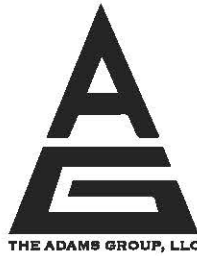


**ROXBOROUGH WATER AND
SANITATION DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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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, each major fund and the aggregate remaining fund information of the Roxborough Water and Sanitation District (District), as of and for the year ended December 31, 2020, 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, each major fund and the aggregate remaining fund information of Roxborough Water and Sanitation District, as of December 31, 2020, 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.

Emphasis of a Matter

For the year ended December 31, 2020, the District recorded prior period adjustments to capital assets, debt and cash. As a result, capital assets, debt, cash and net position were overstated in 2019. See Note 9 for additional information. Our opinions are not modified with respect to this matter.

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 xi and 26 to 28 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 fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and 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.

The Adams Group, LLC

June 21, 2021
Denver, Colorado

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, 2020.

Financial Highlights

- Assets exceeded liabilities by \$106,199,403 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 \$8,041,954.
- Total net position increased by \$2,876,266.
- Total cash and investments increased by \$177,354 as compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,009,233 or 150.17% of total general fund expenditures.
- The district repaid \$1,248,554 of long term debt during the year ended 12/31/20. The district anticipates repayment of an additional \$1,291,842 of long term debt in 2021.

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 except for the capital projects fund for 2020.

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 except for the capital projects fund for 2020.

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 12-25 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 26-28 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 29-34 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 \$106,199,403 at the close of the most recent fiscal year.

*

Statement of Net Assets

	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	\$ 10,722,486	\$ 23,911,650	\$ 34,634,136	\$ 10,119,536	\$ 19,899,766	\$ 30,019,302
Capital Assets, net	5,514,290	101,352,815	106,867,105	6,117,983	102,284,555	108,402,538
Total Assets	<u>16,236,776</u>	<u>125,264,465</u>	<u>141,501,241</u>	<u>16,237,519</u>	<u>122,184,321</u>	<u>138,421,840</u>
Current Liabilities	1,528,754	5,102,917	6,631,671	1,504,556	3,620,452	5,125,008
Long-Term Obligations	25,958,804	67,010	26,025,814	27,345,835	58,702	27,404,537
Total Liabilities	<u>27,487,558</u>	<u>5,169,927</u>	<u>32,657,485</u>	<u>28,850,391</u>	<u>3,679,154</u>	<u>32,529,545</u>
Deferred Inflows of Resources						
Unavailable revenue - property taxes	2,644,353	0	2,644,353	2,569,158	0	2,569,158
Net Investment in Capital						
Assets	5,514,290	101,339,032	106,853,322	6,117,983	102,284,555	108,402,538
Restricted Net Position	6,264,566		6,264,566	6,089,500	0	6,089,500
Unrestricted Net Position	(25,673,991)	18,755,506	(6,918,485)	(27,389,513)	16,220,612	(11,168,901)
Total Net Position	<u>\$ (13,895,135)</u>	<u>\$ 120,094,538</u>	<u>\$106,199,403</u>	<u>\$ (15,182,030)</u>	<u>\$ 118,505,167</u>	<u>\$ 103,323,137</u>

*A prior period adjustment was recognized in 2020 and is not reflected in the 2019 amounts above. See Note 9.

*

	Statements of Activities					
	2020			2019		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Revenue						
Program Revenue						
Charges for Services		\$ 7,828,197	\$ 7,828,197		\$ 6,474,286	\$ 6,474,286
Operating Grants			\$ -			
Contributions		\$ 210,485	\$ 210,485		\$ 131,222	\$ 131,222
<u>General Revenue</u>						
Property Taxes	\$ 2,549,006		\$ 2,549,006	\$ 2,571,530		\$ 2,571,530
Specific Ownership Taxes	\$ 217,995		\$ 217,995	\$ 253,214		\$ 253,214
Investment Income	\$ 28,808	\$ 102,050	\$ 130,858	\$ 73,004	\$ 312,703	\$ 385,707
Other	\$ 14,066		\$ 14,066	\$ 330,267		\$ 330,267
Total Revenue	\$ 2,809,875	\$ 8,140,732	\$ 10,950,607	\$ 3,228,015	\$ 6,918,211	\$ 10,146,226
Expenses						
General Government	\$ 879,543		\$ 879,543	\$ 2,408,331		\$ 2,408,331
Interest on Long-Term Debt	\$ 807,530		\$ 807,530	\$ 815,909		\$ 815,909
Water/Sewer Facilities		\$ 9,062,886	\$ 9,062,886		\$ 8,691,136	\$ 8,691,136
Total Expenses	\$ 1,687,073	\$ 9,062,886	\$ 10,749,959	\$ 3,224,240	\$ 8,691,136	\$ 11,915,376
Total Primary Government	\$ 1,122,802	\$ (922,154)	\$ 200,648	\$ 3,775	\$ (1,772,925)	\$ (1,769,150)
Transfers	\$ 598,402	\$ 2,511,525	\$ 3,109,927	\$ 752,838	\$ 4,745,403	\$ 5,498,241
Change in Net Position	\$ 1,721,204	\$ 1,589,371	\$ 3,310,575	\$ 756,613	\$ 2,972,478	\$ 3,729,091
Net Assets Beginning	\$ (15,616,339)	\$ 118,505,167	\$ 102,888,828	\$ (16,372,952)	\$ 115,532,689	\$ 99,159,737
Net Assets Ending	\$ (13,895,135)	\$ 120,094,538	\$ 106,199,403	\$ (15,616,339)	\$ 118,505,167	\$ 102,888,828

*A prior period adjustment was recognized in 2020 and is not reflected in the 2019 amounts above. See Note 9.

