	67,979,330	63,569,636
<b>Total Assets</b>	<b>\$ 16,237,519</b>	<b>\$ 122,184,321</b>	<b>\$ 138,421,840</b>	<b>\$ 135,942,330</b>
<u>Liabilities</u>				
Accounts payable	35,203	373,811	409,014	1,267,347
Unearned revenue	0	3,221,330	3,221,330	3,226,197
Accrued interest payable	205,501	0	205,501	203,746
Retainage payable	0	25,311	25,311	61,028
Noncurrent liabilities				
Due within one year	1,263,852	9,785	1,273,637	1,204,153
Due in more than one year	27,345,835	48,917	27,394,752	28,224,433
<b>Total Liabilities</b>	<b>28,850,391</b>	<b>3,679,154</b>	<b>32,529,545</b>	<b>34,186,904</b>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue-property taxes	2,569,158	0	2,569,158	2,595,689
<u>Net Position</u>				
Net investment in capital assets	6,117,983	102,284,555	108,402,538	108,774,699
Restricted for debt service	5,829,607	0	5,829,607	5,202,733
Restricted for capital projects	203,571	0	203,571	442,644
Restricted for emergencies	56,322	0	56,322	51,867
Unrestricted	(27,389,513)	16,220,612	(11,168,901)	(15,312,206)
<b>Total Net Position</b>	<b>\$ (15,182,030)</b>	<b>\$ 118,505,167</b>	<b>\$ 103,323,137</b>	<b>\$ 99,159,737</b>

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, 2019

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<u>Function/Programs</u>			
Governmental Activities			
General Government	\$ 473,336	\$ 0	\$ 0
Interest on long-term debt	794,531	0	0
Total Governmental Activities	1,267,867	0	0
Business-Type Activities			
Water	5,905,825	4,479,247	3,924,000
Sewer	2,785,311	1,995,039	52,177
Total Business-Type Activities	8,691,136	6,474,286	3,976,177
Total Primary Government	9,959,003	6,474,286	131,222
General Revenues			
Property taxes			
Specific ownership taxes			
Investment income			
Miscellaneous			
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			
Govern- mental Activities	Business- Type Activities	Totals	
		2019	2018
\$ (473,336)	\$ 0	\$ (473,336)	\$ 775,808
(794,531)	0	(794,531)	(813,282)
(1,267,867)	0	(1,267,867)	(37,474)
0	2,594,233	2,594,233	3,722,423
0	(703,684)	(703,684)	(287,062)
0	1,890,549	1,890,549	3,435,361
(1,267,867)	1,890,549	622,682	3,397,887
2,571,530	0	2,571,530	2,460,149
253,214	0	253,214	235,454
73,004	312,703	385,707	293,962
330,267	0	330,267	4,564
(769,226)	769,226	0	0
2,458,789	1,081,929	3,540,718	2,994,129
1,190,922	2,972,478	4,163,400	6,392,016
(16,372,952)	115,532,689	99,159,737	92,767,721
\$ (15,182,030)	\$ 118,505,167	\$ 103,323,137	\$ 99,159,737

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

ROXBOROUGH WATER AND SANITATION DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019

	General	Capital Projects	Debt Service	Plum Valley Heights	Total Governmental Funds	
					2019	2018
<u>Assets</u>						
Cash and investments	\$ 963,484	\$ 553,716	\$ 5,829,607	\$ 0	\$ 7,346,807	\$ 5,900,957
Restricted cash	0	0	0	203,571	203,571	442,644
Property taxes receivable	1,407,649	0	693,848	467,661	2,569,158	2,595,688
Due from other governments	0	0	0	0	0	71,228
Prepaid items	0	0	0	0	0	21,085
<b>Total Assets</b>	<b>2,371,133</b>	<b>553,716</b>	<b>6,523,455</b>	<b>671,232</b>	<b>10,119,536</b>	<b>9,031,602</b>
<u>Liabilities</u>						
Accounts payable	23,745	7,127	0	4,331	35,203	48,760
Other liabilities	0	0	0	0	0	2,500
<b>Total Liabilities</b>	<b>23,745</b>	<b>7,127</b>	<b>0</b>	<b>4,331</b>	<b>35,203</b>	<b>51,260</b>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue- property taxes	1,407,649	0	693,848	467,661	2,569,158	2,595,689
<u>Fund Balances</u>						
Nonspendable:						
Prepaid items	0	0	0	0	0	21,085
Restricted for:						
Emergencies	33,655	0	0	22,667	56,322	51,867
Debt Service	0	0	5,829,607	0	5,829,607	5,202,733
Construction for annexed properties	0	0	0	176,573	176,573	427,486
Unassigned	906,084	546,589	0	0	1,452,673	681,482
<b>Total Fund Balances</b>	<b>939,739</b>	<b>546,589</b>	<b>5,829,607</b>	<b>199,240</b>	<b>7,515,175</b>	<b>6,384,653</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,371,133</b>	<b>\$ 553,716</b>	<b>\$ 6,523,455</b>	<b>\$ 671,232</b>	<b>\$ 10,119,536</b>	<b>\$ 9,031,602</b>

