

Alameda Water and Sanitation District

Jefferson County, Colorado

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2020 and 2019

Alameda Water and Sanitation District

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December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Alameda Water and Sanitation District
Jefferson County, Colorado

We have audited the accompanying financial statements of Alameda Water and Sanitation 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 Alameda Water and Sanitation 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 the management's discussion and analysis on pages III through VII be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements 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 information is the responsibility of management and was derived from and relates directly to the underlying accounting 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 20, 2021

Alameda Water and Sanitation District MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Alameda Water and Sanitation 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 basic financial statements and the notes to financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- Total assets of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$9,706,543 (net position). Of this amount, \$4,169,885 (unrestricted net position) may be used to meet the government's ongoing obligations to its citizens and creditors.
- The District's total net position increased by \$1,275,494 from the prior fiscal year.
- The District collected \$1,828,589 in operating revenue, an increase of \$263,408 from the prior year, due primarily to an increase in fees during 2020.
- Operating expenses decreased \$95,236, or 5%, from the prior year, due primarily to prior year sewer fee credits.

Overview of the Financial Statements

The Alameda Water and Sanitation District basic financial statements included in this report are those of a special-purpose government engaged in a business-type activity, providing water and sewer 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* present information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between 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* present 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 the 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 (e.g., earned compensation). The statement reports

**Alameda Water and Sanitation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

the District's operating and nonoperating revenue by source along with operating and nonoperating expenses and capital contributions.

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

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

A budgetary comparison schedule 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 Alameda Water and Sanitation District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9,706,543 at the close of the most recent fiscal year.

Statement of Net Position

	December 31,		
	2020	2019	2018
Current assets	\$ 10,429,264	\$ 6,131,010	\$ 4,101,130
Noncurrent assets	1,995,751	1,527,434	2,671,599
Capital assets	2,501,658	2,039,766	1,965,445
Total assets	<u>14,926,673</u>	<u>9,698,210</u>	<u>8,738,174</u>
Current liabilities	<u>177,039</u>	<u>199,064</u>	<u>205,530</u>
Long-term liabilities	<u>3,982,689</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	<u>1,060,402</u>	<u>1,068,097</u>	<u>928,492</u>
Net Position			
Net investment in capital assets	2,501,658	2,039,766	1,965,445
Restricted	3,035,000	32,000	31,000
Unrestricted	4,169,885	6,359,283	5,607,707
Net position	<u>\$ 9,706,543</u>	<u>\$ 8,431,049</u>	<u>\$ 7,604,152</u>

- A portion of the District's net position (26%) reflects its investment in capital assets (e.g. infrastructure, plant, buildings, machinery 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 assets are *not* available for future spending.

**Alameda Water and Sanitation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

- Restricted net position consists of \$3,035,000. Of that amount, \$3,000,000 is restricted for capital improvements and \$35,000 is restricted for emergencies under TABOR; the remaining net position of \$4,169,885 is unrestricted and available for on-going obligations of the District.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
OPERATING REVENUES			
Water operations	\$ 689,707	\$ 552,062	\$ 530,748
Sewer operations	1,138,882	1,013,119	828,629
Total operating revenues	<u>1,828,589</u>	<u>1,565,181</u>	<u>1,359,377</u>
OPERATING EXPENSES			
Water operations - administrative	408,634	364,121	353,287
Water operations - maintenance	40,175	26,711	27,293
Sewer operations - administrative	929,455	1,134,591	1,242,568
Sewer operations - maintenance	221,984	214,323	207,381
General and administrative expenses	99,830	54,481	44,787
Depreciation	139,134	140,220	132,317
Total operating expenses	<u>1,839,212</u>	<u>1,934,447</u>	<u>2,007,633</u>
OPERATING INCOME (LOSS)	<u>(10,623)</u>	<u>(369,266)</u>	<u>(648,256)</u>
NONOPERATING REVENUES			
Property taxes	1,117,817	949,170	930,514
Specific ownership taxes	85,789	84,792	91,537
Net investment income	68,985	141,206	96,746
Rent income and miscellaneous	30,000	27,600	27,600
Insurance proceeds	-	7,518	17,416
Total nonoperating revenues	<u>1,302,591</u>	<u>1,210,286</u>	<u>1,163,813</u>
NONOPERATING EXPENSES			
County Treasurer fees	(16,475)	(14,123)	(13,875)
Total nonoperating expenses	<u>(16,475)</u>	<u>(14,123)</u>	<u>(13,875)</u>
CHANGE IN NET POSITION	1,275,494	826,897	501,682
NET POSITION - beginning of the year	<u>8,431,049</u>	<u>7,604,152</u>	<u>7,102,470</u>
NET POSITION - end of the year	<u>\$ 9,706,543</u>	<u>\$ 8,431,049</u>	<u>\$ 7,604,152</u>