Governmental activities. Governmental activities increased the District’s net position by \$1,721,204, several highlights are as follows:

- Property taxes decreased by \$22,524 or 0.87% over the prior year due to reduced mill levy.
- Specific ownership taxes decreased by \$35,219 or 13.91%.
- Investment Income decreased by \$44,196 or 61% due to lower interest rates.

Business-type activities. Business-type activities increased the District's net position by \$1,589,371. Some of the key elements of the change in net position are as follows:

- Service charges increased from \$6,474,286 to \$7,828,197, an increase of \$1,353,911 or 20.91%.
- Total operating expenses increased \$371,750 or 4.28% 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 \$8,041,954 of which \$1,009,233 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 \$1,009,233 out of a total fund balance of \$8,041,954. 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, 2020, the emergency reserve was \$61,335.

The debt service fund has a total fund balance of \$6,102,366 all of which is restricted for the repayment of long-term indebtedness. The long-term loans payable as of December 31, 2020 is \$27,250,646.

The capital projects fund has a total balance of \$543,316.

The Plum Valley Heights Fund has a total balance of \$301,598.

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 \$18,755,506. The total net position of the District's proprietary funds as of December 31, 2020 are \$120,094,538. 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 2020 did not exceed the final budgeted appropriation. The difference between the final budgeted revenue of \$1,512,000 and the actual revenue of \$1,527,005 was \$15,005. The difference between the final budgeted expenditures and transfers of \$1,521,000 and the actual expenditures of \$1,372,070 was \$148,930.

Capital Assets

The District has invested \$106,867,105 in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of the year ended December 31, 2020. 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 19 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total outstanding governmental long-term debt of \$27,250,646 as follows:

1. \$16,103,219 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. Payments are annually through December 2044 at an interest rate of 3.25%

2. \$3,395,000 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. \$4,056,129 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. Payments are semi-annually through 08/2036 at an interest rate of 2.073%.
5. \$2,103,300 was related to the purchase of renewable Raw Water from CWCB for the Subdistrict. Payments are annually through February 2047 at an interest rate of 3.05%.
6. \$1,464,050 was related to a CWCB Loan related to the Ravenna Development Water Infrastructure. Payments are due annually through February 2047 at an interest rate of 3.15%.

The Business Type activities had long-term debt of \$80,414 related to compensated absences.

Additional information on the District's long-term debt can be found in note 5 beginning on page 21 of this report.

Next Year's Budgets and Rates

Government funds:

Property Taxes. The 2021 budget reflects an increase in property tax revenue. The total assessed value for 2021 is \$239,271,230 up from \$224,271,230 in 2020. The district mill levy for 2021 is 9.108 mills. General fund expenditures are expected to increase due to natural growth of the District. The District did not include a Capital Projects fund budget for 2021.

General Fund. The General Fund budget will decrease 3% from \$644,000 to \$626,500 for 2021 versus 2020 primarily because we will not have election costs in 2021. The budget includes \$175,000 to upgrade and replace all the District's computers servers, adding cloud backups and increased security. These planned upgrades will include the addition of separate servers for the office, water treatment plant, and wastewater lift station to improve security and reliability.

Debt Service Fund. As stated previously, the debt service mill levy will be reduced to reflect the increase in the District's assessed value. With completion of the project to integrate the Ravenna distribution system, repayment of the loan from the Colorado Water Conservation Board began in 2020 with funds provided by the Ravenna residents through a monthly surcharge on their water bills.

Capital Projects Fund. With the completion of the water treatment plant, this fund will now be used to track large capital projects and projects completed by RWSD for DWSD.

Proprietary funds:

Water Fund. Water Fund revenues are projected to remain stable in 2021. Water fund expenses will increase \$5 million, or approximately 76%, due to planned capital projects including:

- A new high-zone pump at the WTP (DWSD 100%)
- Conversion of the backwash pond to emergency containment (DWSD 50%)
- Rampart Pump Station Replacement (100% Reserves)
- Rampart Road Transmission Line (Funding Alternatives Under Review)

Sewer Fund. Sewer Fund revenues will increase in 2021 due to the new O-Line Agreement with DWSD. Sewer Fund expenses are expected to remain unchanged for 2021 versus 2020.

Plum Valley Heights Subdistrict of Roxborough Water and Sanitation District

The District develops a separate budget for the Subdistrict, but we are only using the Debt Service Fund to track the outstanding debt to the Colorado Water Resources and Power Development Authority, for NWDC Project construction costs, and miscellaneous expenses such as legal and engineering related only to the Subdistrict. All administrative and operating expenses for the Subdistrict are included in the District's budget.

We are limited to collecting no more than \$450,000 in property taxes to service the debt in the Subdistrict Debt Service Fund. The Assessed Value for the Subdistrict did not change significantly for 2020, so no adjustment to the Debt Service Mill Levy will be needed.

