

**North Washington Street
Water and Sanitation District**

Annual Financial Report

December 31, 2020 and 2019

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Independent Auditor's Report

Members of the Board of Directors
North Washington Street Water & Sanitation District
Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the business-type activities of North Washington Street Water & Sanitation District (the "District") as of and for the years ended December 31, 2020 and 2019 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of North Washington Street Water & Sanitation District, as of December 31, 2020 and 2019, and the respective 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Washington Street Water & Sanitation District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Washington Street Water & Sanitation District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 North Washington Street Water & Sanitation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Washington Street Water & Sanitation District's ability to continue as a going concern for a reasonable period of time.

Other Matters

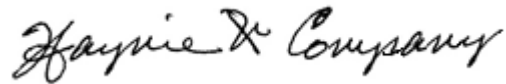
Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise North Washington Street Water & Sanitation District's financial statements as a whole. The other supplementary information sections are presented for purposes of additional analysis and are not a required part of the financial statements.

The other supplementary information as listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

A handwritten signature in cursive script that reads "Haynie & Company".

Littleton, Colorado
July 16, 2021

Basic Financial Statements

North Washington Street Water & Sanitation District
Statements of Net Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 8,833,704	\$ 6,337,218
Investments	15,279,651	15,485,757
Accounts receivable:		
Customers	848,354	761,774
Taxes	401,579	393,574
Accrued interest	11,050	11,050
Accrued service fees	283,837	323,432
Inventory	52,870	110,370
Prepaid expenses	104	104
Total Current Assets	25,711,149	23,423,279
Capital Assets		
Not Being Depreciated		
Land	127,978	127,978
Construction in progress	199,627	1,068,977
Total Capital Assets, Not Being Depreciated	327,605	1,196,955
Being Depreciated		
Buildings	1,273,848	1,261,735
Water system	18,224,278	16,422,394
Sewer system	9,067,079	6,936,906
Furniture and equipment	3,460,919	3,286,014
Total Capital Assets, Being Depreciated	32,026,124	27,907,049
Less accumulated depreciation	(9,668,748)	(9,173,884)
Net Capital Assets, Being Depreciated	22,357,376	18,733,165
Net Capital Assets	22,684,981	19,930,120
Restricted Cash and Investments		
Customer and other deposits-Restricted	133,677	1,033,643
Total Assets	\$48,529,807	\$44,387,042

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

North Washington Street Water & Sanitation District
Statements of Net Position
December 31, 2020 and 2019

	2020	2019
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 598,194	\$ 696,687
Compensated absences payable	54,556	107,433
Accrued payroll	20,862	13,629
Total Current Liabilities	673,612	817,749
Long-Term Liabilities		
Long-term portion of compensated absences payable	180,733	139,704
Total Long-Term Liabilities	180,733	139,704
Restricted Liabilities		
Customer deposits	133,677	140,792
Total Restricted Liabilities	133,677	140,792
Total Liabilities	988,022	1,098,245
Deferred Inflows of Resources		
Deferred property tax revenue	398,971	390,967
Total Deferred Inflows of Resources	398,971	390,967
Net Position		
Net investment in capital assets	22,684,981	19,930,120
Unrestricted	24,457,833	22,967,710
Total Net Position	47,142,814	42,897,830
Total Liabilities, Deferred Inflows and Net Position	\$48,529,807	\$44,387,042

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

North Washington Street Water & Sanitation District
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Water Operations		
Revenue		
Water sales	\$ 6,412,103	\$ 5,846,824
Turn on fees	3,500	35,590
Miscellaneous	<u>39,442</u>	<u>29,987</u>
Total Water Revenue	6,455,045	5,912,401
Direct Water Expenses	<u>(4,657,801)</u>	<u>(3,623,786)</u>
Income from Water Operations	<u>1,797,244</u>	<u>2,288,615</u>
 Sanitation Operations		
Revenue		
Sewage treatment	5,378,832	5,250,006
Direct sanitation expenses	<u>(2,659,127)</u>	<u>(2,658,942)</u>
Total Sanitation Operations	2,719,705	2,591,064
 General and Administrative Expenses	<u>(1,925,462)</u>	<u>(1,709,389)</u>
Operating Income	<u>2,591,487</u>	<u>3,170,290</u>
Nonoperating Revenues (Expenses)		
General property tax	387,646	368,370
Specific ownership tax	28,186	23,708
Net investment income	184,102	334,032
Unrealized gain (loss) on investment	36,136	214,963
Miscellaneous revenue (expense)	(4,544)	6,719
County Treasurer's fees	<u>(5,677)</u>	<u>(5,355)</u>
Total Nonoperating Revenues (Expenses)	<u>625,849</u>	<u>942,437</u>
Income Before Capital Contributions	<u>3,217,336</u>	<u>4,112,727</u>
Capital Contributions		
Contributed lines and system development fees	<u>1,027,688</u>	<u>393,793</u>
Total Capital Contributions	<u>1,027,688</u>	<u>393,793</u>
Change in Net Position	4,245,024	4,506,520
Net Position—Beginning of Year	<u>42,897,830</u>	<u>38,391,310</u>
Net Position—End of Year	<u>\$47,142,854</u>	<u>\$42,897,830</u>

