

West Jefferson County Metropolitan District

FINANCIAL STATEMENTS

AND

SUPPLEMENTAL INFORMATION

Years Ended December 31, 2020 and 2019

West Jefferson County Metropolitan District

TABLE OF CONTENTS

Years Ended December 31, 2020 and 2019

INDEPENDENT AUDITOR'S REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	i-viii
BASIC FINANCIAL STATEMENTS	
STATEMENTS OF NET POSITION	3
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 - 16
SUPPLEMENTAL INFORMATION	17
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE (BUDGETARY BASIS)	18 - 21
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS) WASTEWATER DEPARTMENT	22 - 23
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS) WATER DEPARTMENT	24
RECONCILIATION OF (BUDGETARY BASIS) FUNDS AVAILABLE TO (GAAP BASIS) CHANGE IN NET POSITION	25



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
West Jefferson County Metropolitan District
Jefferson County, Colorado

We have audited the accompanying financial statements of West Jefferson County Metropolitan District (the District) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Jefferson County Metropolitan District, as of December 31, 2020 and 2019, and the changes in financial position and cash flows thereof for the years 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 management's discussion and analysis on pages i through viii 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 management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The supplemental information for the year ended December 31, 2020, as listed in the table of contents, is presented for purposes of additional analysis and legal requirements, and is not a required part of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial 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.

Fiscal Focus Partners, LLC

Greenwood Village, Colorado
June 29, 2021

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

The discussion and analysis of West Jefferson County Metropolitan District's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the notes to the basic financial statements and the financial statements to enhance their understanding of the District's performance.

Financial Highlights

- Assets of the District exceeded its liabilities at the close of the fiscal year by \$13,938,203 (net position). Of this amount, \$4,823,837 (unrestricted net position) may be used to meet the government's ongoing obligations to its citizens and creditors.
- The District's total net position decreased by \$105,590 from the prior fiscal year.
- Water operating revenues decreased \$174,027 from the prior year. Water operating revenues are made up of metered water sales, water system development fees, inclusion fees, cost recovery fees, connection and inspection fees, and service charges. The metered water sales increased \$235,960, service charges increased \$749, and connection and inspection fees decreased \$7,236. System development fees decreased \$488,500, inclusion fees increased \$85,000, and cost recovery fees remained the same at \$-0-.
- Wastewater operating revenues increased \$56,876 over the prior year. The increase was due to an increase in the West Jeff wastewater base rate and an increase in number of taps receiving service for a revenue increase of \$40,768 and an increase in the El Rancho wastewater base rate and an increase in the number of taps receiving service for a revenue increase of \$16,108.
- Total Operating expenses decreased \$250,227. Total Operating expenses include water operating expenses, wastewater operating expenses, administrative expenses and depreciation and amortization.
- Water operating expenses are made up of metered water purchases, water system development fees, inclusion fees, cost recovery fees, connections and inspection fees, and service charges. Water operating expenses decreased \$174,027 over the prior year which was due to an increase in metered water purchases of \$235,960, an increase in service charges of \$749, and a decrease in connection and inspection fees of \$7,236. System development fees decreased \$488,500, inclusion fees increased \$85,000 and cost recovery fees remained the same at \$-0-.
- Wastewater operating expenses decreased \$64,411 from the prior year primarily due to a decrease in collection repairs and maintenance for mains of \$44,456, a decrease

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

in repairs and maintenance for lift stations of \$43,808, a decrease in treatment plant supervision and labor of \$9,100, an increase in treatment plant repairs, maintenance and supplies of \$12,786, an increase of \$8,951 in sludge disposal, an increase in treatment plant chemicals of \$5,719, and an increase in utilities of \$5,194, and an increase in operating expenses including pretreatment, truck expense, lab analysis, supplies and maintenance, training, safety, and dues of \$303. The 2020 decreases in collection repairs and maintenance for mains and lift stations from the prior year were primarily due to the COVID-19 pandemic and restrictions on the performance of services during the year.

- Administrative expenses decreased \$1,548 over the prior year primarily due to a decrease in legal, office supplies, miscellaneous, training, meeting, dues, administrative expenses-labor and operating of \$5,534, and an increase in Directors' fees and taxes, election, insurance, audit and billing of \$3,986.
- Depreciation expenses decreased \$10,241 in 2020.
- Wastewater system development fees and inclusions generated \$58,000 in revenue in 2020.

Overview of the Financial Statements

The West Jefferson County Metropolitan District basic financial statements included in this report are those of a special purpose government engaged in a business-type activity, providing Water and Wastewater Treatment Services. The statements are comprised of two components: 1) basic financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements. The basic 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 *Statements 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 *Statements of Revenues, Expenses and Changes in Net Position* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported in the year 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 statement reports the District's operating

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

and nonoperating revenue by source along with operating and nonoperating expenses and capital contributions.

The *Statements of Cash Flows* reports the District's cash flows from operating activities, investing, capital and noncapital activities.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic and fund financial statements.

Supplemental Information.

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. West Jefferson County Metropolitan District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. West Jefferson County Metropolitan District maintains a single enterprise fund to account for Wastewater and Water services.

West Jefferson County Metropolitan District adopts an annual appropriated budget for the enterprise fund. A budgetary comparison statement has been provided in the supplemental information to demonstrate compliance with the budget.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of West Jefferson County Metropolitan District, assets exceeded liabilities by \$13,938,203 at the close of the most recent fiscal year.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

**West Jefferson County Metropolitan District
Net Position**

	2020	2019
Assets		
Current assets	\$ 5,248,917	\$ 5,950,263
Capital assets	9,114,366	8,462,923
Total Assets	14,363,283	14,413,186
Liabilities		
Current and other liabilities	425,080	369,393
Total Liabilities	425,080	369,393
Net Position		
Net investment in Capital Assets	9,114,366	8,462,923
Unrestricted	4,823,837	5,580,870
Total Net Position	\$ 13,938,203	\$ 14,043,793

- The largest portion of the District's net position (65 percent) reflects its investment in capital assets (e.g., disposal facilities, collection, transmission and distribution lines and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these net position assets are *not* available for future spending. As the District has no outstanding debt, its investment in capital assets reflects book value.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Changes in Net Position		
	<u>2020</u>	<u>2019</u>
Operating revenues		
Charges for services	\$ 3,053,766	\$ 3,170,917
Nonoperating revenues		
Net investment income	55,918	106,395
System development fees	40,000	665,000
Inclusions	18,000	0
Capital Contributions	4,000	0
Other income	13,169	3,634
Total Revenues	<u>3,184,853</u>	<u>3,945,946</u>
Operating expenses		
Water purchases	1,912,292	2,086,319
Operating expenses	650,683	715,094
Administrative expenses	224,565	226,113
Depreciation and amortization	502,903	513,144
Total Expenses	<u>3,290,443</u>	<u>3,540,670</u>
Change in Net Position	(105,590)	405,276
Net Position-Beginning	<u>14,043,793</u>	<u>13,638,517</u>
Net Position-Ending	<u>\$ 13,938,203</u>	<u>\$ 14,043,793</u>

The District experienced less growth in 2020 than was budgeted for residential and commercial development. The wastewater system development fees received of \$40,000 for 2020 were \$163,000 less than budgeted and the water system development fees of \$36,000 were \$114,000 less than budgeted for 2020. The District's total net position decreased by \$105,590 from the prior fiscal year.