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



ROXBOROUGH WATER AND SANITATION DISTRICT  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2019

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

	<u>2019</u>	<u>2018</u>
Total fund balances of governmental funds	\$ 7,515,175	\$ 6,384,653
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 \$94,206.	6,117,983	6,798,061
Accrued interest payable	(205,501)	(203,746)
Long-term liabilities, including related items, including loans payable (\$29,132,206), loan premium (\$139,342) accrued compensated absences (\$12,738), are not due and payable in the current year and, therefore, are not reported in the funds.	<u>(28,609,687)</u>	<u>(29,351,920)</u>
Total Net Position of Governmental Activities	<u>\$ (15,182,030)</u>	<u>\$ (16,372,952)</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	General	Capital Projects	Debt Service	Plum Valley Heights	Total Governmental Funds	
					2019	2018
<u>Revenues</u>						
Property taxes	\$ 1,217,829	\$ 0	\$ 886,234	\$ 467,467	\$ 2,571,530	\$ 2,460,149
Specific ownership taxes	119,391	0	86,543	47,280	253,214	235,454
Investment income	21,243	0	51,649	112	73,004	59,020
Intergovernmental revenues	0	0	0	0	0	1,235,842
Miscellaneous revenues	0	330,267	0	0	330,267	4,564
<b>Total Revenues</b>	<b>1,358,463</b>	<b>330,267</b>	<b>1,024,426</b>	<b>514,859</b>	<b>3,228,015</b>	<b>3,995,029</b>
<u>Expenditures</u>						
General government	421,820	0	13,323	32,714	467,857	453,665
Capital outlay	0	0	0	0	0	69,768
<u>Debt Service</u>						
Principal	0	0	915,201	590,964	1,506,165	1,079,386
Interest and fiscal charges	0	0	684,020	131,889	815,909	842,254
<b>Total Expenditures</b>	<b>421,820</b>	<b>0</b>	<b>1,612,544</b>	<b>755,567</b>	<b>2,789,931</b>	<b>2,445,073</b>
Revenues Over (Under) Expenditures	936,643	330,267	(588,118)	(240,708)	438,084	1,549,956
<u>Other Financing Sources (Uses)</u>						
Proceeds from loans	0	1,461,664	0	0	1,461,664	0
Transfers In	0	0	1,214,992	0	1,214,992	1,729,233
Transfers Out	(700,000)	(1,284,218)	0	0	(1,984,218)	(2,547,442)
<b>Total Other Financing Sources (Uses)</b>	<b>(700,000)</b>	<b>177,446</b>	<b>1,214,992</b>	<b>0</b>	<b>692,438</b>	<b>(818,209)</b>
<b>Net Change in Fund Balances</b>	<b>236,643</b>	<b>507,713</b>	<b>626,874</b>	<b>(240,708)</b>	<b>1,130,522</b>	<b>731,747</b>
Fund Balances, Beginning	703,096	38,876	5,202,733	439,948	6,384,653	5,652,906
<b>Fund Balances, Ending</b>	<b>\$ 939,739</b>	<b>\$ 546,589</b>	<b>\$ 5,829,607</b>	<b>\$ 199,240</b>	<b>\$ 7,515,175</b>	<b>\$ 6,384,653</b>

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, 2019

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

	<u>2019</u>	<u>2018</u>
Net change in fund balances, total governmental funds	\$ 1,130,522	\$ 731,747
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 assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This amount represents capital outlay in excess of depreciation expense in the current year.	(5,479)	63,399
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items: issuance of new debt (\$1,461,664), amortization of loan premium \$23,133 and change in accrued interest payable (\$1,755).	(1,440,286)	28,972
Loan payments \$1,506,165 are expenditures in the governmental funds, but they change long-term liabilities in the statement of net assets and do not affect the statement of activities.	<u>1,506,165</u>	<u>1,079,386</u>
Change in Net Assets of Governmental Activities	<u>\$ 1,190,922</u>	<u>\$ 1,903,504</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, 2019