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

North Washington Street Water & Sanitation District
Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities:		
Cash received from customers	\$ 11,771,772	\$ 11,229,744
Cash paid to suppliers for goods and services	(7,067,719)	(5,265,879)
Cash paid to employees for services	(1,177,227)	(1,075,688)
Cash paid on behalf of employees	(548,188)	(511,325)
Net Cash From Operating Activities	2,978,638	4,376,852
Cash Flows from Non-capital Financing Activities:		
Miscellaneous nonoperating revenue (expense)	(4,544)	6,719
Property and specific ownership taxes received, net	418,159	386,723
Net Cash From Non-capital Financing Activities	413,615	393,442
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(2,349,799)	(1,964,369)
Development fees received	1,027,688	393,793
Net Cash From Capital and Related Financing Activities	(1,322,111)	(1,570,576)
Cash Flows from Investing Activities:		
Investments purchased	242,242	(3,457)
Net investment income received	184,102	334,032
Net Cash from Investing Activities	426,344	330,575
Net Change in Cash and Cash Equivalents	2,496,486	3,530,293
Cash and Cash Equivalents—Beginning of Year	6,337,218	2,806,925
Cash and Cash Equivalents—End of Year	\$ 8,833,704	\$ 6,337,218

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

North Washington Street Water & Sanitation District
Statements of Cash Flows (continued)
For the Years Ended December 31, 2020 and 2019

	2020	2019
Reconciliation of Net Operating Income to		
Net Cash From Operating Activities:		
Net operating income	\$2,591,487	\$3,170,290
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	494,864	435,419
Changes in assets and liabilities:		
Receivables—Customers	(94,585)	(9,896)
Receivables—Other	39,595	18,516
Inventory	57,500	17,500
Prepaid expenses	(7,115)	462,377
Accounts payable	(91,260)	265,079
Compensated absences payable	(11,848)	17,567
Total Adjustments	387,151	1,206,562
Net Cash From Operating Activities	\$2,978,638	\$4,376,852

The accompanying notes are an integral part of these statements.

North Washington Street Water & Sanitation District

Notes to Financial Statements

December 31, 2020 and 2019

1. Definition of Reporting Entity

North Washington Street Water & Sanitation District, (District) is a special district created under the laws of the State of Colorado to provide water and sanitation services to its customers. The District's service area is located in Adams County and the City and County of Denver. The District is an independent entity with its own taxing power. The District buys all of its water from the Denver Board of Water Commissioners. The District's sewage is transported to and treated by Metro Wastewater Reclamation District. Since the major part of its income is derived from user charges, the District is classified and accounted for as an "Enterprise Fund". Because of the self-supporting nature of the District, its accounting is on the accrual basis much like a private, profit-making business. However, unlike a private business, the District is not subject to federal and state income taxes.

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

2. Summary of Significant Accounting Policies

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 exercised in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

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

Basis of Accounting

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 capital assets are shown as increases in assets. System development fees and contributed lines received are recorded as capital contributions when received.

North Washington Street Water and Sanitation District

Notes to Financial Statements (continued)

December 31, 2020 and December 31, 2019

2. Summary of Significant Accounting Policies (continued)

Financial Reporting Entity

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

Capital Assets

The District's property and equipment are carried at cost in the case of outright purchases or construction. In the case of property contributed by sub-dividers or customers, such as water and sewer lines, the asset is recorded at an estimated fair market value at the date of contribution as determined by the District's consulting engineers.

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

Water system lines and accessories	50-100 years
Sewer system lines and accessories	50 years
Building	40 years
Equipment	6-20 years

Interest costs incurred during the construction phase are capitalized as incurred.

Accounts Receivable

The District does not provide a reserve for estimated uncollectible accounts for water and sewer services since such accounts are negligible. The District policy regarding delinquent accounts is to place a lien against the real estate and not provide water or sewer services until back charges are paid. A security deposit from customers also helps to ensure collection.

Property Tax Revenue Recognition

Annual property taxes are levied on January 1 based on assessed valuations certified by the County Assessor's office by December 15 of the current year. A taxpayer has the option of paying all their taxes by the end of April or paying their taxes in two installments. If the taxpayer elects to pay in two installments, one half of their taxes are due by the end of February of the current year and the second half of their taxes are due by June 15 of the current year.

North Washington Street Water and Sanitation District

Notes to Financial Statements (continued)

December 31, 2020 and December 31, 2019

2. Summary of Significant Accounting Policies (continued)

Taxes are considered to be delinquent if unpaid by the respective due dates. The County Treasurer collects the property taxes and remits the collections on a monthly basis to the District.

The District recognizes a receivable for property taxes when the mill levy is certified. Deferred revenue is recorded in the same amount since the taxes are not available at the year-end to fund expenditures of the current year.

Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses.

Budget and Budgetary Accounting

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 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. The appropriation is at the total fund expenditures level and lapses at year end. Contributions of water and/or sewer lines are not reflected as a budgetary revenue or expenditure as they do not generate or require the use of funds available.

Operations

The District distinguishes between operating revenues and expenses and nonoperating items in the Statements of Revenue, 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 services provided. Operating expenses include the cost of service, administrative expenses and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

System Development Fees

System development revenue represents tap fees. These fees are recorded as contributions and combined with contributed lines (see below) on the Statements of Revenue, Expenses and Changes in Net Position.

Contributed Lines

Contributed lines represent contributions for plant and equipment acquired by the District primarily through donations by customers, developers and sub-dividers. These contributions are in the form of water and sewer lines installed and paid for by others and deeded over to the District and meter package charges paid by customers of the District.

North Washington Street Water and Sanitation District

Notes to Financial Statements (continued)

December 31, 2020 and December 31, 2019

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The District considers cash deposits and highly liquid investments with an intended maturity of three months or less to be cash equivalents.