Enterprise Fund Budgetary Highlights

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing years. The Board of Directors can only amend appropriation resolutions upon completion of notification and publication requirements. No changes were made to the original approved budget for 2020.

- Special development fee revenue and expenditures of \$545,000 were budgeted in 2020 for the water and wastewater funds and none were received or paid. Therefore, revenue and expenditures for these items were \$545,000 less than budgeted amounts. Also, system

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

development fee revenue and expenditures of \$150,000 were budgeted for the water fund. The District received and paid \$36,000 for water system development fees in 2020. Also, revenue for wastewater system development fees of \$203,000 was budgeted and the District received \$40,000 for wastewater system development fees in 2020.

Capital Asset and Debt Administration

Capital assets. The West Jefferson County Metropolitan District’s investment in capital assets for business type activities as of December 31, 2020 amounts to \$9,114,366 (net of accumulated depreciation). This investment in capital assets includes land, disposal facilities and equipment. The disposal facilities include infrastructure for collection and transmission.

	2020	2019
Capital Assets:		
Land	\$ 62,631	\$ 62,631
Disposal facilities	6,417,853	6,417,853
Collection and transmission lines	11,753,425	11,620,735
Equipment and Buildings	831,138	769,183
Construction in progress	1,084,484	148,846
Mapping	27,678	27,678
Less: Accumulated depreciation	(11,062,843)	(10,584,003)
Total Capital Assets	\$ 9,114,366	\$ 8,462,923

Major capital asset projects during the current year included the following:

- The major capital assets acquired and projects completed during the year included sewer line replacement and rehabilitation costs of \$128,690, the TV camera and computer replacement costs of \$43,400, vehicle replacement cost of \$26,496, and miscellaneous equipment costs of \$16,123. The District’s major capital projects in progress at the end of the year included the engineering for the wastewater treatment facility design which was in progress at the end of 2019 with costs of \$148,846 and costs of \$470,469 expended in 2020. The total costs for the engineering for the wastewater treatment facility design at the end of 2020 were \$619,315 with the project still in progress. The wastewater treatment facility improvement project with costs of \$465,170 expended in 2020 with the project still in progress.
- The District’s water and sewer mains are in average to good condition. The District’s major capital projects for 2021 are the wastewater treatment facility improvement project budgeted for \$5,600,000, the engineering for the wastewater treatment facility improvement project budgeted for \$193,120, the thickener replacement budgeted for \$227,500, baldy lift station pumps and flow meter budgeted for \$180,000, sewer line replacement budgeted for \$50,000, and miscellaneous infrastructure improvements and equipment budgeted for \$89,960.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Economic Factors and Next Year's Budget

- The District's legal counsel monitors all proposed legislation. At this time, no legislation that poses a significant negative impact to the District is anticipated.
- The water rate in effect for 2021 will be a base rate of \$29.50 per month remaining the same as 2020. The new usage rates for 2021 will be \$3.30 per thousand gallons (1-14 thousand gallons per month) increasing from \$3.10 for 2020 and the new usage rates for 2021 per thousand gallons (over 14 thousand gallons per month) will be \$6.00 increasing from \$5.20 for 2020.
- On April 15, 2021, a Public Hearing was held for the Board of Directors to consider an increase in water service drought penalty rates. On May 20, 2021, the Board of Directors approved new drought penalty rates effective for 2021.
The new tiers and rates for Drought Level 2 are:
 - 0-5,000 gallons no penalty rate
 - 5,000 – 12,000 gallons \$6.00 per 1,000 gallons
 - Over 12,000 gallons \$15.00 per 1,000 gallonsThe new tiers and rates for Drought Level 3 are:
 - 0-5,000 gallons no penalty rate
 - 5,000 – 7,500 gallons \$12.00 per 1,000 gallons
 - Over 7,500 gallons \$30.00 per 1,000 gallons
- The wastewater base rate in effect for West Jeff customers for 2021 will be a new base rate of \$35.50 per month increasing from \$34.00 for 2020. The wastewater base rate in effect for El Rancho customers for 2021 will be a new base rate of \$51.50 per month increasing from \$50.00 for 2020.
- The residential wastewater system development tap fee in effect for 2021 for Single family dwelling and Multi-unit dwelling will be \$20,000 per tap for unit size greater than 1,250 square feet and \$10,000 per tap for unit size less than 1,250 square feet remaining the same as 2020. The non-residential system development tap fee in effect for 2021 will be \$20,000 per tap remaining the same as 2020.
- The District budgeted for 1 West Jeff residential wastewater tap at \$20,000. The District budgeted for 2 El Rancho wastewater residential taps at \$40,000. Total system development fees budgeted for 2021 are \$60,000.
- The District adopted an amendment and replaced in its entirety the regulations for Inactive Service effective January 21, 2016. Inactive water or wastewater service is authorized for water and wastewater taps that have been designated as inactive as of January 21, 2016. No new inactive taps were authorized after January 21, 2016. All water and wastewater taps designated as inactive as of January 21, 2016 expired on December 31, 2020, and thereafter will be treated as an active tap and be subject to standard rates, fees and charges applicable to all water and wastewater taps.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Requests for Information

This financial report is designed to provide a general overview of West Jefferson County Metropolitan District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Manager, Nancy A. Luzadder, West Jefferson County Metropolitan District, 30920 Stagecoach Blvd. Evergreen, Colorado 80439.