	Water	Sewer	Totals	
			2019	2018
<u>Assets</u>				
Current Assets				
Cash and cash equivalents	\$ 10,418,345	\$ 8,313,577	\$ 18,731,922	\$ 17,375,681
Accounts receivable	917,122	250,722	1,167,844	697,093
Prepaid expenses	0	0	0	63,255
Total Current Assets	11,335,467	8,564,299	19,899,766	18,136,029
Noncurrent Assets				
Capital assets not being depreciated	29,043,809	5,285,996	34,329,805	38,437,061
Capital assets, net	55,820,829	12,133,921	67,954,750	63,539,577
Total Noncurrent Assets	84,864,638	17,419,917	102,284,555	101,976,638
Total Assets	96,200,105	25,984,216	122,184,321	120,112,667
<u>Liabilities</u>				
Current liabilities				
Accounts payable	301,392	72,419	373,811	1,204,587
Deferred revenues	3,221,330	0	3,221,330	3,226,197
Retainage payable	25,311	0	25,311	61,028
Total Current Liabilities	3,548,033	72,419	3,620,452	4,491,812
Noncurrent Liabilities				
Accrued compensated absences	29,351	29,351	58,702	88,166
Total Noncurrent Assets	29,351	29,351	58,702	88,166
Total Liabilities	3,577,384	101,770	3,679,154	4,579,978
<u>Net Position</u>				
Net investment in capital assets	84,864,638	17,419,917	102,284,555	101,976,638
Unrestricted	7,758,083	8,462,529	16,220,612	13,556,051
Total Net Position	\$ 92,622,721	\$ 25,882,446	\$118,505,167	\$115,532,689

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

ROXBOROUGH WATER AND SANITATION DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Water	Sewer	Totals	
			2019	2018
<u>Operating Revenues</u>				
Charges for services	\$ 3,992,045	\$ 1,701,747	\$ 5,693,792	\$ 5,339,874
Charges for services-				
Lockheed Martin Agreement	0	285,983	285,983	336,096
Permit fees	825	825	1,650	4,050
Grants	0	0	0	310,250
Outside treatment	251,500	0	251,500	227,347
Inclusion fees	145,666	0	145,666	147,056
Miscellaneous	89,211	6,484	95,695	30,727
	<u>4,479,247</u>	<u>1,995,039</u>	<u>6,474,286</u>	<u>6,395,400</u>
<u>Operating Expenses</u>				
Personnel services	809,938	282,144	1,092,082	1,079,152
Operations	3,442,100	1,762,419	5,204,519	3,797,535
Depreciation	1,653,787	740,748	2,394,535	2,107,626
	<u>5,905,825</u>	<u>2,785,311</u>	<u>8,691,136</u>	<u>6,984,313</u>
Operating Loss	<u>(1,426,578)</u>	<u>(790,272)</u>	<u>(2,216,850)</u>	<u>(588,913)</u>
<u>Nonoperating Revenues</u>				
Investment Income	119,327	193,376	312,703	234,942
Availability Charges	96,811	34,411	131,222	116,673
	<u>216,138</u>	<u>227,787</u>	<u>443,925</u>	<u>351,615</u>
Net Loss Before Transfers and Capital Contributions	(1,210,440)	(562,485)	(1,772,925)	(237,298)
Transfer in	1,784,218	200,000	1,984,218	2,047,442
Transfer out	(1,180,581)	(34,411)	(1,214,992)	(1,229,233)
Capital contributions	3,924,000	52,177	3,976,177	3,907,601
	<u>3,317,197</u>	<u>(344,719)</u>	<u>2,972,478</u>	<u>4,488,512</u>
Change in Net Position				
Net Position, beginning	89,305,524	26,227,165	115,532,689	111,044,177
Net Position, ending	<u>\$ 92,622,721</u>	<u>\$ 25,882,446</u>	<u>\$ 118,505,167</u>	<u>\$ 115,532,689</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, 2019

