

**SOUTH ADAMS COUNTY WATER AND
SANITATION DISTRICT
COMMERCE CITY, COLORADO**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2020 AND 2019

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
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INDEPENDENT AUDITORS' REPORT

Board of Directors
South Adams County Water and Sanitation District
Commerce City, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of South Adams County 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, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2020 and 2019, and the respective changes in financial position and its cash flows 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 discussion and analysis on pages 3 through 10 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary information and secondary market information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The secondary market information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



CliftonLarsonAllen LLP

Denver, Colorado
April 30, 2021

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020 AND 2019**

The Management's Discussion and Analysis for South Adams County Water and Sanitation District (District) offers readers an overview of the District's financial activities for the fiscal years ended December 31, 2020 and 2019. Readers are encouraged to consider this information in conjunction with the District's financial statements, and notes to the basic financial statements.

Financial Highlights for 2020

- Net position increased by \$39,446,676 in 2020 or 7.4%, primarily due to capital contributions of \$28,256,659.
- Capital contributions consist of the following:

Tap fees	\$ 2,969,296
Developer contributions	14,159,716
System development fees	11,127,647
- Income before capital contributions is \$11,190,017, an increase of \$1,639,251 or 17.2% from 2019.
- The income from operations is \$10,373,887 for 2020, compared to \$7,919,889 in 2019.
- The District currently has 20,537 active customer accounts.
- Unrestricted net position increased by \$9,669,969 which is a 10.2% increase from the prior fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Required statements for proprietary funds are: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Net Position, and 3) Statement of Cash Flows. These financial statements are prepared similar to a business activity using the accrual basis of accounting and economic resource measurement focus.

Statements of Net Position: The Statements of Net Position present information on all of the District's assets, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases and decreases in net position serve as a useful indicator of whether the financial condition of the District is improving or deteriorating.

Statements of Revenues, Expenses, and Changes in Net Position: The Statements of Revenues, Expenses, and Changes in Net Position report the changes that have occurred during the year to the District's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported for some items that will only have cash flows in subsequent years.

Statements of Cash Flows: The Statements of Cash Flows are concerned solely with flows of cash and cash equivalents. Only transactions that affect the District's cash position are reflected in this statement. Transactions are segregated into four sections on the statement: 1) cash flows from operating activities, 2) cash flows from noncapital financing activities, 3) cash flows from capital and related financing activities, and 4) cash flows from investing activities.

Notes to the Basic Financial Statements: The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 16-33.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020 AND 2019**

Summary and Financial Analysis

NET POSITION

	2020	2019
ASSETS		
Current Assets	\$ 114,633,493	\$ 99,575,234
Restricted Cash and Investments	11,829,406	44,427,143
Capital Assets, Net of Accumulated Depreciation	564,708,015	506,030,786
Total Assets	\$ 691,170,914	\$ 650,033,163
LIABILITIES		
Current Liabilities	\$ 17,455,268	\$ 10,013,577
Other Liabilities	246,276	203,116
Long-Term Liabilities	98,324,544	104,517,388
Total Liabilities	116,026,088	114,734,081
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	2,704,995	2,578,701
2020B Bond Deferred Gain on Refunding	272,774	-
Total Deferred Inflows of Resources	2,977,769	2,578,701
NET POSITION		
Net Investment in Capital Assets	464,979,434	435,202,727
Restricted	2,500,000	2,500,000
Unrestricted	104,687,623	95,017,654
Total Net Position	572,167,057	532,720,381
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 691,170,914	\$ 650,033,163

The District increased its net position by \$39,446,676 during 2020. Capital assets net of depreciation increased by \$58,677,229. This increase is funded by the application of capital contributions in the amount of \$14,159,447. The "Operations Funds Available" (current assets less current liabilities) calculates to an amount of \$97,178,225, which is available for repayment of debt and future capital outlays funded by operations as well as sustaining current operations. This amount does not include \$2,500,000 of available funds shown as restricted cash and investments for debt service reserves specified in the Colorado Water and Power Authority loan documents.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020 AND 2019**