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, 2020

	Governmental Activities	Business- Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 5,151,436	\$ 21,104,647	\$ 26,256,083
Restricted cash	2,902,591	0	2,902,591
Accounts receivable	0	2,734,685	2,734,685
Property taxes receivable	2,644,353	0	2,644,353
Prepaid expenses	24,106	72,318	96,424
Capital assets not being depreciated	18,440	34,329,805	34,348,245
Capital assets, net of accumulated depreciation	5,495,850	67,023,010	72,518,860
Total Assets	\$ 16,236,776	\$ 125,264,465	\$ 141,501,241
<u>Liabilities</u>			
Accounts payable	36,179	859,266	895,445
Unearned revenue	0	4,216,464	4,216,464
Accrued interest payable	200,733	0	200,733
Retainage payable	0	13,783	13,783
Noncurrent liabilities			
Due within one year	1,291,842	13,404	1,305,246
Due in more than one year	25,958,804	67,010	26,025,814
Total Liabilities	27,487,558	5,169,927	32,657,485
<u>Deferred Inflows of Resources</u>			
Unavailable revenue-property taxes	2,644,353	0	2,644,353
<u>Net Position</u>			
Net investment in capital assets	5,514,290	101,339,032	106,853,322
Restricted	6,287,599	0	6,287,599
Unrestricted	(25,697,024)	18,755,506	(6,941,518)
Total Net Position	\$ (13,895,135)	\$ 120,094,538	\$ 106,199,403

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, 2020

<u>Function/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Governmental Activities</u>				
General Government	\$ 879,543	\$ 0	\$ 0	\$ 0
Interest on long-term debt	807,530	0	0	0
Total Governmental Activities	1,687,073	0	0	0
<u>Business-Type Activities</u>				
Water	6,504,441	5,526,624	156,604	2,473,530
Sewer	2,558,445	2,301,573	53,881	636,397
Total Business-Type Activities	9,062,886	7,828,197	210,485	3,109,927
Total Primary Government	\$ 10,749,959	\$ 7,828,197	\$ 210,485	\$ 3,109,927

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

	Net (Expense) Revenues and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business- Type Activities	Total
<u>Function/Programs</u>			
Governmental Activities			
General Government	\$ (879,543)	\$ 0	\$ (879,543)
Interest on long-term debt	(807,530)	0	(807,530)
Total Governmental Activities	(1,687,073)	0	(1,687,073)
Business-Type Activities			
Water	0	1,652,317	1,652,317
Sewer	0	433,406	433,406
Total Business-Type Activities	0	2,085,723	2,085,723
Total Primary Government	(1,687,073)	2,085,723	398,650
General Revenues			
Property taxes	2,549,006	0	2,549,006
Specific ownership taxes	217,995	0	217,995
Investment income	28,808	102,050	130,858
Miscellaneous	14,066	0	14,066
Transfers	598,402	(598,402)	0
Total General Revenues and Transfers	3,408,277	(496,352)	2,911,925
Change in Net Position	1,721,204	1,589,371	3,310,575
Net Position, Beginning as Restated	(15,616,339)	118,505,167	102,888,828
Net Position, Ending	\$ (13,895,135)	\$ 120,094,538	\$ 106,199,403

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

ROXBOROUGH WATER AND SANITATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Debt Service	Plum Valley Heights	(Nonmajor) Capital Projects	Total
<u>Assets</u>					
Cash and cash equivalents	\$ 1,105,211	\$ 3,199,775	\$ 303,134	\$ 543,316	\$ 5,151,436
Restricted cash	0	2,902,591	0	0	2,902,591
Property taxes receivable	1,485,396	693,887	465,070	0	2,644,353
Prepaid items	24,106	0	0	0	24,106
 Total Assets	 <u>\$ 2,614,713</u>	 <u>\$ 6,796,253</u>	 <u>\$ 768,204</u>	 <u>\$ 543,316</u>	 <u>\$ 10,722,486</u>
<u>Liabilities</u>					
Accounts payable	34,643	0	1,536	0	36,179
 Total Liabilities	 <u>34,643</u>	 <u>0</u>	 <u>1,536</u>	 <u>0</u>	 <u>36,179</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue- property taxes	1,485,396	693,887	465,070	0	2,644,353
<u>Fund Balances</u>					
Nonspendable:					
Prepaid items	24,106	0	0	0	24,106
Restricted for:					
Emergencies	61,335	0	0	0	61,335
Debt service	0	6,102,366	0	0	6,102,366
Special revenue fund	0	0	301,598	0	301,598
Assigned - capital projects	0	0	0	543,316	543,316
Unassigned	1,009,233	0	0	0	1,009,233
 Total Fund Balances	 <u>1,094,674</u>	 <u>6,102,366</u>	 <u>301,598</u>	 <u>543,316</u>	 <u>8,041,954</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 2,614,713</u>	 <u>\$ 6,796,253</u>	 <u>\$ 768,204</u>	 <u>\$ 543,316</u>	 <u>\$ 10,722,486</u>

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, 2020

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

Total fund balances of governmental funds	\$ 8,041,954
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 \$710,545.	5,514,290
Accrued interest payable.	(200,733)
Long-term liabilities, including related items, including loans payable (\$27,121,700), loan premium (\$116,209) accrued compensated absences (\$12,739), are not due and payable in the current year and, therefore, are not reported in the funds.	<u>(27,250,646)</u>
Total Net Position of Governmental Activities	<u>\$ (13,895,135)</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, 2020