Investments

The District's policy is to account for investments at fair market value in accordance with GASB. Gains or losses on the sale of investments are recognized when the investment is sold.

Inventories

Inventory is stated at the lower of cost or net realizable value, using the first-in, first-out method, and consists of expendable supplies.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The net position amount is also adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments. All other net positions are reported as unrestricted.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Management Estimates

The preparation 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been adjusted to conform to the current year presentation. These reclassifications did not have an impact on the District's change in net position.

Property Taxes

The District collects property tax from property owners within the district based on assessed values at December 31 of the prior year. Property owners are to pay these assessments either in full by April 30th or in halves by February 28/29th and June 15th. These taxes are collected by Adams County and remitted to the district on the 10th day of the month following collection.

North Washington Street Water and Sanitation District
Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019

3. Cash, Cash Equivalents and Investments

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

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents (less restricted balances)	\$ 8,840,120	\$ 6,337,218
Investments	15,279,651	15,485,757
Restricted cash and investments		
Customer deposits	133,677	140,792
Deposit for contributed sewer lines not yet installed	-	892,851
Total	<u>\$24,253,448</u>	<u>\$22,856,618</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. 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 equal to the aggregate uninsured deposits.

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

At December 31, 2020 and 2019, the District's cash deposits had a bank balance and a carrying balance as follows:

	<u>2020</u>		<u>2019</u>	
	Carrying Balance	Bank Balance	Carrying Balance	Bank Balance
Deposits with financial institutions	\$8,839,120	\$8,848,777	\$6,336,218	\$6,266,280
Petty cash	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	<u>\$8,840,120</u>	<u>\$8,849,777</u>	<u>\$6,337,218</u>	<u>\$6,267,280</u>

North Washington Street Water and Sanitation District

Notes to Financial Statements (continued)

December 31, 2020 and December 31, 2019

3. Cash, Cash Equivalents and Investments (continued)

For deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. Deposits that are exposed to custodial credit risk are collateralized with securities held by the pledging financial institution through PDPA.

The District's cash deposits are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes deposits not covered by depository insurance and uncollateralized. Category 2 includes deposits not covered by depository insurance and collateralized with securities held by the pledging financial institution. Category 3 includes deposits not covered by depository insurance and collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

	2020	2019
Insured deposits	\$ 3,373,760	\$ 3,141,868
Category 1	1,000	1,000
Category 2	20,878,688	19,713,750
Total cash and investments	\$ 24,253,448	\$ 22,856,618

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities, bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- local government investment pools.

Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

North Washington Street Water and Sanitation District
Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019

3. Cash, Cash Equivalents and Investments (continued)

Interest Rate Risk

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

Revenue bonds of U.S. local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to three years or less.

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

2020

<u>Type of Investment</u>	<u>Maturity</u>	<u>Reporting Basis</u> <u>Amortized Cost</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Less than one year	\$ 5,483,457
		Fair Value
Money Market	Less than one year	\$ 599,844
Certificates of Deposit	Less than one year	965,601
U.S Agencies Certificates of Deposit	Callable, less than one year	-
U.S. Agencies	One to five years	1,471,343
	Callable quarterly, one to five years	<u>12,242,863</u>
Total Investments		\$ 20,763,108

2019

<u>Type of Investment</u>	<u>Maturity</u>	<u>Reporting Basis</u> <u>Amortized Cost</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Less than one year	\$ 3,214,813
		Fair Value
Money Market	Less than one year	\$ 2,413,337
Certificates of Deposit	Less than one year	1,210,490
U.S Agencies	Callable, less than one year	4,451,315
Certificates of Deposit	One to five years	2,676,384
U.S. Agencies	Callable quarterly, one to five years	<u>4,734,232</u>
Total Investments		\$ 18,700,570

North Washington Street Water and Sanitation District

Notes to Financial Statements (continued)

December 31, 2020 and December 31, 2019

3. Cash, Cash Equivalents and Investments (continued)

CSAFE

At December 31, 2020 and 2019, the District had \$2,478,234 and \$3,214,813, respectively, in an investment vehicle established for local government entities in Colorado to pool surplus funds and is registered with the State Securities Commissioner. CSAFE is rated AAAM by Standard and Poor's. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. The portfolio 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 portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

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.

The District has invested in U.S agencies, which are reported at fair value using Level 1 inputs.

North Washington Street Water and Sanitation District
Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019

4. Capital Assets

An analysis of the changes in net capital asset for the years ended December 31, 2020 and 2019 follows:

	Balance, December 31, 2019	Additions	Transfers / Retirements	Balance, December 31, 2020
Capital Assets, not being Depreciated				
Land	\$ 127,978	\$ -	\$ -	\$ 127,978
Construction in Progress	1,068,977	1,091,911	(1,961,260)	199,627
Total Capital Assets, not being depreciated	<u>1,196,955</u>	<u>1,091,911</u>	<u>(1,961,260)</u>	<u>327,605</u>
Capital Assets, being depreciated				
Building	1,261,735	12,114	-	1,273,849
Water System	16,422,394	1,801,883	-	18,224,277
Sewer System	6,936,906	2,130,174	-	9,067,080
Equipment	3,286,014	174,905	-	3,460,919
Total capital assets, being depreciated	<u>27,907,049</u>	<u>4,119,075</u>	<u>-</u>	<u>32,026,124</u>
Less accumulated depreciation for:				
Building	(781,712)	(30,008)	-	(811,720)
Water System	(2,923,848)	(206,700)	-	(3,130,548)
Sewer System	(2,601,495)	(112,334)	-	(2,713,829)
Equipment	(2,866,827)	(135,824)	-	(3,002,651)
Total accumulated depreciation	<u>(9,173,882)</u>	<u>(484,866)</u>	<u>-</u>	<u>(9,658,748)</u>
Total capital assets, being depreciated, net	<u>18,733,167</u>	<u>3,634,209</u>	<u>-</u>	<u>22,367,376</u>
Capital Assets, net	<u>\$ 19,930,122</u>	<u>\$ 4,726,120</u>	<u>\$ (1,961,260)</u>	<u>\$ 22,694,981</u>