	Water	Sewer	Totals	
			2019	2018
<u>Cash Flows from Operating Activities</u>				
Cash received from customers	\$ 4,053,956	\$ 1,980,239	\$ 6,034,195	\$ 6,290,254
Cash payments to suppliers	(3,847,818)	(2,124,222)	(5,972,040)	(2,938,545)
Cash payments to employees	(824,670)	(296,876)	(1,121,546)	(1,091,814)
Other cash received	89,211	6,484	95,695	340,977
Net Cash Provided by (Used in) Operating Activities	<u>(529,321)</u>	<u>(434,375)</u>	<u>(963,696)</u>	<u>2,600,872</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers from other funds	1,784,218	200,000	1,984,218	2,047,442
Transfers to other funds	<u>(1,180,581)</u>	<u>(34,411)</u>	<u>(1,214,992)</u>	<u>(1,229,233)</u>
Net Cash Provided by Noncapital Financing Activities	<u>603,637</u>	<u>165,589</u>	<u>769,226</u>	<u>818,209</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	(2,387,274)	(350,895)	(2,738,169)	(5,220,850)
Capital charges received	<u>3,924,000</u>	<u>52,177</u>	<u>3,976,177</u>	<u>3,907,601</u>
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>1,536,726</u>	<u>(298,718)</u>	<u>1,238,008</u>	<u>(1,313,249)</u>
<u>Cash Flows from Investing Activities</u>				
Investment income	<u>119,327</u>	<u>193,376</u>	<u>312,703</u>	<u>234,942</u>
Net Cash Provided by Investing Activities	<u>119,327</u>	<u>193,376</u>	<u>312,703</u>	<u>234,942</u>
Net increase (decrease) in cash and cash equivalents	1,730,369	(374,128)	1,356,241	2,340,774
Cash and cash equivalents, beginning	<u>8,687,976</u>	<u>8,687,705</u>	<u>17,375,681</u>	<u>15,034,907</u>
Cash and cash equivalents, ending	<u>\$ 10,418,345</u>	<u>\$ 8,313,577</u>	<u>\$ 18,731,922</u>	<u>\$ 17,375,681</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, 2019

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>	
			<u>2019</u>	<u>2018</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Operating loss	\$ (1,426,578)	\$ (790,272)	\$ (2,216,850)	\$ (588,913)
Adjustments to reconcile operating loss to net cash provided				
Depreciation	1,653,787	740,748	2,394,535	2,107,626
Receipt of system availability charges	96,811	34,411	131,222	116,673
Loss on disposal of assets	0			
Changes in assets and liabilities				
Accounts receivable	(428,024)	(42,727)	(470,751)	124,025
Prepaid Expenses	42,170	21,085	63,255	(63,255)
Due from other funds	0	0	0	
Accounts payable	(447,888)	(382,888)	(830,776)	922,245
Deposits	0	0	0	
Deferred revenues	(4,867)	0	(4,867)	(4,867)
Accrued compensated absences	(14,732)	(14,732)	(29,464)	(12,662)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (529,321)</u>	<u>\$ (434,375)</u>	<u>\$ (963,696)</u>	<u>\$ 2,600,872</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.

As a result of an election in November 2016, the water activities of Ravenna Metropolitan District were absorbed by the District. This has resulted in additional properties and customers receiving water services from the District. This number could grow to 229 properties once the development is completed.

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*



ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

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.

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.

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 *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.

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 Position/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, 2019, 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 for 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

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Balances (Continued)

*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. 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)

Fund Balance (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. At December 31, 2019, the net position of the governmental activities is a negative \$15,182,032. This is the result of the governmental funds purchasing or constructing capital assets which are then transferred to the enterprise funds. As revenues are collected for debt service payments management believes the net position will become positive.

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, 2019, cash and investments consisted of the following:

Deposits	\$ 8,322,697
Restricted cash	203,571
Investments	<u>17,756,032</u>
Total	<u>\$ 26,282,300</u>

Restricted cash is comprised of unexpended loan proceeds which are held by the lender.

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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

At December 31, 2019, the District had bank deposits, with a book balance of \$8,526,268, comprised of \$250,000 which was covered by FDIC insurance, \$8,684,833 which was collateralized with securities held by the financial institution's agent but not in the District's name, and \$140,954 was uninsured and uncollateralized.

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.

The District has interest rate risk related only to the investment in the Colorado Local Government Liquid Asset Trust (COLOTRUST). At December 31, 2019, COLOTRUST'S Plus+ portfolio had a weighted average maturity of 47 days to reset and 69 days to maturity.

*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, 2019, the District had \$17,756,032 invested in COLOTRUST, investment vehicle 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. COLOTRUST operate similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST are limited to those allowed by State statutes.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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 are rated AAAM by Standard and Poor's.

NOTE 3 - INTERFUND BALANCES AND TRANSACTIONS

<u>Transfer out</u>	<u>Amount</u>	<u>Transfer in</u>	<u>Amount</u>
General Fund	\$ 700,000	Sewer Fund	\$ 200,000
Water Fund	96,811	Debt Service Fund	96,811
Water Fund	1,083,770	Debt Service Fund	1,083,770
Sewer Fund	34,411	Debt Service Fund	34,411
Capital Projects Fund	81,803	Water Fund	581,803
Capital Projects Fund	1,202,415	Water Fund	1,202,415
	<u>\$ 3,199,210</u>		<u>\$ 3,199,210</u>

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. Transfers from the Water Fund to the Debt Service Fund included a transfer for \$1,083,770 which was for capital surcharges assessed to pay the debt service for the City of Aurora water supply purchase.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, is summarized below:

	<u>Balance</u> <u>12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2019</u>
<u>Governmental-Type Activities</u>				
Capital assets, not being depreciated:				
Construction in progress	\$ 6,749,562	\$ 0	\$ 674,599	\$ 6,074,963
Easements	18,440	0	0	18,440
Total capital assets, not being depreciated	<u>6,768,002</u>	<u>0</u>	<u>674,599</u>	<u>6,093,403</u>
Capital assets, being depreciated:				
Furniture and equipment	118,786	0	0	118,786
Less accumulated depreciation:				
Furniture and equipment	(88,727)	(5,479)	0	(94,206)
Total capital assets, being depreciated, net	<u>30,059</u>	<u>(5,479)</u>	<u>0</u>	<u>24,580</u>
Governmental-Type Activities Capital Assets, Net	<u>\$ 6,798,061</u>	<u>\$ (5,479)</u>	<u>\$ 674,599</u>	<u>\$ 6,117,983</u>

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS (CONTINUED)

All water rights of the District remain for sale at December 31, 2019.

	<u>Balance</u> <u>12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2019</u>
<u>Business-Type Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 204,511	\$ 0	\$ 0	\$ 204,511
Tap fees	29,461,334	411,600	0	29,872,934
Water rights	4,252,360	0	0	4,252,360
Construction in progress	4,518,856	1,603,031	6,121,887	0
Total capital assets, not being depreciated	<u>38,437,061</u>	<u>2,014,631</u>	<u>6,121,887</u>	<u>34,329,805</u>
Capital assets, being depreciated:				
Land improvements	5,514	0	0	5,514
Collections and distribution	86,868,103	6,809,713	0	93,677,816
Vehicles and equipment	696,730	0	0	696,730
Total capital assets, being depreciated	<u>87,570,347</u>	<u>6,809,713</u>	<u>0</u>	<u>94,380,060</u>
Less accumulated depreciation:				
Land improvements	(5,514)	0	0	(5,514)
Collections and distribution	(23,559,076)	(2,340,787)	0	(25,899,863)
Vehicles and equipment	(466,180)	(53,748)	0	(519,928)
Total accumulated depreciation	<u>(24,030,770)</u>	<u>(2,394,535)</u>	<u>0</u>	<u>(26,425,305)</u>
Total capital assets, being depreciated, net	<u>63,539,577</u>	<u>4,415,178</u>	<u>0</u>	<u>67,954,755</u>
Business-Type Activities Capital Assets, Net	<u>\$ 101,976,638</u>	<u>\$ 6,429,809</u>	<u>\$ 6,121,887</u>	<u>\$ 102,284,560</u>

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

Governmental activities	
General Government	<u>\$ 5,479</u>
Business-type activities	
Water	\$ 1,653,787
Sewer	740,748
Total	<u>\$ 2,400,014</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, 2019:

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM DEBT (CONTINUED)

	Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Due Within One Year
Governmental-Type Activities:					
2005 CWRPDA Loan	\$ 4,390,000	\$ 0	\$ 490,000	\$ 3,900,000	\$ 505,000
Loan Premium	162,475	0	23,133	139,342	0
CWCB Loan	16,967,439	0	425,200	16,542,239	439,020
PVH-Douglas County	988,573	0	988,573	0	0
CWCB-Raw Water	2,135,386	0	48,306	2,087,080	49,778
2015 CWRPDA Loan	4,695,308	0	228,685	4,466,623	231,623
CWCB Ravenna Development	0	1,461,664	0	1,461,664	36,308
Compensated absences	12,739	0	0	12,739	2,123
Total	<u>\$ 29,351,920</u>	<u>\$ 1,461,664</u>	<u>\$ 2,203,897</u>	<u>\$ 28,609,687</u>	<u>\$ 1,263,852</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.

2014 Colorado Water Conservation Board Note was entered into in November 2014. The loan proceeds were used to purchase a permanent water supply from the City of Aurora by the enterprise funds. Principal and interest payments are due annually on December 1 through 2044. Interest accrues at the rate of 3.25% per annum.

During 2014, the subdistrict's voters approved the annexation of three new developments to the District. These developments were Titan Road Industrial Park, Chatfield East and Chatfield Acres. The District then entered into an agreement with Douglas County, Colorado (The County) to design, install and construct water infrastructure to these developments. As part of the agreement, the County provided \$4,820,822 to the District. Of this amount, the District will repay to the County \$3,631,822 from system development charges on properties in the annexation area.

The District's water system development charge for each equivalent residential unit within the Subdistrict is estimated to be \$13,350, of which approximately \$2,000 will be applied to repay the advances made by the County.