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT

STATEMENTS OF NET POSITION

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT OPERATING ASSETS		
Cash and cash equivalents	\$ 2,811,074	\$ 3,811,955
Investments	2,095,000	1,399,779
Accrued interest receivable	6,397	10,627
Trade accounts receivable, net of \$ 0 allowance	168,023	155,212
Accounts receivable - other	103,732	548,030
Deposits	38,097	-
Prepaid expenses and sundry receivables	26,007	24,075
Total current assets	<u>5,248,330</u>	<u>5,949,678</u>
CURRENT RESTRICTED ASSETS		
Restricted cash - developer funds	<u>587</u>	<u>585</u>
CAPITAL ASSETS		
PROPERTY, PLANT AND EQUIPMENT		
Land	62,631	62,631
Disposal facilities	6,417,853	6,417,853
Collection, transmission and distribution lines	11,753,425	11,620,735
Construction in Progress	1,084,484	148,846
Equipment	831,138	769,183
Mapping	27,678	27,678
Total property , plant and equipment	<u>20,177,209</u>	<u>19,046,926</u>
Less accumulated depreciation	<u>(11,062,843)</u>	<u>(10,584,003)</u>
Net property, plant and equipment	<u>9,114,366</u>	<u>8,462,923</u>
TOTAL ASSETS	<u>\$ 14,363,283</u>	<u>\$ 14,413,186</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 424,580	\$ 368,893
Developer funds	500	500
Total current liabilities	<u>425,080</u>	<u>369,393</u>
NET POSITION		
Net investment in capital assets	9,114,366	8,462,923
Unrestricted	4,823,837	5,580,870
Total net position	<u>13,938,203</u>	<u>14,043,793</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 14,363,283</u>	<u>\$ 14,413,186</u>

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

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years Ended December 31, 2020 and 2019

	2020	2019
OPERATING REVENUE		
Water operating revenues and service charges	\$ 1,912,292	\$ 2,086,319
Wastewater treatment charges	1,141,038	1,084,162
Connection fees	436	436
Total operating revenue	3,053,766	3,170,917
OPERATING AND ADMINISTRATIVE EXPENSES		
Water operating purchases	1,912,292	2,086,319
Operating expenses	650,683	715,094
Administrative expenses	224,565	226,113
Depreciation and amortization	502,903	513,144
Total operating expenses	3,290,443	3,540,670
OPERATING LOSS	(236,677)	(369,753)
NON-OPERATING REVENUE (EXPENSE)		
Net investment income	55,918	106,395
Wastewater system development fees sold	40,000	665,000
Contributions of facilities by developers	4,000	-
Availability to serve	2,130	2,160
Other income	1,640	620
Sale of Assets	8,501	-
Safety & Loss Prevention Grant	898	854
Inclusions	18,000	-
Total non-operating revenue	131,087	775,029
CHANGE IN NET POSITION	(105,590)	405,276
NET POSITION - BEGINNING	14,043,793	13,638,517
NET POSITION - ENDING	\$ 13,938,203	\$ 14,043,793

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

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and users	\$ 3,485,254	\$ 2,674,774
Cash paid to suppliers	<u>(2,771,881)</u>	<u>(2,763,666)</u>
Net cash provided (required) by operating activities	<u>713,373</u>	<u>(88,892)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
System development fees received	40,000	665,000
Inclusion fees received	18,000	-
Proceeds from sale of asset	8,501	-
Other income	2,538	1,474
Availability to serve	2,130	2,160
Treatment plant and equipment purchases	<u>(1,150,348)</u>	<u>(124,783)</u>
Net cash provided (required) by capital financing activities	<u>(1,079,179)</u>	<u>543,851</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturity of long-term investments	549,779	1,691,093
Purchase of long-term investments	(1,245,000)	(500,000)
Interest income received	<u>60,148</u>	<u>112,544</u>
Net cash provided (required) by investing activities	<u>(635,073)</u>	<u>1,303,637</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(1,000,879)	1,758,596
Cash, cash equivalents and restricted cash, beginning of year	<u>3,812,540</u>	<u>2,053,944</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 2,811,661</u>	<u>\$ 3,812,540</u>
RECONCILIATION OF OPERATING TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	\$ <u>(236,677)</u>	\$ <u>(369,753)</u>
ADJUSTMENTS TO RECONCILE NET OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation and amortization	502,903	513,144
Changes in operating assets and liabilities:		
(Increase) decrease in trade accounts receivable	(12,811)	(5,723)
(Increase) decrease in accounts receivable - other	444,298	(490,420)
(Increase) in prepaid expenses and sundry receivables	(40,029)	(2,101)
Increase (decrease) in accounts payable & accrued expenses	<u>55,689</u>	<u>265,961</u>
Total adjustments	<u>950,050</u>	<u>280,861</u>
Net cash provided (required) by operating activities	<u>\$ 713,373</u>	<u>\$ (88,892)</u>
NON-CASH INVESTING AND FINANCING TRANSACTIONS		
Contributed Capital Assets	<u>\$ 4,000</u>	

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

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles applicable to governmental units. A summary of the District's significant accounting policies consistently applied in the preparation of these financial statements follows:

The West Jefferson County Metropolitan District is a quasi-municipal corporation and political subdivision and is governed pursuant to provisions of the Colorado Special District Act. The District provides water and sanitation services. As more fully described in Note 5 to the financial statements, the District purchases water, water management services, and sanitation management services from the Evergreen Metropolitan District. The District has an elected Board of Directors. The District has no employees; all operations and administrative functions are contracted out.

A. Principles Determining Scope of Reporting Entity

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which government activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The foregoing criteria are used to determine whether an entity is a component of another governmental entity or whether the agency or organization should be included in reports of this reporting entity.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as proprietary enterprise funds. The enterprise fund is used since the District's powers are related to those operated in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies - (continued)

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense; expenditures for property, plant and equipment are shown as an increase in assets.

The District distinguishes between *operating* revenues and expenses and *nonoperating items*. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing business of providing water and wastewater services. The primary operating revenues are for charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of assets. All revenue 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 policy to use restricted resources first, then unrestricted resources, as they are needed.

C. Assets, Liabilities and Net Position

Cash Deposits and Investments

The District considers all highly liquid investments of three months or less to be cash equivalents.

The District has implemented the accounting and reporting requirements of Governmental Accounting Standard's Board (GASB) No. 79, *Certain External Investment Pools and Pool Participants*. The GASB 79 statement allows many state and local government external investment pools to qualify for amortized cost accounting. Certificates of deposit with an original maturity of one year or less are reported at amortized cost, which approximates fair value. Asset backed securities such as Federal Home Loan Mortgage Corporation and Government National Mortgage Association notes are reported at cost, which approximates fair value.