**Alameda Water and Sanitation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

Budgetary Highlights

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of capital outlay and debt repayment in addition to operations and nonoperating revenue and expenses and contributions. Depreciation is not reflected in the budget since it does not affect funds available. Funds available increased \$3,813,602 during 2020, primarily due to \$3,000,000 in loan proceeds from the Colorado Water Resources and Power Development Authority, to be used for water system improvements.

Capital Assets

The District's net investment in capital assets as of December 31, 2020, 2019 and 2018 is as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Capital assets not being depreciated			
Water lines	\$ 716,539	\$ 115,513	\$ 19,702
Sewer lines	196	196	-
Total	<u>716,735</u>	<u>115,709</u>	<u>19,702</u>
Capital assets being depreciated			
Water lines	\$ 1,508,068	\$ 1,508,068	\$ 1,398,182
Sewer lines	3,419,321	3,419,321	3,419,321
Equipment	48,744	48,744	54,939
Building and improvements	336,797	336,797	328,779
Total	<u>5,312,930</u>	<u>5,312,930</u>	<u>5,201,221</u>
Less accumulated depreciation	<u>(3,528,007)</u>	<u>(3,388,873)</u>	<u>(3,254,848)</u>
Total capital assets being depreciated, net	<u>\$ 1,784,923</u>	<u>\$ 1,924,057</u>	<u>\$ 1,946,373</u>
Capital assets, net	<u><u>\$ 2,501,658</u></u>	<u><u>\$ 2,039,766</u></u>	<u><u>\$ 1,946,373</u></u>

Additional information relating to the District's capital assets activity can be found in Note 4 of this report.

Debt Administration

The Sewer Enterprise loaned \$1,000,000 to the Water Enterprise to assist in paying for construction for new water infrastructure. The loan is a 30 year term with 2.372% interest rate. Total repayment to the Sewer Enterprise, including interest, is \$1,398,593.

The District entered into a CWRPDA loan on December 23, 2020 for \$3,000,000. The loan is for 30 years at an interest rate of 2.5%. The purpose of the loan is to replace deteriorating water lines in the District. The District is in the early stages of the projects.

Additional information relating to the District's long-term debt can be found in Note 5 of this report.

**Alameda Water and Sanitation District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

Economic Factors and Next Year's Budget

- Minimal growth in the District is expected in 2021.
- The District has budgeted for 2021 construction and/or rehabilitation projects to water and sewer lines, and related contingencies, in the amount of \$1,200,000.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

District Manager
Alameda Water and Sanitation District
359 South Harlan Street
Lakewood, Colorado, 80226