	General	Debt Service	Plum Valley Heights	(Nonmajor) Capital Projects	Total
<u>Revenues</u>					
Property taxes	\$ 1,398,230	\$ 688,643	\$ 462,133	\$ 0	\$ 2,549,006
Specific ownership taxes	118,580	58,449	40,966	0	217,995
Investment income	8,150	20,658	0	0	28,808
Intergovernmental revenues	0	0	0	0	0
Miscellaneous revenues	2,045	0	12,021	0	14,066
 Total Revenues	 <u>1,527,005</u>	 <u>767,750</u>	 <u>515,120</u>	 <u>0</u>	 <u>2,809,875</u>
<u>Expenditures</u>					
General government	659,424	10,329	19,539	3,273	692,565
Capital outlay	12,646	0	0	0	12,646
<u>Debt Service</u>					
Principal	0	944,020	281,401	0	1,225,421
Interest and fiscal charges	0	658,855	153,443	0	812,298
 Total Expenditures	 <u>672,070</u>	 <u>1,613,204</u>	 <u>454,383</u>	 <u>3,273</u>	 <u>2,742,930</u>
 Revenues Over (Under) Expenditures	 <u>854,935</u>	 <u>(845,454)</u>	 <u>60,737</u>	 <u>(3,273)</u>	 <u>66,945</u>
<u>Other Financing Sources (Uses)</u>					
Proceeds from loans	0	0	2,386	0	2,386
Transfers In	0	1,298,402	180,189	0	1,478,591
Transfers Out	(700,000)	(180,189)	0	0	(880,189)
 Total Other Financing Sources (Uses)	 <u>(700,000)</u>	 <u>1,118,213</u>	 <u>182,575</u>	 <u>0</u>	 <u>600,788</u>
 Net Change in Fund Balances	 154,935	 272,759	 243,312	 (3,273)	 667,733
 Fund Balances, Beginning as Restated	 <u>939,739</u>	 <u>5,829,607</u>	 <u>58,286</u>	 <u>546,589</u>	 <u>7,374,221</u>
 Fund Balances, Ending	 <u>\$ 1,094,674</u>	 <u>\$ 6,102,366</u>	 <u>\$ 301,598</u>	 <u>\$ 543,316</u>	 <u>\$ 8,041,954</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Net change in fund balances, total governmental funds	\$	667,733
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This amount represents depreciation expense in excess of capital outlay in the current year.		(197,465)
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This amount is the net effect of these differences in the treatment of long-term debt and related items: issuance of new debt \$2,386, amortization of loan premium \$23,133, and change in accrued interest payable \$4,768.		25,515
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Loan payments \$1,225,421 are expenditures in the governmental funds, but they change long-term liabilities in the statement of net position and do not affect the statement of activities.		<u>1,225,421</u>
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Change in Net Position of Governmental Activities	\$	<u><u>1,721,204</u></u>
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The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Assets</u>			
Current Assets			
Cash and cash equivalents	\$ 11,661,053	\$ 9,443,594	\$ 21,104,647
Accounts receivable	1,121,269	1,613,416	2,734,685
Prepaid expenses	48,212	24,106	72,318
Total Current Assets	<u>12,830,534</u>	<u>11,081,116</u>	<u>23,911,650</u>
Noncurrent Assets			
Capital assets not being depreciated	29,043,809	5,285,996	34,329,805
Capital assets, net	<u>55,214,762</u>	<u>11,808,248</u>	<u>67,023,010</u>
Total Noncurrent Assets	<u>84,258,571</u>	<u>17,094,244</u>	<u>101,352,815</u>
Total Assets	<u>97,089,105</u>	<u>28,175,360</u>	<u>125,264,465</u>
<u>Liabilities</u>			
Current liabilities			
Accounts payable	255,201	604,065	859,266
Deferred revenues	3,216,464	1,000,000	4,216,464
Retainage payable	0	13,783	13,783
Total Current Liabilities	<u>3,471,665</u>	<u>1,617,848</u>	<u>5,089,513</u>
Noncurrent Liabilities			
Accrued compensated absences	<u>40,207</u>	<u>40,207</u>	<u>80,414</u>
Total Noncurrent Assets	<u>40,207</u>	<u>40,207</u>	<u>80,414</u>
Total Liabilities	<u>3,511,872</u>	<u>1,658,055</u>	<u>5,169,927</u>
<u>Net Position</u>			
Net investment in capital assets	84,258,571	17,080,461	101,339,032
Unrestricted	<u>9,318,662</u>	<u>9,436,844</u>	<u>18,755,506</u>
Total Net Position	<u>\$ 93,577,233</u>	<u>\$ 26,517,305</u>	<u>\$ 120,094,538</u>

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 FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Operating Revenues</u>			
Charges for services	\$ 4,613,267	\$ 1,977,449	\$ 6,590,716
Charges for services-			
Lockheed Martin Agreement	0	289,101	289,101
Permit fees	10,725	20,625	31,350
Outside treatment	594,327	0	594,327
Inclusion fees	266,665	0	266,665
Miscellaneous	41,640	14,398	56,038
	<u>5,526,624</u>	<u>2,301,573</u>	<u>7,828,197</u>
Total Operating Revenues			
<u>Operating Expenses</u>			
Personnel services	954,036	336,029	1,290,065
Operations	3,850,950	1,479,423	5,330,373
Depreciation	1,699,455	742,993	2,442,448
	<u>6,504,441</u>	<u>2,558,445</u>	<u>9,062,886</u>
Total Operating Expenses			
Operating Loss	<u>(977,817)</u>	<u>(256,872)</u>	<u>(1,234,689)</u>
<u>Nonoperating Revenues</u>			
Investment Income	46,716	55,334	102,050
Availability Charges	156,604	53,881	210,485
	<u>203,320</u>	<u>109,215</u>	<u>312,535</u>
Total Nonoperating Revenue			
Net Loss Before Transfers and Capital Contributions	(774,497)	(147,657)	(922,154)
Transfer in	500,000	200,000	700,000
Transfer out	(1,244,521)	(53,881)	(1,298,402)
Capital contributions	2,473,530	636,397	3,109,927
	<u>954,512</u>	<u>634,859</u>	<u>1,589,371</u>
Change in Net Position			
Net Position, beginning	<u>92,622,721</u>	<u>25,882,446</u>	<u>118,505,167</u>
Net Position, ending	<u>\$ 93,577,233</u>	<u>\$ 26,517,305</u>	<u>\$ 120,094,538</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, 2020