At December 31, 2020 the carrying amount of investments approximates fair value.

Property, Plant and Equipment

The District defines capital assets as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies - (continued)

Property, Plant and Equipment

Property, plant and equipment are recorded at the cost to the District if purchased or the developer's cost if contributed. Assets contributed to the District prior to 1967 were not capitalized. Depreciation of exhaustible fixed assets is being provided over the estimated useful lives of the assets using the straight line method. Estimated useful lives of the assets placed in service are as follows:

Water Lines and Wastewater Lines	50 Years
Disposal Facilities	50 Years
Operating and Office Equipment	3-20 Years

D. Budgets and Budgetary Accounting

Formal budgetary integration is employed as a management control device during the year for the Enterprise Fund. Formal budgetary integration is also employed to comply with the State of Colorado Budget Law.

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

1. Budgets are required by state law for all proprietary funds. Prior to October 15, a proposed operating budget for each fund is submitted to the Directors for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the Board of Directors to obtain taxpayer comments. The budget is formally adopted by resolution after considering comments received.
3. No Mill levy was assessed for the year ended December 31, 2020.
4. The expenditures are appropriated by December 31 for the ensuing year. The appropriation is at the total fund level and lapses at year end.
5. Expenditures may not legally exceed appropriations at the fund level. However, administrative control of the budget is exercised by the Board of Directors. Board approval is required for any revisions that alter total expenditures.
6. The budgets in the financial statement are as adopted by the Board of Directors. No changes were made to the originally adopted budget. A single budget is adopted for one enterprise fund. The adopted budget is shown on pages 17 - 24 of the Supplemental Information. Additional budget presentations for the Water and Wastewater departments are also included for informational purposes only.

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies - (continued)

E. System Development Fees

System development fees represent amounts collected from customers and developers in order to develop or access District water and collection lines. System development fees are reflected as non-operating revenue.

F. Estimates

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

Note 2 – Cash and Investments

Cash Deposits - As of December 31, 2020, the carrying amount of the District's cash deposits were \$2,283,923 and the bank balance of these deposits were \$2,301,721. These cash deposits are comprised of demand deposits held at financial institutions and certificates of deposit. Of the carrying amount, \$2,183,923 was covered by federal depository insurance. Of the bank balance, \$2,201,721 was covered by federal depository insurance. The insured amount does not include pooled investments in Colorado Surplus Asset Fund Trust (CSAFE Cash) of \$2,558, Colorado Surplus Asset Fund Trust (Colorado Core) of \$1,755,255, and Colorado Local Government Liquid Asset Trust (Colotrust Plus+) of \$864,924.

Colorado State statutes govern the entity's deposit of cash. The Colorado Public Deposit Protection Act (PDPA) requires the state regulators to certify eligible depositories for public deposit. The act requires the eligible depositories with public deposits in excess of the federal insurance levels to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. 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 assets in the pool must be equal to 102% of the uninsured deposits.

Investments - Colorado State Statutes define eligible investments for local governments. These include U.S. Treasury obligations, repurchase agreements, State of Colorado and local government obligations, and others. The statutes allow participation with other local governments in pooled investment funds managed by mutual agreement with the same restrictions on deposits and investments. District policy is to hold investments until maturity.

Local Government Investment Pools - Pooled investment funds (trusts) are supervised by the participating governments and must comply with the same restrictions on cash deposits and investments explained in the preceding paragraphs. Investment funds or money market funds are not categorized because they are not evidenced by securities that exist in physical or book form.

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 2 – Cash and Investments - (continued)

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE Cash and CSAFE Colorado Core which record their investments at amortized costs, and COLOTRUST which are recorded at net asset value.

The local government investment pools, which include the Colorado Surplus Asset Fund Trust (CSAFE Cash) and the Colorado Local Government Liquid Asset Trust (Colostrust Plus), are rated AAAM by Standard & Poor's. CSAFE Colorado Core is rated AAAf/S1 by Fitch Ratings.

Cash deposits and investments held by the District at December 31, 2020 were as follows:

	Book Balance	Bank Balance
<i>Cash Deposits</i>		
Demand deposits - unrestricted	\$ 188,336	\$ 206,134
Demand deposits - restricted	587	587
Certificates of deposits	2,095,000	2,095,000
Total cash deposits	\$ 2,283,923	\$ 2,301,721
<i>Investments</i>		
Uncategorized:		
Pooled investment trust	2,622,738	
Total investments	\$ 2,622,738	
Total cash deposits and investments	\$ 4,906,661	

At December 31, 2020, the District had invested \$864,924 in the Colorado Local Government Liquid Asset Trust (the Trust), a local government investment pool. As an investment pool, the Trust operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The Trust is exempt from registration with the Securities and Exchange Commission. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios are rated AAAM by Standard and Poor's and may invest in U.S. Treasury Securities, repurchase agreements collateralized by U. S. Treasury Securities. COLOTRUST Plus+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 2 – Cash and Investments - (continued)

Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method.

At December 31, 2020, the District had invested \$1,757,813 in Colorado Surplus Asset Fund Trust (the Trust). The Trust offers funds in two portfolios, CSAFE Cash (CSAFE) and CSAFE Colorado Core (CORE). As an investment pool, the Trust operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The Trust invests in securities that are specified by the Colorado Revised Statutes (24-75-601). CSAFE authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. CSAFE measures all of its investments at amortized cost with a weighted average maturity of 60 days or less. CSAFE is rated AAAM by the Standard & Poor's Corporation. There are no unfunded commitments; the redemption frequency is daily and there is no redemption notice period. At December 31, 2020, the District has invested \$2,558 in CSAFE. CORE authorized securities primarily include highly rated commercial paper and corporate bonds, bank deposits (collateralized through PDPA) and other Colorado LGIP funds inclusive of other funds offered by the Trust as allowed. CORE operates similarly to a money market fund and each share is equal in value to \$2.00. CORE measures all of its investments at amortized cost with a weighted average maturity of 180 days or less. CORE is rated AAAf/S1 by Fitch Ratings. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. At December 31, 2020, the District has invested \$1,755,255 in CORE.