	2019	2018
ASSETS		
Current Assets	\$ 99,575,234	\$ 79,870,386
Restricted Cash and Investments	44,427,143	57,423,537
Capital Assets, Net of Accumulated Depreciation	506,030,786	482,166,476
Total Assets	\$ 650,033,163	\$ 619,460,399
LIABILITIES		
Current Liabilities	\$ 10,013,577	\$ 13,257,605
Other Liabilities	203,116	142,379
Long-Term Liabilities	104,517,388	109,824,727
Total Liabilities	114,734,081	123,224,711
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	2,578,701	2,355,917
Total Deferred Inflows of Resources	2,578,701	2,355,917
NET POSITION		
Net Investment in Capital Assets	435,202,727	417,762,697
Restricted	2,500,000	2,500,000
Unrestricted	95,017,654	73,617,074
Total Net Position	532,720,381	493,879,771
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 650,033,163	\$ 619,460,399

The District increased its net position by \$38,840,610 during 2019. Capital assets net of depreciation increased by \$23,864,310. This increase is funded by the application of capital contributions in the amount of \$12,946,447. The "Operations Funds Available" (current assets less current liabilities) calculates to an amount of \$89,561,657, which is available for repayment of debt and future capital outlays funded by operations as well as sustaining current operations. This amount does not include \$2,500,000 of available funds shown as restricted cash and investments for debt service reserves specified in the Colorado Water and Power Authority loan documents.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020 AND 2019**

CHANGES IN NET POSITION

	<u>2020</u>	<u>2019</u>
OPERATING REVENUE		
Water	\$ 24,547,116	\$ 21,588,389
Sanitation	14,581,422	13,767,728
Total Operating Revenue	<u>39,128,538</u>	<u>35,356,117</u>
NONOPERATING REVENUE		
Taxes	2,807,372	2,630,599
Net Investment Income	886,517	2,618,218
Gain on Sale of Capital Asset	57,084	15,000
Other	248,214	212,737
Total Nonoperating Revenue	<u>3,999,187</u>	<u>5,476,554</u>
Total Revenue	43,127,725	40,832,671
OPERATING EXPENSES		
Direct Expenses:		
Water	13,856,641	13,290,278
Sanitation	9,560,740	9,076,413
Total Direct Expenses	<u>23,417,381</u>	<u>22,366,691</u>
General and Administrative Expenses	5,337,270	5,069,537
Total Operating Expenses	<u>28,754,651</u>	<u>27,436,228</u>
NONOPERATING EXPENSES		
Interest	3,073,029	3,793,330
Cost of Debt Issuance	75,300	-
Other	34,728	52,347
Total Nonoperating Expenses	<u>3,183,057</u>	<u>3,845,677</u>
Total Expenses	31,937,708	31,281,905
INCOME BEFORE CAPITAL CONTRIBUTIONS	11,190,017	9,550,766
CAPITAL CONTRIBUTIONS	<u>28,256,659</u>	<u>29,289,844</u>
CHANGE IN NET POSITION	39,446,676	38,840,610
Net Position - Beginning of Year	<u>532,720,381</u>	<u>493,879,771</u>
NET POSITION - END OF YEAR	<u>\$ 572,167,057</u>	<u>\$ 532,720,381</u>

Revenue:

Operating revenue for fiscal year 2020 generated from water operations totaled \$24,547,116, an increase of \$2,958,727 or 13.7% compared to fiscal year 2019. Rates for metered water increased by 4.0% for 2020 and water consumption (sales) increased by 10.8% compared to the preceding year. These increases were offset by decreases in revenues generated from leased water, tap-in fees and hydrant water during the fiscal year. Sewer operating revenues increased from \$13,767,728 to \$14,581,422 representing a 5.9% increase. Sewer service fee rates also increased 3.0% for 2020.