North Washington Street Water and Sanitation District
Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019

4. Capital Assets (continued)

	Balance, December 31, 2018	Additions	Transfers	Retirements	Balance, December 31, 2019
Capital Assets, not being Depreciated					
Land	\$ 127,978	\$ -	\$ -	\$ -	\$ 127,978
Construction in Progress	527,785	989,730	(448,538)	-	1,068,977
Total Capital Assets, not being depreciated	655,763	989,730	(448,538)	-	1,196,955
Capital Assets, being depreciated					
Building	1,217,080	44,655	-	-	1,261,735
Water System	15,138,884	1,283,510	-	-	16,422,394
Sewer System	6,926,980	9,926	-	-	6,936,906
Equipment	3,200,928	85,086	-	-	3,286,014
Total capital assets, being depreciated	26,483,872	1,423,177	-	-	27,907,049
Less accumulated depreciation for:					
Building	(752,503)	(29,209)	-	-	(781,712)
Water System	(2,739,695)	(184,153)	-	-	(2,923,848)
Sewer System	(2,491,867)	(109,628)	-	-	(2,601,495)
Equipment	(2,754,399)	(112,428)	-	-	(2,866,827)
Total accumulated depreciation	(8,738,464)	(435,419)	-	-	(9,173,884)
Total capital assets, being depreciated, net	17,745,408	987,758	-	-	18,733,165
Capital Assets, net	\$ 18,401,170	\$ 1,977,488	\$ (448,538)	\$ -	\$ 19,930,120

5. Long-Term Liabilities

The District's vacation policy states employees can carry forward unused vacation not to exceed the amount of vacation normally earned by an employee in one year. The District's sick leave policy states employees will be paid for accumulated sick leave up to 90 days upon retirement from the District.

Changes in the District's long-term liabilities for the years ended December 31, 2020 and 2019 are as follows:

North Washington Street Water and Sanitation District
Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019

5. Long-Term Liabilities (continued)

	Balance at December 31 2019	Additions	Reductions	Balance at December 31 2020	Due Within One Year
Compensated absences	\$ 247,137	\$ 91,090	\$ (102,938)	\$ 235,289	\$ 54,556
	Balance at December 31 2018	Additions	Reductions	Balance at December 31 2019	Due Within One Year
Compensated absences	\$ 229,570	\$ 76,172	\$ (58,605)	\$ 247,137	\$ 107,433

6. Net Position

The District has net position consisting of two components — net investment in capital assets and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation. The District had no outstanding debt as of December 31, 2020 and 2019. As of December 31, 2020 and 2019, the District had net investment in capital assets of \$22,684,981 and \$19,930,120, respectively.

Restricted net position include amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had no restricted net position as of December 31, 2020 and 2019.

Unrestricted net position consists of net position that does not meet the definition of invested in capital assets or restricted.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are considered expended.

North Washington Street Water and Sanitation District

Notes to Financial Statements (continued)

December 31, 2020 and December 31, 2019

7. Sanitation Service Fees

Sewer service fees paid to the Metro Wastewater Reclamation District are based on estimates. The actual charge is not determined until all flow data has been received and laboratory analysis made of the sewage of all connecting members of the Metro Wastewater Reclamation District. According to the service contract, this actual charge is calculated by March following the end of the calendar year. Service charges for 2020 and 2019 have been adjusted to reflect the actual expense. Overpayments or underpayments arising from the difference between the original estimated charge and a revised estimated charge in August of each year is paid or credited in the next year. The difference between the revised estimated amount and the final adjusted amount is paid or credited in the second year following the adjustment. At December 31, 2020 and 2019, the District had a payable of \$302,750 and \$118,710, respectively, to Metro Wastewater Reclamation District. These adjustments arise from differences between actual charges and revised estimated charges.

8. Related Party

One of the five members of the Board of Directors is a co-owner of Colorado Lighting Inc. Amounts paid to Colorado Lighting Inc. during 2020 and 2019 for services were \$2,150 and \$2,150, respectively.

9. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded commercial coverage in any of the past three years.

10. Employees' Retirement Plan

The District participates in a retirement plan administered by the Colorado Counties Officials and Employees Retirement Association (Association). The Association established a defined contribution plan called the Colorado County Officials and Employees Retirement Plan (Plan) through which contributions of the District are combined with contributions of employees and invested in income earning instruments for the benefit of Plan participants. Any county, municipality, or special district of the State of Colorado may, with the consent of the Association, become a member of the Association and participate in the Plan by adopting it for its officers and employees. Employees of the District are required to participate in the Plan

North Washington Street Water and Sanitation District

Notes to Financial Statements (continued)

December 31, 2020 and December 31, 2019

10. Employees' Retirement Plan (continued)

after the completion of one year of service, but participation is optional for all elected officers. The District matches contributions equal to 6% of the eligible employees' salaries. Employees may make additional voluntary contributions not to exceed 10% of their salary. Participants vest in employer contributions at the rate of 10% per year, and are immediately vested 100% in their own contributions and earnings on those contributions.