Credit Risk -State statutes authorize the District to only invest in bank deposits, general obligations of the U.S. Government and its agencies, repurchase agreements of less than 180 days and collateralized by U.S. Treasury or Federal Instrumentality Securities with a maturity not exceeding 5 years, highest rated commercial paper, certain banker's acceptances, local government investment pools, money market funds and certificates of deposit. The District's formal investment policy also restricts investments to only those permitted by state statute. On August 8, 2011, Standard & Poor's downgraded the United States sovereign debt from AAA to AA+. Securities issued by entities directly tied to federal government also were downgraded one grade, including Government Sponsored Enterprises (GSEs), full faith and credit agencies, FDIC, TARP, and thousands of municipalities. On March 7, 2012, Colorado House Bill 1005 legislation passed which allows counties and other local governments to invest in U.S. securities that have been downgraded effective immediately. The statutes allow participation with other local governments in pooled investment funds managed by mutual agreement with the same restrictions on deposits and investments. As of December 31, 2020 the District did not have any investments in U.S. Government Agency Securities.

Concentration Risk - The District's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. The District's investments are concentrated in the local

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 2 – Cash and Investments - (continued)

government investment pools. As of December 31, 2020, the District has invested \$2,558 in CSAFE, \$1,755,255 in CORE, and \$864,924 in COLOTRUST PLUS+.

Interest Rate Risk - Colorado Revised Statutes limit the District’s investment maturities to 5 years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from interest rates.

Cash deposits and investments are reflected on the December 31, 2020 Statement of Net Position and Statement of Cash Flows as follows:

Cash and cash equivalents	\$	1,055,819
Investments		3,850,255
Restricted cash – developer funds		<u>587</u>
Total	\$	<u>4,906,661</u>

Note 3 - Capital Assets

Activity for capital assets which are capitalized by the District is summarized below for 2019:

	Balances January 1, 2019	Transfers/ Additions	Transfers/ Decreases	Balances December 31, 2019
Capital assets not being depreciated:				
Land	\$ 62,631	\$	\$	\$ 62,631
Construction in progress	<u>24,063</u>	<u>124,783</u>		<u>148,846</u>
Total capital assets not being depreciated	<u>86,694</u>	<u>124,783</u>	-	<u>211,477</u>
Capital assets being depreciated:				
Disposal facilities	6,417,853			6,417,853
Infrastructure	11,620,735			11,620,735
Other equipment and buildings	769,183			769,183
Mapping	<u>27,678</u>			<u>27,678</u>
Total capital assets being depreciated	<u>18,835,449</u>	-	-	<u>18,835,449</u>
Less accumulated depreciation for:				
Disposal facilities	3,185,107	188,574		3,373,681
Infrastructure	6,285,923	275,873		6,561,796
Other equipment and buildings	<u>599,829</u>	<u>48,697</u>		<u>648,526</u>
Total accumulated depreciation	<u>10,070,859</u>	<u>513,144</u>	-	<u>10,584,003</u>
Capital assets, net	<u>\$ 8,851,284</u>	<u>\$ (388,361)</u>	<u>\$ -</u>	<u>\$ 8,462,923</u>

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 3 - Capital Assets- (continued)

Activity for capital assets which are capitalized by the District is summarized below for 2020:

	Balances January 1, 2020	Transfers/ Additions	Transfers/ Decreases	Balances December 31, 2020
Capital assets not being depreciated:				
Land	\$ 62,631	\$	\$	\$ 62,631
Construction in progress	148,846	935,638		1,084,484
Total capital assets not being depreciated	211,477	935,638	-	1,147,115
Capital assets being depreciated:				
Disposal facilities	6,417,853			6,417,853
Infrastructure	11,620,735	132,690		11,753,425
Other equipment and buildings	769,183	86,018	(24,063)	831,138
Mapping	27,678			27,678
Total capital assets being depreciated	18,835,449	218,708	(24,063)	19,030,094
Less accumulated depreciation for:				
Disposal facilities	3,373,681	188,544		3,562,225
Infrastructure	6,561,796	275,872		6,837,668
Other equipment and buildings	648,526	38,487	(24,063)	662,950
Total accumulated depreciation	10,584,003	502,903	(24,063)	11,062,843
Capital assets, net	\$ 8,462,923	\$ (651,444)	\$ -	\$ 9,114,366

Note 4 - Developer Funds and Restricted Cash - Developer Funds

The District acts in a construction management capacity for wastewater line extension projects within its boundaries. Developers advance funds to the District based on construction estimates and bids as well as other costs relating to the project. The District disburses the funds based on applications for payment provided by the engineering firm. Separate records are maintained for each project, along with records detailing developer funds advanced and expended to date. Projects are not recorded on the books of the District until complete and accepted for maintenance. The balances in developer funds and restricted cash - developer funds as of December 31, 2020, represent unexpended advances held as of those dates and related cash.

Note 5 - Water Distribution and Wastewater Service Agreements

The District has entered into a water distribution and service agreement with the Evergreen Metropolitan District to provide water and water service based on an agreed upon fee schedule. Under the terms of the agreement, the Evergreen Metropolitan District provides complete management of the water system for the District, including maintenance, administrative services, collection of revenue and the issuance of water taps. The District does not derive any revenues in

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 5 - Water Distribution and Wastewater Service Agreements (continued)

excess of expenditures from the water system because the fees charged to District customers equals the fees charged by Evergreen Metropolitan District for services rendered.

The cost of the water transmission lines and the related depreciation is not reflected in these financial statements since ownership of the lines remains with the Evergreen Metropolitan District upon termination of the agreement or dissolution of the District.

The District has a contract with the Evergreen Metropolitan District whereby Evergreen Metropolitan District provides management and administrative services to the District. These services include operating, pretreatment, locates, billing, collection, accounting, general management, administrative functions, and administrative operating expenses. During the year ended December 31, 2020 the District paid a total of \$478,199 for these services and also provided laboratory facilities to the Evergreen Metropolitan District.

The District is party to several agreements with the Evergreen Metropolitan District and various developers of property within the District's boundaries through which the District has agreed to bill and collect water system development fees to be used to fund the construction of water main extensions, a pumping station, a treated-water storage reservoir, and related facilities. The District transfers all of the fees collected to the Evergreen Metropolitan District. During the year ended December 31, 2020, system development fees of \$36,000 and inclusion fees of \$85,000 were collected and transferred under the terms of these agreements.

Note 6 - El Rancho Prepaid Wastewater Taps

As part of the merger between West Jefferson County Metropolitan District and El Rancho Metropolitan District effective January 1, 2014, the District administers the sale and resulting reimbursement to the Developer for 121 prepaid wastewater taps. For each of the taps sold, the Developer receives \$13,500 and the District retains the remainder. As of December 31, 2020, the District has reimbursed the Developer for 46 taps. As of December 1, 2020 the District was no longer required to share revenue for these taps.