BASIC FINANCIAL STATEMENTS

Alameda Water and Sanitation District

STATEMENTS OF NET POSITION

December 31, 2020 and 2019

	<u>Water Enterprise</u>		<u>Sewer Enterprise</u>		<u>District Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
ASSETS						
Current assets						
Cash and cash equivalents	\$ 311,729	\$ 191,395	\$ 162,962	\$ 153,349	\$ 474,691	\$ 344,744
Cash and cash equivalents - restricted	1,000	1,000	34,000	31,000	35,000	32,000
Investments	1,799,211	1,364,588	3,204,624	2,586,717	5,003,835	3,951,305
Cash in project account - restricted	3,000,000	-	-	-	3,000,000	-
Accounts receivable - users	45,952	32,164	780,666	674,200	826,618	706,364
Accrued interest receivable	-	-	7,032	7,032	7,032	7,032
Due from other funds	-	-	-	-	-	-
Property taxes receivable	-	-	1,067,955	1,075,429	1,067,955	1,075,429
Prepaid expenses	-	-	14,133	14,136	14,133	14,136
Total current assets	<u>5,157,892</u>	<u>1,589,147</u>	<u>5,271,372</u>	<u>4,541,863</u>	<u>10,429,264</u>	<u>6,131,010</u>
Noncurrent assets						
Investments	-	-	1,013,062	1,527,434	1,013,062	1,527,434
Notes receivable from water enterprise	-	-	982,689	-	982,689	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>1,995,751</u>	<u>1,527,434</u>	<u>1,995,751</u>	<u>1,527,434</u>
Capital assets, net of depreciation	<u>1,405,494</u>	<u>856,544</u>	<u>1,096,164</u>	<u>1,183,222</u>	<u>2,501,658</u>	<u>2,039,766</u>
Total assets	<u>6,563,386</u>	<u>2,445,691</u>	<u>8,363,287</u>	<u>7,252,519</u>	<u>14,926,673</u>	<u>9,698,210</u>
LIABILITIES						
Current liabilities						
Accounts payable	38,493	60,996	125,456	127,978	163,949	188,974
Tap fee and rent deposits	-	-	13,090	10,090	13,090	10,090
Total current liabilities	<u>38,493</u>	<u>60,996</u>	<u>138,546</u>	<u>138,068</u>	<u>177,039</u>	<u>199,064</u>
Long-term liabilities						
Notes payable to sewer enterprise	982,689	-	-	-	982,689	-
Note payable to CWRPDA	3,000,000	-	-	-	3,000,000	-
	<u>3,982,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,982,689</u>	<u>-</u>
Total liabilities	<u>4,021,182</u>	<u>60,996</u>	<u>138,546</u>	<u>138,068</u>	<u>4,159,728</u>	<u>199,064</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred property tax	-	-	1,060,402	1,068,097	1,060,402	1,068,097
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,060,402</u>	<u>1,068,097</u>	<u>1,060,402</u>	<u>1,068,097</u>
NET POSITION						
Net investment in capital assets	1,405,494	856,544	1,096,164	1,183,222	2,501,658	2,039,766
Restricted	3,001,000	1,000	34,000	31,000	3,035,000	32,000
Unrestricted	(1,864,290)	1,527,151	6,034,175	4,832,132	4,169,885	6,359,283
Total net position	<u>\$ 2,542,204</u>	<u>\$ 2,384,695</u>	<u>\$ 7,164,339</u>	<u>\$ 6,046,354</u>	<u>\$ 9,706,543</u>	<u>\$ 8,431,049</u>

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

Alameda Water and Sanitation District
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
December 31, 2020 and 2019

	Water Enterprise		Sewer Enterprise		District Total	
	2020	2019	2020	2019	2020	2019
OPERATING REVENUES						
Water operations	\$ 689,707	\$ 552,062	\$ -	\$ -	\$ 689,707	\$ 552,062
Sewer operations	-	-	927,412	1,002,569	927,412	1,002,569
Sewer tap fees	-	-	211,470	10,550	211,470	10,550
Total operating revenues	689,707	552,062	1,138,882	1,013,119	1,828,589	1,565,181
OPERATING EXPENSES						
Water operations - administrative	408,634	364,121	-	-	408,634	364,121
Water operations - maintenance	40,175	26,711	-	-	40,175	26,711
Sewer operations - administrative	-	-	929,455	1,134,591	929,455	1,134,591
Sewer operations - maintenance	-	-	221,983	214,323	221,983	214,323
General and administrative expenses	49,916	16,354	49,915	38,127	99,830	54,481
Depreciation	57,618	58,704	81,516	81,516	139,134	140,220
Total operating expenses	556,343	465,890	1,282,869	1,468,557	1,839,211	1,934,447
OPERATING INCOME (LOSS)	133,364	86,172	(143,987)	(455,438)	(10,623)	(369,266)
NONOPERATING REVENUES						
Property taxes	-	-	1,117,817	949,170	1,117,817	949,170
Specific ownership taxes	-	-	85,789	84,792	85,789	84,792
Net investment income	24,145	49,422	44,840	91,784	68,985	141,206
Rent income and miscellaneous	-	-	30,000	27,600	30,000	27,600
Insurance proceeds	-	-	-	7,518	-	7,518
Total nonoperating revenues	24,145	49,422	1,278,446	1,160,864	1,302,591	1,210,286
NONOPERATING EXPENSES						
County Treasurer fees	-	-	(16,475)	(14,123)	(16,475)	(14,123)
Total nonoperating expenses	-	-	(16,475)	(14,123)	(16,475)	(14,123)
CHANGE IN NET POSITION	157,509	135,594	1,117,985	691,303	1,275,494	826,897
NET POSITION - beginning of the year	2,384,695	2,249,101	6,046,354	5,355,051	8,431,049	7,604,152
NET POSITION - end of the year	\$ 2,542,204	\$ 2,384,695	\$ 7,164,339	\$ 6,046,354	\$ 9,706,543	\$ 8,431,049