Non-operating revenue decreased from \$5,476,554 in 2019 to \$3,999,187, representing a 27.0% decrease. The decrease is related to worse performance on investments.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020 AND 2019**

Expenses:

Total operating expenses for 2020, which include direct, general and administrative expenses, were \$28,754,651, an increase of \$1,318,423 or 4.8% more than the preceding year. Expenses for water increased by \$566,363 in relation to the increased demand of more consumption. This increase was supplemented by a \$484,327 increase in sewer expenses as a result of an increase in depreciation expense compared to the prior year.

	<u>2019</u>	<u>2018</u>
OPERATING REVENUE		
Water	\$ 21,588,389	\$ 21,540,951
Sanitation	<u>13,767,728</u>	<u>12,944,086</u>
Total Operating Revenue	35,356,117	34,485,037
NONOPERATING REVENUE		
Taxes	2,630,599	2,507,258
Net Investment Income	2,618,218	1,813,772
Gain on Sale of Capital Asset	15,000	-
Other	<u>212,737</u>	<u>212,869</u>
Total Nonoperating Revenue	<u>5,476,554</u>	<u>4,533,899</u>
Total Revenue	40,832,671	39,018,936
OPERATING EXPENSES		
Direct Expenses:		
Water	13,290,278	13,150,199
Sanitation	<u>9,076,413</u>	<u>9,538,761</u>
Total Direct Expenses	22,366,691	22,688,960
General and Administrative Expenses	<u>5,069,537</u>	<u>4,720,944</u>
Total Operating Expenses	<u>27,436,228</u>	<u>27,409,904</u>
NONOPERATING EXPENSES		
Interest	3,793,330	3,324,385
Other	<u>52,347</u>	<u>49,166</u>
Total Nonoperating Expenses	<u>3,845,677</u>	<u>3,373,551</u>
Total Expenses	31,281,905	30,783,455
INCOME BEFORE CAPITAL CONTRIBUTIONS	9,550,766	7,736,485
CAPITAL CONTRIBUTIONS	<u>29,289,844</u>	<u>20,852,502</u>
CHANGE IN NET POSITION	38,840,610	28,588,987
Net Position - Beginning of Year	<u>493,879,771</u>	<u>465,290,784</u>
NET POSITION - END OF YEAR	<u>\$ 532,720,381</u>	<u>\$ 493,879,771</u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020 AND 2019**

Revenue:

Operating revenue for fiscal year 2019 generated from water operations totaled \$21,588,389, an increase of \$47,438 or .2% compared to fiscal year 2018. Rates for metered water increased by 4.0% for 2019 and water consumption (sales) increased by 1.4% compared to the preceding year. Sewer operating revenues increased from \$12,944,086 to \$13,767,728 representing a 6.4% increase. Sewer service fee rates also increased 3.0% for 2019.

Non-operating revenue increased from \$4,533,899 in 2018 to \$5,476,554 representing a 20.8% increase. The increase is related to better performance on investments.

Expenses:

Total operating expenses for 2019, which include direct, general and administrative expenses, were \$27,436,228, an increase of \$26,324 or .1% more than the preceding year. Expenses for water increased by \$140,079 in relation to the increased demand of more consumption. This increase was offset by a \$462,348 decrease in sewer expenses as a result of a decrease in depreciation expense compared to the prior year.

Capital Assets

	December 31, 2019	Net Changes	December 31, 2020
	<u> </u>	<u> </u>	<u> </u>
Water System			
Land and Land Rights	\$ 4,061,733	\$ -	\$ 4,061,733
Water Rights	168,472,228	9,202,307	177,674,535
Construction in Progress	95,303,327	40,537,205	135,840,532
Plant and Equipment	178,830,142	7,475,403	186,305,545
Total Water System	<u>446,667,430</u>	<u>57,214,915</u>	<u>503,882,345</u>
Sanitation System			
Land and Land Rights	367,424	-	367,424
Construction in Progress	(517,803)	3,764,233	3,246,430
Plant and Equipment	149,731,426	4,417,921	154,149,347
Total Sanitation System	<u>149,581,047</u>	<u>8,182,154</u>	<u>157,763,201</u>
Accumulated Depreciation	<u>90,217,691</u>	<u>6,719,840</u>	<u>96,937,531</u>
Total Capital Assets - Net	<u><u>\$ 506,030,786</u></u>	<u><u>\$ 58,677,229</u></u>	<u><u>\$ 564,708,015</u></u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020 AND 2019**