2015 Clean Water Revenue Bonds were issued by the Colorado Water Resources and Power Development Authority and proceeds were loaned to the District to finance the Plum Valley Heights water pipeline. Principal and interest payments are due semi-annually on February 1 and August 1, through 2036. Interest accrues at the rate of 3.35% per annum. As of December 31, 2019, the outstanding balance is \$4,466,623.

During 2015, the District entered into a loan agreement with the Colorado Water Conservation Board for the Raw Water Supply Project to obtain a renewable water supply and allow customers to discontinue their current use of private wells and non-renewable water. The total loan amount is \$2,248,260 payable over 30 years at an interest rate of 3.05%. Interest and loan fees are due when the project is completed. The funds are not considered outstanding until the funds are drawn down as the project costs are incurred.



ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM DEBT (CONTINUED)

2019 Colorado Water Conservation Board Note was entered into in January 2019 in the total available amount of \$1,584,690. The loan proceeds received have totaled \$1,461,664 and were used for the Ravenna development interconnect. Principal and interest payments are due annually on February 1 through 2047. Interest accrues at the rate of 3.15% per annum. As of December 31, 2019, the outstanding balance is \$1,461,664.

Future payments for the outstanding debt, which has a maturity schedule, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,225,421	\$ 813,371	\$ 2,038,792
2021	1,289,719	829,067	2,118,786
2022	1,324,363	795,562	2,119,925
2023	1,354,570	763,029	2,117,599
2024	1,391,092	668,720	2,059,812
2025-2029	5,717,352	2,829,556	8,546,908
2030-2034	5,177,662	2,080,025	7,257,687
2035-2039	4,987,133	1,379,739	6,366,872
2040-2044	5,271,973	600,602	5,872,575
2045-2047	718,321	30,790	749,111
Total	<u>\$28,457,606</u>	<u>\$ 10,790,461</u>	<u>\$ 39,248,067</u>

Business-Type Activities

Following are the long-term debt transactions of the business-type activities for the year ended December 31, 2019:

	<u>Balance</u> <u>12/31/18</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/19</u>	<u>Due Within</u> <u>One Year</u>
<u>Business-Type Activities</u>					
Accrued compensated absences	\$ 76,666	\$ 0	\$ 17,964	\$ 58,702	\$ 9,785

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 Pool), 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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - PUBLIC ENTITY RISK POOL (CONTINUED)

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. A member of management is on the Board of Directors for 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. Forfeitures are used to offset current contributions. There were no forfeitures during 2019.

The District may contribute up to 15% of each participating employee's compensation. During the year ended December 31, 2019, the District contributed \$97,330 to the Plan, representing 12% 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 was responsible for 21.76% 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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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. In November 2014, the Subdistrict electors also allowed Plum Valley Heights to spend the full proceeds of any taxes, fees, charges, grants, rates, tolls or any other revenues collected in fiscal year 2014 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, 2019, the emergency reserve of \$56,322 was reported as a restriction of fund balances and in the government wide statements.

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.

During the 1970's the District presold approximately 2,500 taps. For the year ended December 31, 2019 each prepaid tap had a credit value of ranging from \$4,919 to \$6,204 against the total tap cost of approximately \$41,474. At December 31, 2019, 34 presold taps remained.

During 2016, the District included Ravenna, which amounted to 237 taps at December 31, 2019. In lieu of initial tap fees the District will charge \$100 per month for each tap.

NOTE 10 - SUBSEQUENT EVENTS

Global COVID-19 Pandemic

The 2020 outbreak of COVID-19 has been declared a pandemic and has spread to multiple global regions. The impact of this pandemic has been extensive in many aspects of society, which has resulted in significant disruptions to the global economy. In an effort to halt the outbreak of COVID-19, many governments around the world have encouraged or required that people only leave their home for essential tasks and many businesses have announced closures. This may have a negative impact on the District, the magnitude and duration of which is uncertain.

Accounting Pronouncements

In May 2020, GASB issued Statement No. 95 Postponement of Effective Date of Certain Authoritative Guidance to provide temporary relief to governments and stakeholders in light of the COVID-19 pandemic. Several pronouncements have been delayed by one year, including Statement No. 83, Certain Asset Retirement Obligations and Statement No. 84, Fiduciary Activities. Others have been delayed for 18 month, including Statement No. 87, Leases.