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

Alameda Water and Sanitation District

STATEMENTS OF CASH FLOWS

December 31, 2020 and 2019

	Water Enterprise		Sewer Enterprise		District Total	
	2020	2019	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 675,919	\$ 539,447	\$ 1,035,416	\$ 771,960	\$ 1,711,335	\$ 1,311,407
Payments to suppliers for goods and services	(526,770)	(406,125)	(1,112,714)	(1,306,053)	(1,639,483)	(1,712,178)
Payments to and on behalf of employees for services	-	-	(85,837)	(89,791)	(85,837)	(89,791)
Net cash provided (used) by operating activities	<u>149,150</u>	<u>133,323</u>	<u>(163,135)</u>	<u>(623,884)</u>	<u>(13,985)</u>	<u>(490,562)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Property taxes	-	-	1,117,817	949,170	1,117,817	949,170
Specific ownership taxes	-	-	85,789	84,792	85,789	84,792
Other income	-	-	30,000	35,118	30,000	35,118
County Treasurer's fees	-	-	(16,475)	(14,123)	(16,475)	(14,123)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>1,217,131</u>	<u>1,054,957</u>	<u>1,217,131</u>	<u>1,054,957</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Other receivables, net of advances	-	-	-	1,379	-	1,379
Proceeds from long-term debt	3,000,000	-	-	-	3,000,000	-
Proceeds from (payments of) interfund loans	982,689	-	(982,689)	-	-	-
Acquisition of capital assets	(601,026)	(210,336)	-	(4,204)	(601,026)	(214,540)
Net cash provided (used) by capital and related financing activities	<u>3,381,663</u>	<u>(210,336)</u>	<u>(982,689)</u>	<u>(2,825)</u>	<u>2,398,974</u>	<u>(213,161)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Net (increase) decrease in investment principal	(434,623)	(18,583)	(103,535)	(464,545)	(538,158)	(483,128)
Interest earnings received	24,145	49,422	44,840	87,706	68,985	137,128
Net cash provided (used) by investing activities	<u>(410,478)</u>	<u>30,839</u>	<u>(58,695)</u>	<u>(376,839)</u>	<u>(469,173)</u>	<u>(346,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>3,120,334</u>	<u>(46,174)</u>	<u>12,613</u>	<u>51,409</u>	<u>3,132,947</u>	<u>5,235</u>
CASH AND CASH EQUIVALENTS - beginning of year	<u>192,395</u>	<u>238,569</u>	<u>184,349</u>	<u>132,940</u>	<u>376,744</u>	<u>371,509</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 3,312,729</u>	<u>\$ 192,395</u>	<u>\$ 196,962</u>	<u>\$ 184,349</u>	<u>\$ 3,509,692</u>	<u>\$ 376,744</u>

(continued)

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

Alameda Water and Sanitation District
STATEMENTS OF CASH FLOWS
(continued)
For the Years Ended December 31, 2020 and 2019

	<u>Water Enterprise</u>		<u>Sewer Enterprise</u>		<u>District Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 133,364	\$ 86,172	\$ (143,987)	\$ (455,438)	\$ (10,623)	\$ (369,266)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation	57,618	58,704	81,516	81,516	139,134	140,220
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	(13,788)	(2,525)	(106,466)	(251,249)	(120,254)	(253,774)
Prepaid expenses	-	-	3	(1,276)	3	(1,276)
Increase (decrease) in:						
Accounts payable	(28,044)	1,061	2,799	(8,727)	(25,245)	(7,666)
Tap fee and rent deposits	-	(10,089)	3,000	11,290	3,000	1,200
Total adjustments	<u>15,786</u>	<u>47,151</u>	<u>(19,148)</u>	<u>(168,446)</u>	<u>(3,362)</u>	<u>(121,296)</u>
Net cash provided (used) by operating activities	<u>\$ 149,150</u>	<u>\$ 133,323</u>	<u>\$ (163,135)</u>	<u>\$ (623,884)</u>	<u>\$ (13,985)</u>	<u>\$ (490,562)</u>

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

Alameda Water and Sanitation District

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

Note 1 – Definition of reporting entity

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Jefferson County, Colorado. The District was organized to provide water and sanitation services to property within the District's boundaries.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental 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 District is comprised of a Water Enterprise and a Sewer Enterprise.