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Cash Flows from Operating Activities</u>			
Cash received from customers	\$ 5,432,575	\$ 1,978,362	\$ 7,410,937
Cash payments to suppliers	(3,970,664)	(958,100)	(4,928,764)
Cash payments to employees	(943,180)	(325,173)	(1,268,353)
Other cash received	41,640	14,398	56,038
	<u>560,371</u>	<u>709,487</u>	<u>1,269,858</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers from other funds	500,000	200,000	700,000
Transfers to other funds	(1,244,521)	(53,881)	(1,298,402)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(744,521)</u>	<u>146,119</u>	<u>(598,402)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>			
Acquisition and construction of capital assets	(1,093,388)	(417,320)	(1,510,708)
Capital charges received	2,473,530	636,397	3,109,927
	<u>1,380,142</u>	<u>219,077</u>	<u>1,599,219</u>
<u>Cash Flows from Investing Activities</u>			
Investment income	46,716	55,334	102,050
	<u>46,716</u>	<u>55,334</u>	<u>102,050</u>
Net increase in cash and cash equivalents	1,242,708	1,130,017	2,372,725
Cash and cash equivalents, beginning	<u>10,418,345</u>	<u>8,313,577</u>	<u>18,731,922</u>
Cash and cash equivalents, ending	<u>\$ 11,661,053</u>	<u>\$ 9,443,594</u>	<u>\$ 21,104,647</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, 2020

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities			
Operating gain (loss)	\$ (977,817)	\$ (256,872)	\$ (1,234,689)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	1,699,455	742,993	2,442,448
Receipt of system availability charges	156,604	53,881	210,485
Changes in assets and liabilities			
Accounts receivable	(204,147)	(362,694)	(566,841)
Prepaid Expenses	(48,212)	(24,106)	(72,318)
Accounts payable	(71,502)	545,429	473,927
Deferred revenues	(4,866)	0	(4,866)
Accrued compensated absences	10,856	10,856	21,712
Net Cash Provided by (Used in) Operating Activities	<u>\$ 560,371</u>	<u>\$ 709,487</u>	<u>\$ 1,269,858</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.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

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

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

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.

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)

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

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

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

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

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

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

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.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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.

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, 2020, 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 cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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	30-60 years
Vehicles and Equipment	3-15 years

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. Employees are limited to 960 hours of accrued sick time and are not allowed to carry more than 100 hours of accrued vacation to the following year. Upon termination of employment from the District, an employee will be compensated for all accrued vacation time and 50% of accrued sick time. Accrued sick time in excess of 960 hours at year end is paid out at 50%. A liability for these compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

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.

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.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2020, the net position of the governmental activities is a negative \$13,895,135. 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.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2020, cash and investments consisted of the following:

Deposits	\$ 8,175,436
Restricted cash	2,902,591
Investments	18,080,647
Total	<u>\$ 29,158,674</u>

Restricted cash is comprised of debt service reserves required 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.

At December 31, 2020, the District had bank deposits, with a book balance of \$11,078,027, comprised of \$250,000 which was covered by FDIC insurance and \$11,055,413 covered by PDPA.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH AND EQUIVALENTS (CONTINUED)

Investments

The District is required to comply with State statutes which specify instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk.

The District's investment policy follows State statutes and allows the following investments.

- Obligations of the United States, certain U.S. Agency securities, and the World Bank
- 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, 2020, 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.

Local Government Investment Pools – At December 31, 2020, the District had \$18,080,647 invested in COLOTRUST, an 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 EQUIVALENTS (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 and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 3 - INTERFUND BALANCES AND TRANSACTIONS

<u>Transfer out</u>	<u>Amount</u>	<u>Transfer in</u>	<u>Amount</u>
General Fund	\$ 700,000	Debt Service Fund	\$ 1,298,402
Debt Service Fund	180,189	Water Fund	500,000
Water Fund	1,244,521	Sewer Fund	200,000
Sewer Fund	53,881	Plum Valley Heights	180,189
	<u>\$ 2,178,591</u>		<u>\$ 2,178,591</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 Debt Service Fund to Plum Valley Heights relate to debt service payments.

NOTE 4 - CAPITAL ASSETS

	<u>Balance 12/31/2019 (as restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2020</u>
<u>Governmental-Type Activities</u>				
Capital assets, not being depreciated:				
Easements	\$ 18,440	\$ 0	\$ 0	\$ 18,440
Capital assets, being depreciated:				
Infrastructure	6,074,963	0	0	6,074,963
Furniture and equipment	118,786	12,646	0	131,432
Total being depreciated	6,193,749	12,646	0	6,206,395
Less accumulated depreciation:	(500,434)	(210,111)	0	(710,545)
Total being depreciated, net	5,693,315	(197,465)	0	5,495,850
Governmental-Type Activities Capital Assets, Net	<u>\$ 5,711,755</u>	<u>\$ (197,465)</u>	<u>\$ 0</u>	<u>\$ 5,514,290</u>

*See Note 9 for documentation related to prior period adjustment impacting beginning balance of accumulated depreciation.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
<u>Business-Type Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 204,511	\$ 0	\$ 0	\$ 204,511
Tap fees	29,872,934	0	0	29,872,934
Water rights	4,252,360	0	0	4,252,360
Construction in progress	0	0	0	0
Total not being depreciated	<u>34,329,805</u>	<u>0</u>	<u>0</u>	<u>34,329,805</u>
Capital assets, being depreciated:				
Land improvements	5,514	0	0	5,514
Collections and distribution	94,469,169	1,510,703	0	95,979,872
Vehicles and equipment	696,730	0	0	696,730
Total being depreciated	<u>95,171,413</u>	<u>1,510,703</u>	<u>0</u>	<u>96,682,116</u>
Less accumulated depreciation:				
Land improvements	(5,514)	0	0	(5,514)
Collections and distribution	(26,691,216)	(2,382,681)	0	(29,073,897)
Vehicles and equipment	(519,928)	(59,767)	0	(579,695)
Total accumulated depreciation	<u>(27,216,658)</u>	<u>(2,442,448)</u>	<u>0</u>	<u>(29,659,106)</u>
Total capital assets, being depreciated, net	<u>67,954,755</u>	<u>(931,745)</u>	<u>0</u>	<u>67,023,010</u>
Business-Type Activities Capital Assets, Net	<u>\$ 102,284,560</u>	<u>\$ (931,745)</u>	<u>\$ 0</u>	<u>\$ 101,352,815</u>