REQUIRED SUPPLEMENTARY INFORMATION

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Property taxes	\$ 1,226,571	\$ 1,217,829	\$ (8,742)
Specific ownership taxes	90,000	119,391	29,391
Investment income	2,000	21,243	19,243
Miscellaneous revenues	1,000	0	(1,000)
Total Revenues	<u>1,319,571</u>	<u>1,358,463</u>	<u>38,892</u>
<u>Expenditures</u>			
Salaries and benefits	125,000	108,826	16,174
Accounting and audit	55,000	64,860	(9,860)
Contract labor	15,000	0	15,000
Director fees	8,000	0	8,000
Election Expense	0	0	0
Education	30,000	9,688	20,312
Engineering	50,000	25,281	24,719
Insurance	12,500	23,224	(10,724)
Legal fees	30,000	18,733	11,267
Miscellaneous	20,000	21,594	(1,594)
Office expense	40,000	66,130	(26,130)
Permits, dues and subscriptions	6,000	13,534	(7,534)
Rent	3,000	2,694	306
Repairs and maintenance	45,000	46,699	(1,699)
Treasurer fees	20,000	18,379	1,621
Utilities	5,000	1,174	3,826
Vehicle expense	6,000	1,004	4,996
Bank Charges	0	0	0
Capital outlay	12,000	0	12,000
Total Expenditures	<u>482,500</u>	<u>421,820</u>	<u>60,680</u>
Excess of Revenues Over Expenditures	837,071	936,643	99,572
<u>Other Financing Sources (Uses)</u>			
Transfers out	<u>(700,000)</u>	<u>(700,000)</u>	<u>0</u>
Net Change in Fund Balances	\$ 137,071	236,643	\$ 99,572
Fund Balances, Beginning		703,096	
Fund Balances, Ending		<u>\$ 939,739</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
PLUM VALLEY HEIGHTS  
YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 466,224	\$ 467,467	\$ 1,243
Specific ownership taxes	40,000	47,280	7,280
Investment Income	400	112	(288)
	<u>506,624</u>	<u>514,859</u>	<u>8,235</u>
<u>Expenditures</u>			
Accounting and audit	12,000	11,000	1,000
Education	2,500	0	2,500
Engineering	60,000	10,030	49,970
Legal fees	7,500	4,672	2,828
Admin	9,000	7,012	1,988
Financing	150,000	131,889	18,111
Capital outlay	5,000	0	5,000
Debt Service-principal	597,406	590,964	6,442
	<u>843,406</u>	<u>755,567</u>	<u>87,839</u>
Excess of Revenues Over (Under) Expenditures	<u>(336,782)</u>	<u>(240,708)</u>	<u>96,074</u>
Net Change in Fund Balances	<u>\$ (336,782)</u>	(240,708)	<u>\$ 96,074</u>
Fund Balances, Beginning		<u>439,948</u>	
Fund Balances, Ending		<u>\$ 199,240</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2019

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, Capital Projects, and Plum Valley Heights 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.

INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES



ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
YEAR ENDED DECEMBER 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Miscellaneous income	\$ 0	\$ 330,267	\$ 330,267
Total Revenues	<u>0</u>	<u>330,267</u>	<u>330,267</u>
<u>Expenditures</u>			
General Government			
Capital Outlay	1,275,000	0	1,275,000
Total Expenditures	<u>1,275,000</u>	<u>0</u>	<u>1,275,000</u>
Excess of Revenues Over (Under)	(1,275,000)	330,267	1,605,267
<u>Other Financing Sources (Uses)</u>			
Proceeds from loans	1,275,000	1,461,664	186,664
Transfers out	0	(1,284,218)	(1,284,218)
Total other financing sources and uses	<u>1,275,000</u>	<u>177,446</u>	<u>(1,097,554)</u>
Net Change in Fund Balances	<u>\$ 0</u>	507,713	<u>\$ 507,713</u>
Fund Balances, Beginning		<u>38,876</u>	
Fund Balances, Ending		<u>\$ 546,589</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 889,106	\$ 886,234	\$ (2,872)
Specific ownership taxes	80,000	86,543	6,543
Investment income	10,000	51,649	41,649
	<u>979,106</u>	<u>1,024,426</u>	<u>45,320</u>
<u>Expenditures</u>			
General government	13,010	13,323	(313)
Debt Service			
Water supply debt	82,425	0	82,425
Principal	915,201	915,201	0
Interest	743,250	684,020	59,230
	<u>1,753,886</u>	<u>1,612,544</u>	<u>141,342</u>
Excess of Revenues Over (Under) Expenditures	(774,780)	(588,118)	186,662
<u>Other Financing Sources</u>			
Transfers in	1,304,425	1,214,992	(89,433)
Net Change in Fund Balances	<u>\$ 529,645</u>	626,874	<u>\$ 186,662</u>
Fund Balances, Beginning		<u>5,202,733</u>	
Fund Balances, Ending		<u>\$ 5,829,607</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS  
WATER FUND  
YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 3,432,000	\$ 3,992,045	\$ 560,045
Permit fees	6,600	825	(5,775)
Other water sales	160,000	251,500	91,500
Miscellaneous	77,200	89,211	12,011
Capital charges	1,116,808	1,219,648	102,840
Dominion distribution operations	242,000	246,282	4,282
Inclusion fees	50,000	145,666	95,666
Reimbursements	125,000	270,427	145,427
System development charges	382,800	2,187,643	1,804,843
Transfers In	500,000	1,784,218	1,284,218
Investment income	50,000	119,327	69,327
Availability charges	90,000	96,811	6,811
Total Revenues	6,232,408	10,403,603	4,171,195
<u>Expenditures</u>			
Accounting and audit	65,000	73,617	(8,617)
Permits, dues and subscriptions	10,000	8,972	1,028
Contract labor	55,000	35,709	19,291
Education	50,000	24,580	25,420
Engineering	200,000	226,404	(26,404)
GPS/GIS	100,000	135,586	(35,586)
Insurance	35,000	46,006	(11,006)
Lab and test fees	22,000	41,942	(19,942)
Legal fees	75,000	37,708	37,292
Meter expense	125,000	83,388	41,612
Miscellaneous	20,000	3,331	16,669
Office expense	40,000	18,151	21,849
Operating supplies	129,000	109,768	19,232
Payroll, taxes and benefits	875,000	809,938	65,062
Repairs and maintenance	278,000	499,463	(221,463)
Utilities	225,000	229,235	(4,235)
Vehicle expense	22,000	33,178	(11,178)
Dominion	80,000	11,987	68,013
Water cost	1,552,000	1,734,937	(182,937)
Capital outlay	3,500,000	2,387,274	1,112,726
Conservation rebates	2,500	1,775	725
Water rights capital	298,000	86,363	211,637
Transfers out	1,209,233	1,180,581	28,652
Total Expenditures	8,967,733	7,819,893	1,147,840
Change in Net Position, Budgetary Basis	\$ (2,735,325)	\$ 2,583,710	\$ 3,023,355