Any employee contributions forfeited by a participant due to termination of employment before becoming fully vested are returned to the District and netted against the pension expense on the District's financial statements.

The District may at any time elect to terminate the Plan. In the event of such termination or withdrawal from the Plan by the District, each participant becomes 100% vested.

During 2020 and 2019, the District's contribution to the Plan was \$41,248 and \$38,274 respectively. At December 31, 2020 and 2019, there were no amounts due to the plan.

11. Deferred Compensation Plan

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is also administered by the District. Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years.

12. 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 the exclusion.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions.

North Washington Street Water and Sanitation District
Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019

12. Tax, Spending and Debt Limitations (continued)

Revenue in excess of the Fiscal Year spending limit must be refunded unless the voters approve retention of such revenue.

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.

13. Subsequent Events

The District has evaluated subsequent events through _____, 2021, the date which the financial statements were available to be issued.

Supplementary Information

North Washington Street Water & Sanitation District
Schedule of General and Administrative Expenses
For the Years Ended December 31, 2020 and 2019

General and Administrative Expenses	2020	2019
Administration and management:		
Directors' fees and expenses	\$ 10,996	\$ 30,576
Office supplies	3,939	2,960
Repairs and maintenance	1,118	3,800
Salaries and wages	329,031	224,794
Employee benefits	68,441	103,024
Payroll taxes	32,040	22,770
Worker's compensation insurance	3,402	3,846
Gasoline	13,341	6,014
Postage	3,466	3,154
Training	276	1,774
Publications/memberships	3,987	2,629
Total administration and management	<u>470,037</u>	<u>405,341</u>
Billings and collection:		
Office supplies	7,878	5,920
Repairs and maintenance	37,085	42,404
Equipment lease	608	552
Salaries and wages	138,635	138,683
Employee benefits	79,832	66,994
Payroll taxes	10,735	10,686
Worker's compensation insurance	786	888
Postage	28,257	28,124
Total billings and collection	<u>303,816</u>	<u>294,251</u>

North Washington Street Water & Sanitation District
Schedule of General and Administrative Expenses
For the Years Ended December 31, 2020 and 2019
(continued)

	<u>2020</u>	<u>2019</u>
Accounting and finance:		
Accounting services	4,000	2,301
Auditing	10,600	10,300
Office supplies	7,878	5,920
Equipment lease	608	552
Repairs and maintenance	22,972	33,136
Salaries and wages	215,546	216,832
Employee benefits	101,792	87,769
Payroll taxes	16,580	16,687
Postage	2,888	2,627
Worker's compensation insurance	1,178	1,332
Service charges	103	148
Total accounting and finance	<u>384,145</u>	<u>377,604</u>
General and Administrative Expenses		
General:		
Insurance	31,215	32,491
Legal	39,668	46,048
Miscellaneous	53,332	29,762
Repairs and maintenance	99,604	51,777
Telephone	25,751	14,378
Utilities	23,030	22,318
Total general	<u>272,600</u>	<u>196,774</u>
Depreciation expense	<u>494,864</u>	<u>435,419</u>
Total General and Administrative Expenses	<u>\$ 1,925,462</u>	<u>\$ 1,709,389</u>

North Washington Street Water & Sanitation District
Budget Comparison (Non-GAAP Basis) - Source of Funds - Water
For the Year Ended December 31, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	2020 Actual	Variance with Final Budget Positive (Negative)
Operating Revenue:				
Fees for service:				
Residential	\$ 3,067,650	\$ 3,067,650	\$ 3,636,823	\$ 569,173
Commercial	1,851,929	1,851,929	2,278,007	426,078
Industrial	532,750	532,750	497,273	(35,477)
Nonmetered Fees	97,330	97,330	34,016	(63,314)
Turn on fees	27,977	27,977	3,500	(24,477)
Miscellaneous income (expense)	33,065	33,065	5,426	(27,639)
Total operating revenue	<u>5,610,701</u>	<u>5,610,701</u>	<u>6,455,045</u>	<u>844,344</u>
Non Operating Revenue:				
Investment Income	133,769	133,769	93,224	(40,545)
Miscellaneous	7,543	7,543	-	(7,543)
Total nonoperating revenue	<u>141,312</u>	<u>141,312</u>	<u>93,224</u>	<u>(48,088)</u>
Capital Contributions				
Contributed lines	50,000	50,000	66,843	16,843
System development fees	50,000	50,000	233,159	183,159
Total capital contributions	<u>100,000</u>	<u>100,000</u>	<u>300,002</u>	<u>200,002</u>
Total source of funds	<u>\$ 5,852,013</u>	<u>\$ 5,852,013</u>	<u>\$ 6,848,271</u>	<u>\$ 996,258</u>