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

Note 2 – Summary of significant accounting policies

The more significant accounting policies of the District are described as follows:

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. 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.

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.

Basis of Accounting

The District's financial statements are reported using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and payments on loans are recorded as reductions in liabilities. Tap fees and contributed assets from developers are recorded as capital contributions when received or collectible.

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020 and 2019

Operating revenues and expenses

The District distinguishes between operating revenues and expenses from nonoperating items in the Statements of Revenues, Expenses and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water and sewer services to its customers. Operating revenues consist of charges to customers for service provided. Operating expenses include the cost of service, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Cash equivalents

For purposes of the Statements of Cash Flows, the District considers cash deposits and highly liquid investments with original maturities of three months or less from the date of acquisition, to be cash equivalents.

Investments

Investments for the District are reported at fair value.

Accounts receivable, allowance for doubtful accounts

User fees and tap fees constitute a perpetual lien on or against property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. Therefore, the District considers all receivables collectible and no provision for uncollectible revenues has been made in the financial statements.

Property Taxes

Property taxes are levied based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November and December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measureable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020 and 2019

Capital assets

Capital assets include land, water rights, water and sewer plants and systems, equipment and vehicles. Capital assets are defined by the District as those assets with an initial, individual cost of \$5,000 or greater and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation or at the developer's cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Sewer lines	20 to 40 years
Water lines	30 years
Building	30 years
Office and other equipment	5 to 7 years

Compensated absences

Compensated absences do not accumulate; therefore the District does not record a liability for unpaid vacation or sick pay.

Capital contributions

Tap fees are generally recorded as capital contributions when received. Water and sewer lines contributed to the District by developers are recorded as capital contributions and additions to the water and sewer system when received.

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020 and 2019

Budgets

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 year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that District management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 3 – Cash and investments

Cash and investments are reflected on the December 31, 2020 and 2019 Statements of Net Position as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 3,509,691	\$ 376,744
Investments	5,003,835	3,951,305
Investments - noncurrent	1,013,062	1,527,434
	<u>\$ 9,526,588</u>	<u>\$ 5,855,483</u>

Cash and investments as of December 31, 2020 and 2019 consist of the following:

Cash on hand	\$ 25	\$ 25
Deposits with financial institutions	509,666	376,719
Cash held by other agencies	3,000,000	-
Investments	6,016,897	5,478,739
Total cash and investments	<u>\$ 9,526,588</u>	<u>\$ 5,855,483</u>

At December 31, 2020 and 2019, the District's cash deposits had bank balances of \$632,973 and \$387,610 with carrying balances of \$509,666 and \$376,719 respectively.

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020 and 2019

Deposits with financial institutions

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. As of December 31, 2020 and 2019, the federal insurance limits were \$250,000. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has not adopted a deposit policy for custodial credit risk. As of December 31, 2020 and 2019, none of the District's bank balance was exposed to custodial credit risk, as amounts were either insured or collateralized. The District carried bank balances in excess of federally insured amounts of \$379,864 at December 31, 2020. All amounts not federally insured are fully collateralized as required under the PDPA.

Investments

The District's investment policy restricts investments to only those permitted by state statutes. Additionally, the District's policy is to hold investments until maturity.

The District primarily limits its investments to certain U.S. government agency securities, money market funds and local government investments pools, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020 and 2019

Investments (continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest including the following:

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

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 which record their investments at amortized cost.