Depreciation expense was charged to programs of the District as follows during the year ended December 31, 2020:

Governmental activities	
General Government	<u>\$ 210,111</u>
Business-type activities	
Water	\$ 1,699,455
Sewer	<u>742,993</u>
Total	<u>\$ 2,442,448</u>

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

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, 2020:

	Balance 12/31/2019 (as restated)	Additions	Payments	Balance 12/31/2020	Due Within One Year
Governmental-Type Activities:					
2005 CWRPDA Loan	\$ 3,900,000	\$ 0	\$ 505,000	\$ 3,395,000	\$ 520,000
Loan Premium	139,342	0	23,133	116,209	0
CWCB Loan	16,542,239	0	439,020	16,103,219	453,288
CWCB-Raw Water	2,153,078	0	49,778	2,103,300	51,296
2015 CWRPDA Loan	4,287,752	0	231,623	4,056,129	228,827
CWCB Ravenna Development	1,461,664	2,386	0	1,464,050	36,308
Compensated absences	12,739	0	0	12,739	2,123
Total	<u>\$ 28,496,814</u>	<u>\$ 2,386</u>	<u>\$ 1,248,554</u>	<u>\$ 27,250,646</u>	<u>\$ 1,291,842</u>

*See Note 9 for documentation related to prior period adjustment impacting beginning balance of debt.

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.

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 2.07% per annum.

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 subdistrict 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 loan matures February 2047 and requires a cash reserve equal to 3 months operating expenses as stated in the agreement, see Note 1.

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 \$1,461,050 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, 2020, the outstanding balance is \$1,461,664. The loan requires a cash reserve equal to one tenth of the annual debt service as stated in the agreement, see Note 1.

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>
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	1,448,217	672,458	2,120,675
2026-2030	5,241,788	2,624,498	7,866,286
2031-2035	5,340,044	1,947,259	7,287,303
2036-2040	4,931,886	1,231,077	6,162,963
2041-2045	4,465,356	430,576	4,895,932
2046-2047	334,663	14,843	349,506
Total	<u>\$ 27,121,698</u>	<u>\$ 9,977,089</u>	<u>\$ 37,098,787</u>

Business-Type Activities

Following are the long-term debt transactions of the business-type activities for the year ended December 31, 2020:

<u>Business-Type Activities</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Due Within</u> <u>One Year</u>
Accrued compensated absences	<u>\$ 58,702</u>	<u>\$ 21,712</u>	<u>\$ 0</u>	<u>\$ 80,414</u>	<u>\$ 13,404</u>

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, the District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - PUBLIC ENTITY RISK POOL (CONTINUED)

In the event aggregated losses incurred by the Pool exceeded amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

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

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability of loss, to the limit of the financial resources of the Pool.

It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members. The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the Pool. A member of management is on the Board of Directors for the Pool. Settled claims have not exceeded coverage in any of the past three fiscal years.

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 2020.

The District may contribute up to 15% of each participating employee's compensation. During the year ended December 31, 2020, the District contributed \$118,499 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.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - RETIREMENT COMMITMENTS (CONTINUED)

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 - COMMITMENTS AND CONTINGENCIES

Tabor Amendment

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

In November 2001, the District electors allowed the District to spend the full proceeds of any taxes, fees, charges, grants, rates, tolls or any other revenues collected in fiscal year 2000 and in all subsequent fiscal years without regard to any limitation contained in the Amendment. 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, 2020, the emergency reserve of \$61,335 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.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Other Commitments and Contingencies (continued)

During 2020, the District entered into an intergovernmental agreement (IGA) with Dominion Water and Sanitation District (Dominion) for the temporary lease of and acquisition of capacity in the District's wastewater conveyance system. Pursuant to the IGA, Dominion is required to pay the District (1) an annual lease payment of \$150,000 and up to \$400,000 dependent on the number of Dominion equivalent residential unit (EQR) connections, (2) an operations fee of twenty dollars per month per EQR connection, and (3) an annual capital improvements fee of \$1,000,000 through the year ended December 31, 2021 and an additional \$1,000,000 depending on the number of EQR connections, up to a total of \$5,000,000. The lease and capital improvement fees are paid annually in March based on the number of Dominion EQRs served by the District on December 31 of the previous year. In March 2021, the District received \$1,150,000 from Dominion. During the year ended December 31, 2020, the District recorded revenue of \$274,474 and deferred revenue of \$1,000,000 which will be recognized as revenue as the District incurs construction costs pursuant to the IGA. The IGA is effective until December 31, 2028.

NOTE 9 - PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2020, the District determined a prior period adjustment was necessary to adjust capital assets, debt, and cash balances reported during the prior year for governmental activities. Prior period adjustments adjusted accumulated depreciation on capital assets, reduced the principal balance of debt, and reduced cash balances which were not previously recorded by the District. See table below for impact.