North Washington Street Water & Sanitation District

Budget Comparison (Non-GAAP Basis) - Expenditures - Water

For the Year Ended December 31, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	2020 Actual	Variance with Final Budget Positive (Negative)
Operating Expenditures:				
Water source of supply:				
Purchased water	\$ 2,409,745	\$ 2,409,745	\$ 3,249,682	\$ (839,937)
Repairs and maintenance	36,776	36,776	18,495	18,281
Telephone	297	297	780	(483)
Total Water source of supply	<u>\$ 2,446,818</u>	<u>\$ 2,446,818</u>	<u>\$ 3,268,957</u>	<u>\$ (822,139)</u>
Transmission and collection:				
Power for pumping	\$ 28,723	\$ 28,723	\$ 35,099	\$ (6,376)
Operating supplies	13,562	13,562	18,179	(4,617)
Repairs and maintenance	63,800	63,800	919,243	(855,443)
Salaries and wages	228,331	228,331	224,548	3,783
Employee benefits	59,003	59,003	69,892	(10,889)
Payroll taxes	18,723	18,723	18,510	213
Workmen's compensation insurance	9,747	9,747	7,307	2,440
Gasoline	6,994	6,994	4,421	2,573
Training	300	300	735	(435)
Total transmission and collection	<u>\$ 429,183</u>	<u>\$ 429,183</u>	<u>\$ 1,299,776</u>	<u>\$ (870,593)</u>
Accounting and finance:				
Accounting services	\$ -	\$ -	\$ 1,333	\$ (1,333)
Auditing	5,238	5,238	3,533	1,705
Office supplies	2,737	2,737	3,939	(1,202)
Equipment lease	487	487	304	183
Service charges	-	-	-	-
Repairs and maintenance	14,954	14,954	11,486	3,468
Salaries and wages	94,423	94,423	116,595	(22,172)
Employee benefits	46,614	46,614	50,896	(4,282)
Payroll taxes	7,742	7,742	8,965	(1,223)
Postage	1,441	1,441	1,444	(3)
Worker's compensation insurance	786	786	589	197
Total accounting and finance	<u>\$ 174,422</u>	<u>\$ 174,422</u>	<u>\$ 199,146</u>	<u>\$ (24,724)</u>
Administration and management:				
Directors' fees and expenses	\$ 16,556	\$ 16,556	\$ 3,665	\$ 12,891
Office supplies	2,737	2,737	3,939	(1,202)
Repairs and maintenance	1,073	1,073	559	514
Salaries and wages	90,306	90,306	159,770	(69,464)
Employee benefits	26,604	26,604	13,585	13,019
Payroll taxes	7,405	7,405	12,662	(5,257)
Worker's compensation insurance	1,513	1,513	1,134	379
Gasoline	3,033	3,033	6,722	(3,689)
Postage	1,259	1,259	1,444	(185)
Training	1,567	1,567	138	1,429
Publications/memberships	851	851	1,329	(478)
Total administration and management	<u>\$ 152,903</u>	<u>\$ 152,903</u>	<u>\$ 204,947</u>	<u>\$ (52,044)</u>

North Washington Street Water & Sanitation District
Budget Comparison (Non-GAAP Basis) - Expenditures - Water
For the Year Ended December 31, 2020
(continued)

	Original Budgeted Amounts	Final Budgeted Amounts	2020 Actual	Variance with Final Budget Positive (Negative)
Billings and collection:				
Office supplies	\$ 2,737	\$ 2,737	\$ 3,939	\$ (1,202)
Repairs and maintenance	18,178	18,178	21,799	(3,621)
Equipment lease	487	487	304	183
Salaries and wages	67,017	67,017	69,318	(2,301)
Employee benefits	36,499	36,499	39,917	(3,418)
Payroll taxes	5,495	5,495	5,368	127
Worker's compensation insurance	524	524	393	131
Postage	12,851	12,851	14,184	(1,333)
Total billings and collection	<u>\$ 143,789</u>	<u>\$ 143,789</u>	<u>155,222</u>	<u>\$ (11,433)</u>
Water meter reading:				
Operating supplies	\$ 1,097	\$ 1,097	\$ 2,198	\$ (1,101)
Repairs and maintenance	-	-	54,857	(54,857)
Salaries and wages	55,251	55,251	16,856	38,395
Employee benefits	14,245	14,245	4,542	9,703
Payroll taxes	4,531	4,531	6,194	(1,663)
Workmen's compensation insurance	8,262	8,262	-	8,262
Gasoline	6,994	6,994	4,421	2,573
Total water meter reading	<u>\$ 90,379</u>	<u>\$ 90,379</u>	<u>\$ 89,068</u>	<u>\$ 1,311</u>
General:				
Insurance	\$ 10,828	\$ 10,828	\$ 10,404	\$ 424
Legal	6,333	6,333	6,885	(552)
Miscellaneous	18,012	18,012	-	18,012
Repairs and maintenance	20,814	20,814	34,365	(13,551)
Telephone	7,920	7,920	8,583	(663)
Utilities	12,378	12,378	11,515	863
Other expenses	2,389	2,389	2,244	145
Total general	<u>\$ 78,673</u>	<u>\$ 78,673</u>	<u>\$ 73,996</u>	<u>\$ 4,678</u>
Total operating expenditures	<u>\$ 3,516,167</u>	<u>\$ 3,516,167</u>	<u>\$ 5,291,112</u>	<u>\$ (1,774,944)</u>
Nonoperating Expenditures:				
Capital improvements from District funds	\$ 5,042,000	\$ 5,042,000	\$ 1,084,671	\$ 3,957,329
Contingencies	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Expenditures Water	<u><u>\$ 8,583,166</u></u>	<u><u>\$ 8,583,166</u></u>	<u><u>\$ 6,375,782</u></u>	<u><u>\$ 2,207,384</u></u>