Note 7 - Intergovernmental Agreement for Shared Use Facility

The District entered into an Intergovernmental Agreement for Shared-Use Facility as of April 25, 2007 with Evergreen Metropolitan District (EMD) whereby EMD has constructed a garage and maintenance facility on District property. Use of the facility will be shared by both Districts. EMD will pay all the necessary expenses associated with the construction, operation and maintenance of the facility. EMD will also provide all necessary in house laboratory analysis required for the operation of the District wastewater treatment plant at no charge to the District. The agreement terminates on December 31, 2037, but provides for automatic renewal for up to 45 one year terms subsequent to December 31, 2037.

The District entered into an Intergovernmental Agreement for Shared-Use Facility (Grit Classifier and Disposal System) as of May 18, 2017 with the Evergreen Metropolitan District (EMD) and

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 7 - Intergovernmental Agreement for Shared Use Facility – (continued)

Kittredge Sanitation and Water District (KSWD) whereby WJCMD has constructed and installed a grit classifier and disposal system on a portion of the WJCMD's Facility. The three Districts have agreed to share the costs of use, operation, maintenance and repair for their common benefit. The agreement terminates on December 31, 2030, but provides for automatic renewal on an annual basis after the end of the initial term.

Note 8 - Insurance Risk Pool

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District is a member and obtains insurance coverage from the Colorado Special Districts Property and Liability Pool. The Colorado Special Districts Property and Liability Pool is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. It provides coverage for property claims up to the values declared, and liability claims for up to \$2,000,000 with a \$2,000,000 excess limit.

The District pays annual premiums to the Pool for auto, public official's liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Claims have not exceeded coverage in any of the last three years.

Note 9 - Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities, and other specific requirements of state and local governments. The District's financial activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. The District has made certain interpretations in the amendment's language in order to determine its compliance. The District believes that a significant portion of its operation qualifies for the enterprise exclusion under the amendment.

On May 2, 2000, the District's voters approved the elimination of the limitations on terms of office contained in Article XVIII, Section 11(2) of the Colorado Constitution as applied to the West Jefferson County Metropolitan District. In addition, voters authorized the District to collect, retain and spend each year all revenue from all sources without regard to any limitations under TABOR and any other law.

Note 10 - Commitments

As of December 31, 2020, the District had unexpended construction related commitments of \$5,440,704.

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 11 – Subsequent Events

The District has evaluated subsequent events through June 29, 2021, the date which the financial statements were available to be issued. The Subsequent events that required recognition or additional disclosure are described below.

The District entered into a Loan Agreement with the Colorado Water Resources and Power Development Authority on January 29, 2021 for the purpose of financing the wastewater treatment facility improvement project. The principal amount of the loan is \$3,000,000 and has an interest rate of 0.5% annually, if the finally constructed Project is certified by the Water Quality Control Division (“WQCD”) as a Green Project; 2.5% if the finally constructed Project is not certified by the WQCD as a Green Project. The loan term is 30 years and is payable semi-annually on May 1 and November 1 of each year beginning November 2021. The District received reimbursements from the loan in February and March 2021 for 2020 project expenses of \$467,014.

On February 24, 2021, the Evergreen Metropolitan District Board of Directors approved a temporary moratorium on multi-tap purchases in the El Rancho area of the West Jefferson County Metropolitan District. The temporary moratorium will be for a period of 8-10 months while the Water Infrastructure Master Plan is being updated. The West Jefferson County Metropolitan District Board of Directors raised concerns regarding the impact on their ability to sell wastewater taps.

SUPPLEMENTAL INFORMATION

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
 COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUNDS
 AVAILABLE (BUDGETARY BASIS)
 For the Year Ended December 31, 2020

Description	Combined ORIGINAL & FINAL Budget	Combined ACTUAL	Favorable (Unfavorable)
WASTEWATER OPERATING REVENUE			
Treatment Charges	\$ 1,003,285	\$ 1,009,181	\$ 5,896
- El Rancho	124,775	133,987	9,212
Inspection and Connection	2,255	436	(1,819)
Interest Income	95,000	55,918	(39,082)
Other Income	1,500	1,640	140
TOTAL WASTEWATER OPERATING REVENUE	<u>1,226,815</u>	<u>1,201,162</u>	<u>(25,653)</u>
WASTEWATER CAPITAL REVENUE			
System Development Fees	203,000	40,000	(163,000)
Inclusion Fees	1,000	18,000	17,000
Safety & Loss Prevention Grant	850	898	48
Proceeds from the Sale of Assets	1,000	8,501	7,501
CWRPDA Loan for WW Treatment Facility Improvements	1,424,250	-	(1,424,250)
Special Developments	300,000	-	(300,000)
TOTAL WASTEWATER CAPITAL REVENUE	<u>1,930,100</u>	<u>67,399</u>	<u>(1,862,701)</u>
WATER REVENUE			
Water Sales	1,624,900	1,778,747	153,847
Service Charges	8,700	9,845	1,145
Inspection & Connection	6,815	2,700	(4,115)
System Development Fees	150,000	36,000	(114,000)
Inclusion Fees	5,000	85,000	80,000
Cost Recovery	4,500	-	(4,500)
Special Developments	245,000	-	(245,000)
TOTAL WATER REVENUE	<u>2,044,915</u>	<u>1,912,292</u>	<u>(132,623)</u>
BEGINNING RESOURCES - January 1	<u>5,316,574</u>	<u>5,365,660</u>	<u>49,086</u>
TOTAL AVAILABLE RESOURCES	<u>10,518,404</u>	<u>\$ 8,546,513</u>	<u>\$ (1,971,891)</u>

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
 COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUNDS
 AVAILABLE (BUDGETARY BASIS)
 For the Year Ended December 31, 2020