2020

Gross capital assets increased in excess of \$65.4 million during 2020. Significant components of that increase are as follows:

- Increase in construction in progress by \$44.3 million is related to the Water Softening Project.
- Payment for the acquisition of permanent water supplies of \$9.2 million related to the FRICO Water Stock Purchase Agreement.
- Increase in water and sewer plant of \$11.9 million.
- Transfer from construction in progress to depreciable assets of \$1.4 million.

These continuing investments in infrastructure provide for the reliable operation of the District's water and wastewater systems and provide for the future capacity of the District to provide water and wastewater treatment for many years into the future.

	December 31, 2018	Net Changes	December 31, 2019
	<u> </u>	<u> </u>	<u> </u>
Water System			
Land and Land Rights	\$ 4,061,733	\$ -	\$ 4,061,733
Water Rights	163,658,049	4,814,179	168,472,228
Construction in Progress	83,469,042	11,834,285	95,303,327
Plant and Equipment	<u>171,700,455</u>	<u>7,129,687</u>	<u>178,830,142</u>
Total Water System	422,889,279	23,778,151	446,667,430
Sanitation System			
Land and Land Rights	367,424	-	367,424
Construction in Progress	64,322	(582,125)	(517,803)
Plant and Equipment	<u>142,397,643</u>	<u>7,333,783</u>	<u>149,731,426</u>
Total Sanitation System	142,829,389	6,751,658	149,581,047
Accumulated Depreciation	<u>83,552,192</u>	<u>6,665,499</u>	<u>90,217,691</u>
Total Capital Assets - Net	<u>\$ 482,166,476</u>	<u>\$ 23,864,310</u>	<u>\$ 506,030,786</u>

Gross capital assets increased in excess of \$30.6 million during 2019. Significant components of that increase are as follows:

- Increase in construction in progress by \$11.3 million related to largely to purchase of water rights not yet in use.
- Payment for the acquisition of permanent water supplies of \$4.8 million related to the FRICO Water Stock Purchase Agreement.
- Increase in water and sewer plant of \$14.5 million.
- Transfer from construction in progress to depreciable assets of \$6.2 million.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020 AND 2019**

These continuing investments in infrastructure provide for the reliable operation of the District's water and wastewater systems and provide for the future capacity of the District to provide water and wastewater treatment for many years into the future.

Debt Administration:

At December 31, 2020, the District has six outstanding debt obligations, two loans from the Colorado Water Resource and Power Development Authority (2002 and 2014) in the amounts of \$787,500 and \$18,272,517, the Series 2014, 2018, 2020A and 2020B Revenue Bonds in the amount of \$10,270,000, \$56,215,000, \$8,875,000 and \$7,225,000.

At December 31, 2019, the District has six outstanding debt obligations, two loans from the Colorado Water Resource and Power Development Authority (2002 and 2014) in the amounts of \$1,275,000 and \$19,270,104, the Series 2010, 2014 and 2018 Revenue Bonds in the amount of \$7,830,000 and \$10,740,000, and \$57,220,000, and the Denver Storage Agreement in the amount of \$10,782,283.

Economic Environment:

The current economic environment for the District can be characterized as steady in the sale of water taps associated with residential and commercial development. The Denver metropolitan area, and in particular the Adams County area has maintained its growth and the expectation is for that to continue. The District estimates that it has current developed water resources to meet demand for the next 30 years. The District is well along in developing water and wastewater treatment capacity for the same time horizon.

Requests for Information:

This financial report is designed to provide its readers a general overview of the District's finances. Questions regarding any information contained in this report or requests for additional information should be addressed to the District Manager, 6595 East 70th Avenue, Commerce City, CO 80037 or call (303) 288-2646.