North Washington Street Water & Sanitation District
Budget Comparison (Non-GAAP Basis)
Source of Funds - Sanitation
For the Year Ended December 31, 2020

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2020 Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating Revenue:				
Fees for service:				
Residential	\$ 2,493,523	\$ 2,493,523	\$ 2,467,331	\$ (26,192)
Commercial	1,016,949	1,016,949	1,049,054	32,105
Industrial	24,837	24,837	1,862,447	1,837,610
Miscellaneous income	45,432	45,432	-	(45,432)
Total operating revenue	<u>3,580,740</u>	<u>3,580,740</u>	<u>5,378,832</u>	<u>1,798,092</u>
Non Operating Revenue:				
Transfer of revenue - General Fund	-	-	-	-
Investment Income	133,769	133,769	127,014	(6,755)
Miscellaneous	826	826	(4,544)	(5,370)
Total nonoperating revenue	<u>134,595</u>	<u>134,595</u>	<u>122,470</u>	<u>(12,125)</u>
Capital Contributions				
Contributed lines	50,000	50,000	525,180	475,180
System development fees	50,000	50,000	202,506	152,506
Total source of funds	<u>3,815,335</u>	<u>3,815,335</u>	<u>6,228,988</u>	<u>2,413,653</u>
Total available resources	<u>\$ 3,815,335</u>	<u>\$ 3,815,335</u>	<u>\$ 6,228,988</u>	<u>\$ 2,413,653</u>

North Washington Street Water & Sanitation District

Budget Comparison (Non-GAAP Basis) - Expenditures - Sanitation

For the Year Ended December 31, 2020

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2020 Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating Expenditures				
Sanitation Treatment:				
Outside services - Treatment	\$ 1,515,695	\$ 1,515,695	\$ 2,227,819	\$ (712,124)
Test and analysis	-	-	-	-
Total sanitation treatment	<u>\$ 1,515,695</u>	<u>\$ 1,515,695</u>	<u>\$ 2,227,819</u>	<u>\$ (712,124)</u>
Transmission and collection:				
Training	\$ 450	\$ 450	\$ 1,105	\$ (655)
Operating supplies	7,944	7,944	11,266	(3,322)
Repairs and maintenance	23,002	23,002	94,258	(71,256)
Salaries and wages	228,331	228,331	224,548	3,783
Employee benefits	59,003	59,003	69,892	(10,889)
Payroll taxes	18,723	18,723	18,510	213
Workmen's compensation insurance	9,749	9,749	7,308	2,441
Gasoline	6,994	6,994	4,421	2,573
Total transmission and collection	<u>\$ 354,196</u>	<u>\$ 354,196</u>	<u>\$ 431,308</u>	<u>\$ (77,112)</u>
Accounting and finance:				
Accounting services	\$ -	\$ -	\$ 1,333	\$ (1,333)
Auditing	5,238	5,238	3,533	1,705
Service charges	-	-	41	(41)
Office supplies	2,737	2,737	3,939	(1,202)
Equipment lease	487	487	342	145
Repairs and maintenance	14,954	14,954	11,448	3,506
Salaries and wages	94,423	94,423	98,951	(4,528)
Employee benefits	46,614	46,614	50,896	(4,282)
Payroll taxes	7,743	7,743	7,615	128
Postage	1,078	1,078	1,444	(366)
Worker's compensation insurance	786	786	589	197
Total accounting and finance	<u>\$ 174,059</u>	<u>\$ 174,059</u>	<u>\$ 180,131</u>	<u>\$ (6,072)</u>
Administration and management:				
Directors' fees and expenses	\$ 10,056	\$ 10,056	\$ 3,665	\$ 6,391
Repairs and maintenance	2,700	2,700	559	2,141
Salaries and wages	80,157	80,157	80,997	(840)
Employee benefits	24,054	24,054	13,769	10,285
Payroll taxes	6,573	6,573	6,839	(266)
Worker's compensation insurance	1,513	1,513	1,134	379
Gasoline	3,033	3,033	6,619	(3,586)
Postage	1,259	1,259	1,444	(185)
Training	1,567	1,567	138	1,429
Publications/memberships	851	851	1,329	(478)
Total administration and mgmt	<u>\$ 131,762</u>	<u>\$ 131,762</u>	<u>\$ 116,493</u>	<u>\$ 15,269</u>

North Washington Street Water & Sanitation District
Budget Comparison (Non-GAAP Basis) - Expenditures - Sanitation
For the Year Ended December 31, 2020
(continued)