	<u>As Previously Reported</u>	<u>Prior Period Adjustment</u>	<u>As Adjusted</u>
Government-wide Financial Statements			
Governmental Activities Net Position Beginning of Year	\$ (15,182,030)	\$ (434,309)	\$(15,616,339)
Governmental Activities Change in Net Position	\$ 1,190,922	\$ (203,113)	\$ 987,809
Governmental Funds			
Plum Valley Heights Fund Balance Beginning of Year	\$ 199,240	\$ (140,954)	\$ 58,286

REQUIRED SUPPLEMENTARY INFORMATION

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2020

	2020			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>Revenues</u>				
Property taxes	\$ 1,395,530	\$ 1,400,000	\$ 1,398,230	\$ (1,770)
Specific ownership taxes	90,000	100,000	118,580	18,580
Investment income	2,000	10,000	8,150	(1,850)
Miscellaneous revenues	1,000	2,000	2,045	45
Total Revenues	<u>1,488,530</u>	<u>1,512,000</u>	<u>1,527,005</u>	<u>15,005</u>
<u>Expenditures</u>				
Salaries and benefits	125,000	125,000	131,021	(6,021)
Accounting and audit	55,000	60,000	56,125	3,875
Contract labor	15,000	0	1,773	(1,773)
Data recovery	0	200,000	200,656	(656)
Director fees	8,000	8,000		8,000
Election Expense	30,000	25,000	22,653	2,347
Education	30,000	5,000	5,348	(348)
Engineering	50,000	50,000	38,823	11,177
Insurance	20,000	22,000	23,677	(1,677)
Legal fees	30,000	25,000	15,842	9,158
Miscellaneous	20,000	10,000	6,634	3,366
Office expense	40,000	60,000	43,645	16,355
Permits, dues and subscriptions	15,000	15,000	11,076	3,924
Rent	3,000	5,000	2,694	2,306
Repairs and maintenance	160,000	160,000	72,113	87,887
Treasurer fees	20,000	40,000	20,958	19,042
Utilities	5,000	5,000	1,334	3,666
Vehicle expense	6,000	6,000	1,155	4,845
Bank Charges	0	0	3,897	(3,897)
Capital outlay	12,000	0	12,646	(12,646)
Total Expenditures	<u>644,000</u>	<u>821,000</u>	<u>672,070</u>	<u>148,930</u>
Excess of Revenues Over Expenditures	844,530	691,000	854,935	163,935
<u>Other Financing Sources (Uses)</u>				
Transfers out	<u>(700,000)</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ 144,530</u>	<u>\$ (9,000)</u>	154,935	<u>\$ 163,935</u>
Fund Balances, Beginning			939,739	
Fund Balances, Ending			<u>\$ 1,094,674</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
PLUM VALLEY HEIGHTS
YEAR ENDED DECEMBER 31, 2020

	2020		
	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 467,661	\$ 462,133	\$ (5,528)
Specific ownership taxes	50,000	40,966	(9,034)
Other Income	75	12,021	11,946
 Total Revenues	 <u>517,736</u>	 <u>515,120</u>	 <u>(2,616)</u>
<u>Expenditures</u>			
Accounting and audit	12,000	11,000	1,000
Education	2,500	0	2,500
Engineering	25,000	0	25,000
Legal fees	7,500	1,607	5,893
Treasurer fees	9,000	6,932	2,068
Debt Service			
Principal	281,401	281,401	0
Interest	141,254	153,443	(12,189)
 Total Expenditures	 <u>478,655</u>	 <u>454,383</u>	 <u>24,272</u>
 Excess of Revenues Over (Under) Expenditures	 <u>39,081</u>	 <u>60,737</u>	 <u>21,656</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from loans	0	2,386	2,386
Transfers in	0	180,189	180,189
Total other financing sources	<u>0</u>	<u>182,575</u>	<u>182,575</u>
 Net Change in Fund Balances	 <u>\$ 39,081</u>	 243,312	 <u>\$ 201,845</u>
Fund Balances, Beginning as Restated		<u>58,286</u>	
Fund Balances, Ending		<u>\$ 301,598</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

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, 2020

	2020		
	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Miscellaneous income	1,000,000	0	\$ (1,000,000)
Total Revenues	1,000,000	0	(1,000,000)
<u>Expenditures</u>			
Capital Outlay	1,000,000	3,273	996,727
Total Expenditures	1,000,000	3,273	996,727
Excess of Revenues Over (Under) Expenditures	0	(3,273)	(3,273)
Net Change in Fund Balances	\$ 0	(3,273)	\$ (3,273)
Fund Balances, Beginning		546,589	
Fund Balances, Ending		\$ 543,316	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2020

	2020			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>Revenues</u>				
Property taxes	\$ 687,874	\$ 687,874	\$ 688,643	\$ 769
Specific ownership taxes	80,000	80,000	58,449	(21,551)
Investment income	10,000	10,000	20,658	10,658
Total Revenues	<u>777,874</u>	<u>777,874</u>	<u>767,750</u>	<u>(10,124)</u>
<u>Expenditures</u>				
General government	13,010	13,010	10,329	2,681
Debt Service				
Principal	1,026,445	1,026,445	944,020	82,425
Interest	718,907	718,907	658,855	60,052
Total Expenditures	<u>1,758,362</u>	<u>1,758,362</u>	<u>1,613,204</u>	<u>145,158</u>
Excess of Revenues Over (Under) Expenditures	(980,488)	(980,488)	(845,454)	135,034
<u>Other Financing Sources (Uses)</u>				
Transfers in	1,294,425	1,294,425	1,298,402	3,977
Transfers out	0	(180,189)	(180,189)	0
Total other financing sources (uses)	<u>1,294,425</u>	<u>1,114,236</u>	<u>1,118,213</u>	<u>3,977</u>
Net Change in Fund Balances	<u>\$ 313,937</u>	<u>\$ 133,748</u>	272,759	<u>\$ 139,011</u>
Fund Balances, Beginning			<u>5,829,607</u>	
Fund Balances, Ending			<u>\$ 6,102,366</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS
WATER FUND
YEAR ENDED DECEMBER 31, 2020