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS  
WATER FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
Reconciliation to GAAP Basis			
Capital outlay		\$ 2,387,274	
Depreciation		<u>(1,653,787)</u>	
Change in net position, GAAP Basis		3,317,197	
Net position, beginning		<u>89,305,524</u>	
Net position, ending		<u><u>\$ 92,622,721</u></u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS  
SEWER FUND  
YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 1,637,600	\$ 1,701,747	\$ 64,147
Charges for services-Lockheed			
Martin Agreement	350,000	285,983	(64,017)
Permit fees	5,000	825	(4,175)
Miscellaneous	30,000	6,484	(23,516)
Investment income	15,000	193,376	178,376
Availability charges	40,000	34,411	(5,589)
System development charges	170,000	52,177	(117,823)
Transfer in	200,000	200,000	0
	<u>2,447,600</u>	<u>2,475,003</u>	<u>27,403</u>
 Total Revenues	 <u>2,447,600</u>	 <u>2,475,003</u>	 <u>27,403</u>
<u>Expenditures</u>			
Accounting and audit	30,000	28,500	1,500
Contract labor	40,000	36,582	3,418
Dominion expense	50,000	8,577	41,423
Education	30,000	9,670	20,330
Engineering	50,000	110,011	(60,011)
GPS/GIS	25,000	62,165	(37,165)
Insurance	12,500	22,794	(10,294)
Lab and test fees	1,000	60	940
Legal fees	35,000	14,561	20,439
Miscellaneous	8,000	1,444	6,556
Littleton service fees	925,000	963,280	(38,280)
Office expense	20,000	12,879	7,121
Operating supplies	82,000	29,476	52,524
Permits, dues and subscriptions	3,000	2,823	177
Payroll, taxes and benefits	290,000	282,144	7,856
Repairs and maintenance	200,000	380,133	(180,133)
Utilities	110,000	69,909	40,091
Vehicle expense	8,000	9,555	(1,555)
Capital outlay	1,500,000	350,895	1,149,105
Transfer out	40,000	34,411	5,589
	<u>3,459,500</u>	<u>2,429,869</u>	<u>1,029,631</u>
 Total Expenditures	 <u>3,459,500</u>	 <u>2,429,869</u>	 <u>1,029,631</u>
 Change in Net Position, Budgetary Basis	 <u>\$(1,011,900)</u>	 <u>\$ 45,134</u>	 <u>\$ 1,057,034</u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS  
SEWER FUND CONTINUED  
YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Reconciliation to GAAP Basis			
Capital outlay		\$ 350,895	
Depreciation		<u>(740,748)</u>	
Change in net position, GAAP Basis		(344,719)	
Net position, beginning		<u>26,227,165</u>	
Net position, ending		<u><u>\$ 25,882,446</u></u>	

See the accompanying Independent Auditors' Report.