As of December 31, 2020 and 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>2020</u>	<u>2019</u>
Colorado Surplus Asset Fund (CSAFE)	Weighted average under 60 days	\$ 1,951,947	\$ 3,951,305
CSAFE Core	Weighted average under 180 days	3,051,888	-
U.S. government agencies (Level 1)	1 to 2 years	1,013,062	1,527,434
Total investments		<u>\$ 6,016,897</u>	<u>\$ 5,478,739</u>

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020 and 2019

U.S. Government Agency Securities

As of December 31, 2020, the investment in U.S. Government agencies was rated AAA.

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) and CSAFE Core (CORE), which are investment vehicles established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. There are no unfunded commitments; the redemption frequency is daily, and there is no redemption notice period. 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.

Restricted cash and investments

The District had restricted cash of \$35,000 and \$32,000 for emergencies as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 7), as of December 31, 2020 and 2019, respectively. The District had \$3,000,000 in a project fund account, held by Colorado Water Resources and Power Development Authority, restricted for capital improvements.

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020 and 2019

Note 4 – Capital assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
Construction in progress - water lines	\$ 115,513	\$ 601,026	\$ -	\$ 716,539
Construction in progress - sewer lines	196	-	-	\$ 196
Total capital assets, not being depreciated	<u>\$ 115,709</u>	<u>\$ 601,026</u>	<u>\$ -</u>	<u>\$ 716,735</u>
Capital assets being depreciated				
Water lines	\$ 1,508,068	\$ -	\$ -	\$ 1,508,068
Sewer lines	3,419,321	-	-	3,419,321
Equipment	48,744	-	-	48,744
Building and improvements	336,797	-	-	336,797
Total capital assets being depreciated	<u>5,312,930</u>	<u>-</u>	<u>-</u>	<u>5,312,930</u>
Less accumulated depreciations for				
Water lines	767,038	52,076	-	819,114
Sewer lines	2,381,913	73,478	-	2,455,391
Equipment	31,504	4,729	-	36,233
Building and improvements	208,418	8,851	-	217,269
Total accumulated depreciation	<u>3,388,873</u>	<u>139,134</u>	<u>-</u>	<u>3,528,007</u>
Total capital assets being depreciated, net	<u>\$ 1,924,057</u>	<u>\$ (139,134)</u>	<u>\$ -</u>	<u>\$ 1,784,923</u>
Capital assets, net	<u>\$ 2,039,766</u>	<u>\$ 461,892</u>	<u>\$ -</u>	<u>\$ 2,501,658</u>

Depreciation expense of \$139,134 and \$140,220 for the years ended December 31, 2020 and 2019, respectively, was charged to water and sewer operations.

Note 5 – Long-term obligation

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2020:

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020 and 2019

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
Direct Borrowing:					
2020 Loan - CWRPDA	\$ -	\$3,000,000	\$ -	\$3,000,000	\$ -
Total long-term obligations	<u>\$ -</u>	<u>\$3,000,000</u>	<u>\$ -</u>	<u>\$3,000,000</u>	<u>\$ -</u>

Loan – Colorado Water Resources and Development Authority (CWRPDA)

The District obtained a loan from the CWRPDA, on December 23, 2020, in the amount of \$3,000,000. Proceeds of the loan are to fund improvements to the District's water mains and associated infrastructure (the Project). CWRPDA has deposited the unused amounts in a project fund on behalf of the District, upon which the District may draw amounts as needed for Project payments. The loan term is for 30 years with an annual interest rate of 2.5%. Payments are semi-annual on May 1st and November 1st. There is no penalty for prepayment of the loan. The District has committed to various covenants that must be maintained to avoid events of default. The most significant covenant is for the District to establish rates and fees in amounts sufficient to pay loan and operating requirements. In the event of a default, the lender has the option to seek court action requiring the District to take action to cure such default.

Required loan payments for each of the next five years, and five-year increments beyond that, are as follows:

	Principal	Interest	Total
2021	\$ -	\$ -	\$ -
2022	40,264	43,679	83,943
2023	70,542	73,556	144,098
2024	72,317	71,781	144,098
2025	74,136	69,961	144,097
2026-2030	399,615	320,874	720,489
2031-2035	452,471	268,018	720,489
2036-2040	512,318	208,171	720,489
2041-2045	580,085	140,404	720,489
2046-2050	656,812	63,678	720,490
2051	141,440	2,660	144,100
Total	<u>\$ 3,000,000</u>	<u>\$ 1,262,782</u>	<u>\$ 4,262,782</u>

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020 and 2019

Inter-Enterprise Loan

The Water Enterprise entered into a loan agreement with the Sewer Enterprise on February 12, 2020. The Sewer Enterprise agrees to loan the Water Enterprise \$1,000,000 to assist the Water Enterprise in paying construction of the new water mains. The interest rate is 2.372% per year for \$398,593 in total interest. The loan is to be repaid over 30 years. There is no penalty for prepayment. The total monthly loan payment from the Water Enterprise to the Sewer Enterprise is \$3,885.