	2020			Variance Positive
	Original Budget	Final Budget	Actual	(Negative)
Revenues				
Charges for services	\$ 3,000,000	\$ 3,000,000	\$ 4,613,267	\$ 1,613,267
Permit fees	1,200	1,200	10,725	9,525
Other water sales	377,575	377,575	594,327	216,752
Miscellaneous	70,000	70,000	41,640	(28,360)
Capital charges	1,116,808	1,116,808	1,225,024	108,216
Dominion distribution operations	1,099,000	1,099,000	279,714	(819,286)
Inclusion fees	50,000	50,000	266,665	216,665
Reimbursements	82,425	82,425	11,220	(71,205)
System development charges	90,000	90,000	957,572	867,572
Investment income	50,000	50,000	46,716	(3,284)
Availability charges	90,000	90,000	156,604	66,604
Transfers in	500,000	500,000	500,000	0
Total Revenues	<u>6,527,008</u>	<u>6,527,008</u>	<u>8,703,474</u>	<u>2,176,466</u>
Expenditures				
Accounting and audit	65,000	58,500	52,247	6,253
Permits, dues and subscriptions	8,000	6,000	6,506	(506)
Contract labor	55,000	40,000	35,261	4,739
Education	50,000	40,000	15,208	24,792
Engineering	200,000	300,000	344,083	(44,083)
GPS/GIS	75,000	75,000	20,240	54,760
Insurance	35,000	36,000	47,025	(11,025)
Lab and test fees	22,000	25,000	31,168	(6,168)
Legal fees	75,000	50,000	34,548	15,452
Meter expense	125,000	125,000	53,983	71,017
Miscellaneous	20,000	14,000	35,850	(21,850)
Office expense	40,000	27,000	29,750	(2,750)
Operating supplies	124,000	150,000	103,771	46,229
Payroll, taxes and benefits	940,000	1,110,000	954,036	155,964
Repairs and maintenance	278,000	450,000	456,111	(6,111)
Safety Equipment	7,000	4,000	2,474	1,526
Utilities	225,000	220,000	223,057	(3,057)
Vehicle expense	35,000	35,000	13,636	21,364
Dominion	80,000	30,000	4,472	25,528
Water cost	1,650,000	2,047,000	2,303,212	(256,212)
Capital outlay	2,700,000	2,500,000	1,093,388	1,406,612
Conservation rebates	2,500	2,500	600	1,900
Water rights capital	100,000	100,000	37,748	62,252
Transfers out	1,254,425	1,254,425	1,244,521	9,904
Total Expenditures	<u>8,165,925</u>	<u>8,699,425</u>	<u>7,142,895</u>	<u>1,556,530</u>
Change in Net Position, Budgetary Basis	<u>\$ (1,638,917)</u>	<u>\$ (2,172,417)</u>	1,560,579	<u>\$ 619,936</u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS
WATER FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Reconciliation to GAAP Basis	
Capital outlay	1,093,388
Depreciation	<u>(1,699,455)</u>
Change in net position, GAAP Basis	954,512
Net position, beginning	<u>92,622,721</u>
Net position, ending	<u><u>\$ 93,577,233</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, 2020

	2020		Variance Positive (Negative)
	Original and Final Budget	Actual	
Revenues			
Charges for services	\$ 1,500,000	\$ 1,702,026	\$ 202,026
Charges for services-Lockheed			
Martin Agreement	300,000	289,101	(10,899)
Permit fees	5,000	20,625	15,625
Miscellaneous	30,000	14,398	(15,602)
Investment income	15,000	55,334	40,334
Availability charges	40,000	53,881	13,881
System development charges	50,000	487,760	437,760
Dominion sewer services	137,600	275,423	137,823
Capital - surcharges	120,000	148,637	28,637
Transfer in	200,000	200,000	-
Total Revenues	<u>2,397,600</u>	<u>3,247,185</u>	<u>849,585</u>
Expenditures			
Accounting and audit	30,000	26,125	3,875
Contract labor	40,000	35,261	4,739
Dominion expense	50,000	9,098	40,902
Education	30,000	7,411	22,589
Engineering	100,000	125,128	(25,128)
GPS/GIS	50,000	2,725	47,275
Insurance	12,500	23,202	(10,702)
Lab and test fees	1,000	1,579	(579)
Legal fees	35,000	17,448	17,552
Miscellaneous	8,000	2,416	5,584
Littleton service fees	925,000	921,915	3,085
Office expense	20,000	21,646	(1,646)
Operating supplies	80,000	45,343	34,657
Permits, dues and subscriptions	3,000	2,100	900
Payroll, taxes and benefits	310,000	336,029	(26,029)
Repairs and maintenance	200,000	144,310	55,690
Safety Equipment	2,000	1,260	740
Utilities	110,000	86,552	23,448
Vehicle expense	8,000	5,904	2,096
Capital outlay	2,025,000	417,320	1,607,680
Transfer out	40,000	53,881	(13,881)
Total Expenditures	<u>4,079,500</u>	<u>2,286,653</u>	<u>1,792,847</u>
Change in Net Position, Budgetary Basis	<u>\$ (1,681,900)</u>	960,532	<u>\$ 2,642,432</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, 2020

Reconciliation to GAAP Basis	
Capital outlay	417,320
Depreciation	<u>(742,993)</u>
Change in net position, GAAP Basis	634,859
Net position, beginning	<u>25,882,446</u>
Net position, ending	<u><u>\$ 26,517,305</u></u>

See the accompanying Independent Auditors' Report.