Description	Combined ORIGINAL & FINAL Budget	Combined ACTUAL	Favorable (Unfavorable)
WASTEWATER EXPENDITURES			
OPERATIONS & MAINTENANCE-			
Pretreatment	\$ 42,850	\$ 43,389	\$ (539)
COLLECTION SYSTEM			
Repairs and Maintenance - Mains	105,000	43,713	61,287
Repairs and Maintenance - Lift Stations	85,000	39,733	45,267
Inspection & Connection	2,256	436	1,820
Utilities - Lift Stations	28,500	25,758	2,742
TREATMENT PLANT			
Chemicals	39,000	26,323	12,677
Supervision and Labor	204,500	178,011	26,489
Repairs, Maintenance and Supplies	45,000	47,271	(2,271)
Utilities	142,000	135,104	6,896
Truck Expense	2,000	879	1,121
Sludge Disposal	112,000	91,778	20,222
Permits	4,860	4,630	230
Lab Analysis, Supplies and Maintenance	2,500	2,338	162
Safety and Training	650	380	270
Bear Creek Watershed Dues	10,500	10,940	(440)
TOTAL OPERATIONS AND MAINTENANCE	<u>826,616</u>	<u>650,683</u>	<u>175,933</u>
WATER EXPENDITURES			
OPERATIONS & MAINTENANCE			
Water Purchases	1,624,900	1,778,747	(153,847)
Service Charges	8,700	9,845	(1,145)
Inspection & Connection	6,815	2,700	4,115
System Development Fees	150,000	36,000	114,000
Inclusion Fees	5,000	85,000	(80,000)
Cost Recovery	4,500	-	4,500
TOTAL OPERATIONS AND MAINTENANCE	<u>1,799,915</u>	<u>1,912,292</u>	<u>(112,377)</u>
TOTAL OPERATING EXPENDITURES	<u>\$ 2,626,531</u>	<u>\$ 2,562,975</u>	<u>\$ 63,556</u>

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
 COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUNDS
 AVAILABLE (BUDGETARY BASIS)
 For the Year Ended December 31, 2020

Description	Combined ORIGINAL & FINAL Budget	Combined ACTUAL	Favorable (Unfavorable)
EXPENDITURES - CONTINUED			
OPERATIONS & MAINTENANCE-			
ADMINISTRATION			
Administration Expenses-Labor and Operating	154,500	143,508	10,992
Insurance and Bonds	16,500	15,948	552
Office Supplies	3,000	1,294	1,706
Miscellaneous, Stenography, Training, Meetings & Dues	11,000	4,012	6,988
Audit	6,300	6,400	(100)
Legal	27,000	23,166	3,834
Election	15,000	1,289	13,711
Directors' Fees	9,000	8,500	500
Directors' Payroll Taxes	700	650	50
Billing Expense	20,100	19,798	302
TOTAL ADMINISTRATION EXPENDITURES	<u>263,100</u>	<u>224,565</u>	<u>38,535</u>
RESERVES AND CAPITAL			
General and System Reserves	5,017,448	-	5,017,448
Sewer Line Replacement	50,000	3,500	46,500
Interlocken Drive Sewer Rehabilitation	130,000	125,190	4,810
Engineering for WW Treatment Facility Design	470,469	470,469	-
WW Treatment Facility Improvement Project	990,096	465,170	524,926
Thickener Replacement	227,500	-	227,500
TV Camera Replacement, 46% of total cost	42,780	42,135	645
TV Van Computer, 46% of total cost	1,265	1,265	-
Vehicle Replacement	37,000	26,496	10,504
El Rancho #1 Lift Station Flow Meter	9,000	6,736	2,264
UV Replacement Bulbs	3,500	3,294	206
Headworks Ion Bulbs	6,500	6,093	407
Miscellaneous	48,735	-	48,735
Annual Replacements per Asset Schedule	49,480	-	49,480
Special Developments	545,000	-	545,000
TOTAL RESERVES and CAPITAL	<u>7,628,773</u>	<u>1,150,348</u>	<u>6,478,425</u>
TOTAL EXPENDITURES	<u>\$ 10,518,404</u>	<u>\$ 3,937,888</u>	<u>\$ 6,580,516</u>
SUMMARY			
Total Resources	\$ 10,518,404	\$ 8,546,513	\$ (1,971,891)
Total Expenditures	(10,518,404)	(3,937,888)	6,580,516
DISTRICT YEAR-END STATUS	<u>\$ -</u>	<u>\$ 4,608,625</u>	<u>\$ 4,608,625</u>

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
 COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUNDS
 AVAILABLE (BUDGETARY BASIS)
 For the Year Ended December 31, 2020

Description	Combined ORIGINAL & FINAL Budget	Combined ACTUAL	Favorable (Unfavorable)
SUMMARY			
Operating Revenue	\$ 3,271,730	\$ 3,113,454	\$ (158,276)
Less Operating Expenditures	(2,889,631)	(2,787,540)	102,091
Excess/(Deficit) of Operating Revenue over Operating Expenditures	<u>382,099</u>	<u>325,914</u>	<u>(56,185)</u>
Capital Revenue	1,930,100	67,399	(1,862,701)
Beginning Resources - January 1	<u>5,316,574</u>	<u>5,365,660</u>	49,086
Net Available Resources	<u>7,628,773</u>	<u>5,758,973</u>	<u>(1,869,800)</u>
Capital Expenditures and Reserves			
General and System Reserves	(5,017,448)	-	5,017,448
Capital Projects, Equipment and Collection	(2,066,325)	(1,150,348)	915,977
Special Developments	(545,000)	-	545,000
DISTRICT YEAR-END STATUS	<u>\$ -</u>	<u>\$ 4,608,625</u>	<u>\$ 4,608,625</u>

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUNDS
AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2020
WASTEWATER DEPARTMENT

Description	Original & Final Budget	Actual	Favorable (Unfavorable)
REVENUE			
OPERATING REVENUE			
Treatment Charges	\$ 1,001,125	\$ 1,007,051	\$ 5,926
- El Rancho	124,775	133,987	9,212
Inspection and Connection	2,255	436	(1,819)
Interest Income	95,000	55,918	(39,082)
Availability to Serve	2,160	2,130	(30)
Miscellaneous	1,500	1,640	140
Total Operating Revenue	<u>1,226,815</u>	<u>1,201,162</u>	<u>(25,653)</u>
CAPITAL REVENUE			
System Development Fees	203,000	40,000	(163,000)
Inclusion Fees	1,000	18,000	17,000
Safety & Loss Prevention Grant	850	898	48
Proceeds from the Sale of Assets	1,000	8,501	7,501
CWRPDA Loan for WWTP Major Upgrade Aeration Basin	1,424,250	-	(1,424,250)
Special Developments	300,000	-	(300,000)
Total Capital Revenue	<u>1,930,100</u>	<u>67,399</u>	<u>(1,862,701)</u>
TOTAL REVENUE	3,156,915	1,268,561	(1,888,354)
Beginning Resources - January 1	<u>5,316,574</u>	<u>5,365,660</u>	<u>49,086</u>
Ending Resources	<u>\$ 8,473,489</u>	<u>\$ 6,634,221</u>	<u>\$ (1,839,268)</u>