FINANCIAL STATEMENTS

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2020 AND 2019**

ASSETS	2020	2019
CURRENT ASSETS		
Cash and Investments	\$ 37,298,652	\$ 40,009,708
Cash and Investments - Designated	69,925,926	53,568,668
Accounts Receivable:		
Customers	3,511,593	2,403,821
Taxes	2,765,368	2,639,074
Other	436,831	444,976
Inventories, Supplies, and Materials	555,748	436,646
Prepaid Expenses	139,375	72,341
Total Current Assets	114,633,493	99,575,234
 RESTRICTED CASH AND INVESTMENTS		
Operating Reserve	2,500,000	2,500,000
2018 Bond Project	9,083,130	41,724,027
Employee Flexible Spending Accounts	29,556	24,741
Customer Deposits	216,720	178,375
Total Restricted Cash and Investments	11,829,406	44,427,143
 CAPITAL ASSETS		
Capital Assets Not Being Depreciated	321,190,654	267,686,909
Capital Assets Being Depreciated (Net of Accumulated Depreciation)	243,517,361	238,343,877
Total Capital Assets	564,708,015	506,030,786
 Total Assets	 \$ 691,170,914	 \$ 650,033,163

See accompanying Notes to Financial Statements.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2020 AND 2019**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	2020	2019
CURRENT LIABILITIES		
Accounts Payable	\$ 8,789,076	\$ 3,146,525
Retainage Payable	1,848,135	550,855
Accrued Interest	360,512	397,116
Current Portion of Bonds and Loan Payable	5,612,040	5,299,568
Current Portion of Accrued Benefits Payable	845,505	619,513
Total Current Liabilities	17,455,268	10,013,577
RESTRICTED LIABILITIES		
Customer Deposits	216,720	178,375
Employee Flexible Spending Accounts	29,556	24,741
Total Restricted Liabilities	246,276	203,116
LONG-TERM LIABILITIES		
Long-Term Portion of Bonds and Loan Payable	98,324,544	104,517,388
Total Long-Term Liabilities	98,324,544	104,517,388
Total Liabilities	116,026,088	114,734,081
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	2,704,995	2,578,701
2020B Bond Deferred Gain on Refunding	272,774	-
Total Deferred Inflows of Resources	2,977,769	2,578,701
NET POSITION		
Net Investment in Capital Assets	464,979,434	435,202,727
Restricted for Operating Reserve	2,500,000	2,500,000
Unrestricted	104,687,623	95,017,654
Total Net Position	572,167,057	532,720,381
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 691,170,914	\$ 650,033,163

See accompanying Notes to Financial Statements.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
WATER OPERATIONS		
Operating Revenue	\$ 24,547,116	\$ 21,588,389
Direct Water Expenses	13,856,641	13,290,278
Gross Income from Water Operations	10,690,475	8,298,111
SANITATION OPERATIONS		
Operating Revenue	14,581,422	13,767,728
Direct Sanitation Expenses	9,560,740	9,076,413
Gross Income from Sanitation Operations	5,020,682	4,691,315
GROSS INCOME FROM OPERATIONS	15,711,157	12,989,426
GENERAL AND ADMINISTRATIVE EXPENSES	5,337,270	5,069,537
NET INCOME FROM OPERATIONS	10,373,887	7,919,889
NONOPERATING REVENUES AND (EXPENSES)		
General Property Tax	2,612,013	2,432,218
Other Taxes	195,359	198,381
Net Investment Income	886,517	2,618,218
Gain on Sale of Capital Asset	57,084	15,000
Miscellaneous	248,214	212,737
Interest Expense	(3,073,029)	(3,793,330)
Cost of Debt Issuance	(75,300)	-
Treasurer's Fees	(34,728)	(52,347)
Total Nonoperating Revenues and (Expenses)	816,130	1,630,877
INCOME BEFORE CAPITAL CONTRIBUTIONS	11,190,017	9,550,766
CAPITAL CONTRIBUTIONS		
Tap Fees	2,969,296	2,332,049
Developer Contributions	14,159,716	12,946,447
System Development Fees	11,127,647	14,011,348
Total Capital Contributions	28,256,659	29,289,844
CHANGE IN NET POSITION	39,446,676	38,840,610
Net Position - Beginning of Year	532,720,381	493,879,771
NET POSITION - END OF YEAR	\$ 572,167,057	\$ 532,720,381