At December 31, 2020, the District had no authorized but unissued indebtedness.

Note 6 – Agreements

IGA with South Sheridan Water, Sanitary, Sewer, and Storm Drainage District (Sheridan)

Several properties within the District's boundaries are connected to a sewer main owned and operated by Sheridan. The District maintains the sewer lines and charges user fees to the properties. Sheridan charges the District for sewer transmission and treatment services. The agreement automatically renews each year unless one Party gives written notice on or before October 1 of the year that renewal is to cease.

IGA with Bancroft-Clover Water and Sanitation District (Bancroft).

Several properties within the District's boundaries are connected to a sanitary sewer main that is owned and operated by Bancroft. Under this agreement, Bancroft accepts the sanitary sewer flows from the properties and is responsible for the transmission and treatment of such flows. The District maintains the sewer lines and charges user fees to the properties. Bancroft charges the District for sewer transmission and treatment services.

Integrated System Distributor Agreement

The District has an agreement with the City and County of Denver Board of Water Commissioners (Denver Water) whereby Denver Water provides treated water to the District's water delivery system. The District distributes water to system users and charges system user fees. Denver Water charges the District for water provided to the District. This agreement terminates on March 31, 2022 unless extended by mutual written agreement of both parties.

Note 7 – Risk management

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 employees; or acts of God.

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020 and 2019

The District is a member of the Colorado Special District Property and Liability Pool (the Pool) as of December 31, 2020. 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. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, and public officials' liability and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed 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.

Note 8 – Tax, spending and debt limitations

Article X, Section 20 of the Colorado constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

Spending and revenue limits are determined based on the prior year's fiscal year spending as adjusted for allowable increases for inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenues in excess of the fiscal year spending limit must be refunded unless retention of such revenue has been approved by the voters.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise will require judicial interpretation.

The District's voters authorized the District to collect, retain and expend all revenues derived from water and sewer rates, fees, tolls, and charges and tap fees, property taxes, state grants and all other sources during the year 2000 and each year thereafter notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution provided that no property tax rate or mill levy shall be increased without voter approval.

SUPPLEMENTAL INFORMATION

Alameda Water and Sanitation District
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND AVAILABLE - BUDGET AND ACTUAL
BUDGETARY BASIS
For the Year Ended December 31, 2020