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUNDS
AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2020
WASTEWATER DEPARTMENT

Description	Original & Final Budget	Actual	Favorable (Unfavorable)
EXPENDITURES			
OPERATIONS AND MAINTENANCE - WASTEWATER			
Pretreatment	\$ 42,850	\$ 43,389	\$ (539)
Truck Expense			
Collection System			
Repairs and Maintenance - Mains	105,000	43,713	61,287
Repairs and Maintenance - Lift Stations	85,000	39,733	45,267
Inspection and Connection	2,256	436	1,820
Utilities - Lift Stations	28,500	25,758	2,742
Treatment Plant			
Chemicals	39,000	26,323	12,677
Supervision and Labor	204,500	178,011	26,489
Repairs, Maintenance and Supplies	45,000	47,271	(2,271)
Utilities	142,000	135,104	6,896
Truck Expense	2,000	879	1,121
Sludge Disposal	112,000	91,778	20,222
Permits	4,860	4,630	230
Lab Analysis, Supplies and Maintenance	2,500	2,338	162
Safety and Training	650	380	270
Bear Creek Watershed Dues	10,500	10,940	(440)
Total Operations and Maintenance - Wastewater	<u>826,616</u>	<u>650,683</u>	<u>175,933</u>
OPERATIONS AND MAINTENANCE - ADMINISTRATION			
Audit	6,300	6,400	(100)
Miscellaneous, Stenography, Training, Meetings & Dues	11,000	4,012	6,988
Insurance and Bonds	16,500	15,948	552
Legal	27,000	23,166	3,834
Office Supplies	3,000	1,294	1,706
Administration Expenses-Labor and Operating	154,500	143,508	10,992
Billing Expense	20,100	19,798	302
Election	15,000	1,289	13,711
Directors' Fees	9,000	8,500	500
Director's Payroll Taxes	700	650	50
Total Operations and Maintenance - Administration	<u>263,100</u>	<u>224,565</u>	<u>38,535</u>
TOTAL OPERATING EXPENDITURES	<u>1,089,716</u>	<u>875,248</u>	<u>214,468</u>
RESERVES and CAPITAL			
General and System Reserves	5,017,448	-	5,017,448
Special Developments	300,000	-	300,000
Sewer Line Replacement	50,000	3,500	46,500
Interlocken Drive Sewer Rehabilitation	130,000	125,190	4,810
Engineering for WW Treatment Facility Design	470,469	470,469	-
WW Treatment Facility Improvement Project	990,096	465,170	524,926
Thickener Replacement	227,500	-	227,500
TV Camera Replacement, 46% of total cost	42,780	42,135	645
TV Van Computer	1,265	1,265	-
Vehicle Replacement	37,000	26,496	10,504
ER #1 Lift Station Flow Meter	9,000	6,736	2,264
UV Replacement Bulbs	3,500	3,294	206
Headworks Ion Bulbs	6,500	6,093	407
Miscellaneous	48,735	-	48,735
Annual Replacements per Asset Schedule	49,480	-	49,480
TOTAL RESERVES and CAPITAL	<u>7,383,773</u>	<u>1,150,348</u>	<u>6,233,425</u>
TOTAL EXPENDITURES	<u>\$ 8,473,489</u>	<u>\$ 2,025,596</u>	<u>\$ 6,447,893</u>
SUMMARY			
Total Resources	\$ 8,473,489	\$ 6,634,221	
Total Expenditures	<u>(8,473,489)</u>	<u>(2,025,596)</u>	
DISTRICT YEAR-END STATUS	<u>\$ (0)</u>	<u>\$ 4,608,625</u>	

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUNDS
AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2020
WATER DEPARTMENT

Description	Original & Final Budget	Actual	Favorable (Unfavorable)
REVENUE			
OPERATING REVENUE			
Water Sales	\$ 1,624,900	\$ 1,778,747	\$ 153,847
Service Charges	8,700	9,845	1,145
Inspection and Connection	6,815	2,700	(4,115)
Total Operating Revenue	<u>1,640,415</u>	<u>1,791,292</u>	<u>150,877</u>
CAPITAL REVENUE			
System Development Fees	150,000	36,000	(114,000)
Inclusion Fees	5,000	85,000	80,000
Cost Recovery	4,500	-	(4,500)
Special Developments	245,000	-	(245,000)
Total Capital Revenue	<u>404,500</u>	<u>121,000</u>	<u>(283,500)</u>
TOTAL REVENUE	2,044,915	1,912,292	(132,623)
Beginning Resources - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Ending Resources	<u>\$ 2,044,915</u>	<u>\$ 1,912,292</u>	<u>\$ (132,623)</u>
EXPENDITURES			
OPERATIONS AND MAINTENANCE - WATER			
Water Purchases	\$ 1,624,900	\$ 1,778,747	\$ (153,847)
Service Charges	8,700	9,845	(1,145)
Inspection and Connection	6,815	2,700	4,115
System Development Fees	150,000	36,000	114,000
Inclusion Fees	5,000	85,000	(80,000)
Cost Recovery	4,500	-	4,500
Special Developments	245,000	-	245,000
TOTAL EXPENDITURES	<u>\$ 2,044,915</u>	<u>\$ 1,912,292</u>	<u>\$ 132,623</u>
SUMMARY			
Total Resources	\$ 2,044,915	\$ 1,912,292	
Total Expenditures	<u>(2,044,915)</u>	<u>(1,912,292)</u>	
DISTRICT YEAR-END STATUS	<u>\$ -</u>	<u>\$ -</u>	

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
RECONCILIATION OF (BUDGETARY BASIS) FUNDS AVAILABLE
TO (GAAP BASIS) CHANGE IN NET POSITION
Year ended December 31, 2020

	Water	Wastewater	Total
Total Resources - Budgetary Basis	\$ 1,912,292	\$ 6,634,221	\$ 8,546,513
Total Expenditures - Budgetary Basis	(1,912,292)	(2,025,596)	(3,937,888)
Excess of Revenue over Expenditures - Budgetary Basis	\$ -	\$ 4,608,625	4,608,625
 Adjustments to GAAP net position:			
Deduct beginning resources, which are not revenue			(5,365,660)
Deduct depreciation, which is an expense			(502,903)
Add capital asset purchases, which are not expenses			1,150,348
Add contributions of facilities by developers, which is income			4,000
CHANGE IN NET POSITION (GAAP BASIS)			\$ (105,590)