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2020 Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Billings and collection:				
Office supplies	\$ 2,737	\$ 2,737	\$ 3,939	\$ (1,202)
Repairs and maintenance	14,954	14,954	15,286	(332)
Equipment lease	487	487	304	183
Salaries and wages	67,017	67,017	69,317	(2,300)
Employee benefits	36,499	36,499	39,915	(3,416)
Payroll taxes	5,495	5,495	5,367	128
Worker's compensation insurance	524	524	393	131
Postage	11,514	11,514	14,073	(2,559)
Total billings and collection	<u>\$ 139,227</u>	<u>\$ 139,227</u>	<u>\$ 148,594</u>	<u>\$ (9,367)</u>
General:				
Insurance	\$ 10,828	\$ 10,828	\$ 10,404	\$ 424
Legal	22,863	22,863	16,360	6,503
Miscellaneous	7,197	7,197	23,526	(16,329)
Engineering fees	-	-	-	-
Repairs and maintenance	160,117	160,117	34,980	125,137
Telephone	7,920	7,920	8,583	(663)
Payroll Processing	2,389	2,389	2,310	79
Utilities	12,378	12,378	11,515	863
Total general	<u>\$ 223,691</u>	<u>\$ 223,691</u>	<u>\$ 107,678</u>	<u>\$ 116,013</u>
Total operating expenditures	<u>\$ 2,538,630</u>	<u>\$ 2,538,630</u>	<u>\$ 3,212,023</u>	<u>\$ (673,393)</u>
Nonoperating Expenditures:				
Capital impvmts from District funds	\$ 3,318,000	\$ 3,318,000	\$ 1,978,036	\$ 1,339,964
Contingencies	25,000	25,000	-	25,000
Total nonoperating expenditures	<u>\$ 3,343,000</u>	<u>\$ 3,343,000</u>	<u>\$ 1,978,036</u>	<u>\$ 1,364,964</u>
Total Expenditures Sanitation	<u><u>\$ 5,881,631</u></u>	<u><u>\$ 5,881,631</u></u>	<u><u>\$ 5,190,059</u></u>	<u><u>\$ 691,571</u></u>

North Washington Street Water & Sanitation District
Budget Comparison (Non-GAAP Basis)
Source of Funds and Expenditures - General and Administrative
For the Year Ended December 31, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	2020 Actual	Variance with Final Budget Positive (Negative)
Nonoperating Revenue				
Property taxes	\$ 390,489	\$ 390,489	\$ 387,646	\$ (2,843)
Specific ownership tax	25,358	25,358	28,186	2,828
Total nonoperating revenue	<u>415,844</u>	<u>415,844</u>	<u>415,832</u>	<u>(12)</u>
Net source of funds	<u>\$ 415,844</u>	<u>\$ 415,844</u>	<u>\$ 415,832</u>	<u>\$ (12)</u>
Operating Expenditures				
Accounting and finance:				
Accounting services	\$ -	\$ -	\$ 1,334	\$ (1,334)
Auditing	5,239	5,239	3,534	1,705
Total accounting and finance	<u>\$ 5,239</u>	<u>\$ 5,239</u>	<u>\$ 4,868</u>	<u>\$ 371</u>
Administration and management:				
Directors' fees and expenses	\$ 16,559	\$ 16,559	\$ 3,666	\$ 12,893
Salaries and wages	90,306	90,306	88,264	2,042
Employee benefits	26,604	26,604	41,087	(14,483)
Payroll taxes	7,405	7,405	12,539	(5,134)
Workmen's compensation insurance	1,513	1,513	1,134	379
Postage	504	504	578	(74)
Publications/memberships	851	851	1,329	(478)
Total administration and management	<u>\$ 143,741</u>	<u>\$ 143,741</u>	<u>\$ 148,597</u>	<u>\$ (4,856)</u>
General:				
Insurance	\$ 10,828	\$ 10,828	\$ 10,407	\$ 421
Legal	22,864	22,864	16,361	6,503
Miscellaneous	16,906	16,906	25,315	(8,409)
Repairs and maintenance	16,149	16,149	30,259	(14,110)
Telephone	7,920	7,920	8,585	(665)
Total general	<u>\$ 74,668</u>	<u>\$ 74,668</u>	<u>\$ 90,927</u>	<u>\$ (16,259)</u>
Total operating expenditures	<u>\$ 223,648</u>	<u>\$ 223,648</u>	<u>\$ 244,392</u>	<u>\$ (20,744)</u>
Nonoperating Expenditures:				
Capital improvements from District funds	\$ 245,000	\$ 245,000	\$ 187,019	\$ 57,981
County Treasurer's collection fees	8,964	8,964	5,677	3,287
Total nonoperating expenditures	<u>\$ 253,964</u>	<u>\$ 253,964</u>	<u>\$ 192,696</u>	<u>\$ 61,268</u>
Contingencies	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Expenditures	<u>\$ 502,612</u>	<u>\$ 502,612</u>	<u>\$ 437,088</u>	<u>\$ 65,524</u>

North Washington Street Water & Sanitation District
Reconciliation of Budgetary Basis Actual to
Statement of Revenue, Expenses and Changes in Net Position
For the Year Ended December 31, 2020

	Water	Sanitation	General and Administration	Total
Revenue				
Revenue budget basis (Non-GAAP basis)	\$ 6,848,271	\$ 6,228,988	\$ 415,832	\$13,493,091
Plus:				
Transfers	207,916	207,916	-	415,832
Less:				
Transfers	-	-	(415,832)	(415,832)
Revenue (GAAP basis)	\$ 7,056,187	\$ 6,436,904	\$ -	\$13,493,091
Water operating revenue				\$ 6,455,045
Sewer operating revenue				5,378,832
Nonoperating revenue				1,659,214
Total Revenue				\$13,493,091
Expenses				
Expenses budget basis (Non-GAAP basis)	\$ 6,375,782	\$ 5,190,059	\$ 437,088	\$12,002,929
Plus:				
Depreciation	247,432	247,432	-	494,864
Less:				
Capital improvements	(1,084,671)	(1,978,036)	(187,019)	(3,249,726)
Expenses (GAAP basis)	\$ 5,538,543	\$ 3,459,455	\$ 250,069	\$ 9,248,067
Direct water expenses				\$ 4,657,801
Direct sewer expenses				2,659,127
General and administrative expenses				1,925,462
Nonoperating expenses				5,677
Total Expenses				\$ 9,248,067