	Original Budget	Actual	Variance Favorable (Unfavorable)
WATER ENTERPRISE:			
Revenues			
Charges for services	\$ 535,000	\$ 689,707	\$ 154,707
Net investment income	7,300	24,145	16,845
Tap fees	3,840	-	(3,840)
Miscellaneous income	200	-	(200)
Total revenues	<u>546,340</u>	<u>713,852</u>	<u>167,512</u>
Expenditures			
Water purchases	340,000	380,616	(40,616)
Engineering	6,000	-	6,000
Capital outlay	1,200,000	601,026	598,974
Repairs, maintenance, and inspection	35,000	49,739	(14,739)
Legal	800	-	800
Interest	-	17,654	-
Miscellaneous	11,000	250	10,750
Office, telephone, utilities	3,500	550	2,950
Total expenditures	<u>1,596,300</u>	<u>1,049,835</u>	<u>564,119</u>
Excess (deficit) of revenues over (under) water enterprise expenditures	<u>(1,049,960)</u>	<u>(335,983)</u>	<u>731,631</u>
Other financing sources (uses)			
Proceeds from long-term debt	-	3,000,000	3,000,000
Total other financing sources (uses)	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>
Excess (deficit) of revenues over (under) water enterprise expenditures and other financing sources (uses)	<u>(1,049,960)</u>	<u>2,664,017</u>	<u>3,731,631</u>
SEWER ENTERPRISE:			
Revenues			
Charges for services	\$ 718,000	\$ 927,412	\$ 209,412
Net investment income	95,000	44,840	(50,160)
Tap fees	10,500	211,470	200,970
Miscellaneous income	27,600	30,000	2,400
Total revenues	<u>851,100</u>	<u>1,213,722</u>	<u>362,622</u>
Expenditures			
Sewer treatment charges	1,045,500	745,231	300,269
Engineering	17,000	16,939	61
Capital outlay	200,000	-	200,000
Salaries, taxes and benefits	87,600	85,837	1,763
Repairs, maintenance, and inspection	250,500	262,644	(12,144)
Insurance	14,900	13,364	1,536
Legal	1,000	-	1,000
Miscellaneous	7,900	2,529	5,371
Office, telephone, utilities	12,800	24,894	(12,094)
Total expenditures	<u>1,637,200</u>	<u>1,151,438</u>	<u>485,762</u>
Excess (deficit) of revenues over (under) sewer enterprise expenditures	<u>(786,100)</u>	<u>62,284</u>	<u>848,384</u>
Other financing sources (uses)			
Transfer from general fund	1,112,161	1,082,000	(30,161)
Total other financing sources (uses)	<u>1,112,161</u>	<u>1,082,000</u>	<u>(30,161)</u>
Excess (deficit) of revenues over (under) sewer enterprise expenditures and other financing sources (uses)	<u>326,061</u>	<u>1,144,284</u>	<u>818,223</u>
GENERAL GOVERNMENT:			
Revenues			
Property taxes	1,068,097	1,117,817	49,720
Specific ownership taxes	95,400	85,789	(9,611)
Net investment income	2,250	-	(2,250)
Total revenues	<u>1,165,747</u>	<u>1,203,606</u>	<u>37,859</u>
Expenditures			
County Treasurer's fees	16,021	16,475	(454)
Directors fees	6,500	6,000	500
Legal	8,500	16,679	(8,179)
Elections and publications	1,100	830	270
Accounting and audit	12,500	16,536	(4,036)
Taxes and benefits	500	458	42
Miscellaneous	3,700	1,515	2,185
Office, telephone, utilities	400	-	400
Emergency reserve	4,365	-	4,365
Total expenditures	<u>53,586</u>	<u>58,493</u>	<u>(4,907)</u>
Excess (deficit) of revenues over (under) general government expenditures	<u>1,112,161</u>	<u>1,145,113</u>	<u>32,952</u>
Other financing sources (uses)			
Transfer to enterprise fund	(1,112,161)	(1,139,812)	(27,651)
Total other financing sources (uses)	<u>(1,112,161)</u>	<u>(1,139,812)</u>	<u>(27,651)</u>
Excess (deficit) of revenues over (under) enterprise expenditures and other financing sources (uses)	<u>-</u>	<u>5,301</u>	<u>5,301</u>
Total district revenues	<u>3,675,348</u>	<u>7,213,180</u>	<u>3,537,832</u>
Total district expenditures	<u>4,399,247</u>	<u>3,399,578</u>	<u>999,669</u>
Total excess (deficit) of revenues over (under) expenditures	<u>(723,899)</u>	<u>3,813,602</u>	<u>\$ 4,537,501</u>
Funds available - beginning of year	<u>5,897,886</u>	<u>5,637,418</u>	
Funds available - end of year	<u>\$ 5,173,987</u>	<u>\$ 9,451,020</u>	

Alameda Water and Sanitation District

**RECONCILIATION OF ACTUAL (BUDGETARY BASIS) TO STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION**

For the Year Ended December 31, 2020

Revenues (budgetary basis)	\$ 7,213,180
Less:	
Intradistrict budgetary transfers	(1,082,000)
Proceeds from long-term debt issuance	<u>(3,000,000)</u>
Total revenues per Statement of Revenues, Expenses and Changes in Net Position	<u>3,131,180</u>
Expenditures (budgetary basis)	3,399,578
Depreciation and amortization	139,134
Capital outlay	(601,026)
Less intradistrict budgetary transfers	<u>(1,082,000)</u>
Total expenses per Statement of Revenues, Expenses and Changes in Net Position	<u>1,855,686</u>
Change in net position per Statement of Revenues, Expenses and Changes in Net Position	<u><u>\$ 1,275,494</u></u>