See accompanying Notes to Financial Statements.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 38,067,256	\$ 35,377,834
Cash Payments for Goods and Services	(10,736,858)	(18,226,758)
Cash Payments to Employees	(9,865,710)	(9,818,101)
Net Cash Provided by Operating Activities	17,464,688	7,332,975
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Tax Receipts Collected by Other Governmental Agencies, Net of Treasurer's Fee	2,772,644	2,579,087
Miscellaneous Receipts	248,214	212,737
Net Cash Provided by Noncapital Financing Activities	3,020,858	2,791,824
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for Capital Acquisitions	(49,809,916)	(19,783,252)
Proceeds from Refunding Debt Issuance	17,725,000	-
Interest Paid	(3,244,861)	(3,959,134)
Debt Issuance Costs Paid	(75,300)	-
Cash Received from Sale of Assets	62,643	42,673
Principal Payments on Debt	(5,403,093)	(4,010,509)
Payments to Escrow Agent	(17,794,277)	-
System Development Fees	11,127,647	14,011,348
Tap Fees	2,969,296	2,332,049
Developer Cash Contributions	4,119,263	4,965,686
Net Cash Used by Capital and Related Financing Activities	(40,323,598)	(6,401,139)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts of Interest	886,517	2,618,218
Net Cash Provided by Investing Activities	886,517	2,618,218
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(18,951,535)	6,341,878
 Cash and Cash Equivalents - Beginning of Year	138,005,519	131,663,641
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 119,053,984	\$ 138,005,519
	2020	2019
RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF YEAR TO THE STATEMENT OF NET POSITION		
Unrestricted Cash and Cash Equivalents	\$ 107,224,578	\$ 93,578,376
Restricted Cash and Cash Equivalents	11,829,406	44,427,143
Total Cash and Cash Equivalents	\$ 119,053,984	\$ 138,005,519

See accompanying Notes to Financial Statements.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 10,373,887	\$ 7,919,889
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	7,067,214	6,718,613
Effect of Changes in Operating Assets and Liabilities:		
Customer Receivables	(1,107,772)	(39,867)
Other Receivables	8,145	(6,431)
Inventory	(119,102)	(127,260)
Prepaid Expenses	(67,034)	28,931
Accounts Payable	1,040,198	(7,127,369)
Accrued Benefits	230,807	(101,546)
Customer Deposits	38,345	68,015
Net Cash Provided by Operating Activities	\$ 17,464,688	\$ 7,332,975

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

Developer infrastructure contributions were \$10,040,453 and \$7,980,761 for 2020 and 2019, respectively. Bond premium amortization was \$135,228 and \$137,112 for 2020 and 2019. Amortization of deferred gain on refunding was \$2,273 and \$0 for 2020 and 2019. Capital-related retainage and accounts payable was \$4,602,353 and \$2,735,130 for 2020 and 2019.

See accompanying Notes to Financial Statements.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 DEFINITION OF REPORTING ENTITY

South Adams County Water and Sanitation District (District) is a quasi-municipal organization that provides water and sewer services to its customers. The District is governed by an elected five member Board of Directors. The District's service area is located in Commerce City, Colorado and the surrounding area. Since the major part of its income is derived from user charges, the District is classified 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 or 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.

NOTE 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 related to those operated 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. Expenses for capital assets are shown as increases in assets and redemption of bonds and loans is recorded as a reduction in liabilities. Tap fees, system development fees, and developer contributions (capital assets and contributions in aid of construction) are recorded as capital contributions when received.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

The District distinguishes between operating revenues and expenses and 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 sanitation 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 assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

Budgets are prepared in accordance with the requirements of Colorado Revised Statutes and accordingly include "anticipated income and other means of financing proposed expenditures", and expenditures include, in addition to those shown in the operating statements, debt redemptions and capital expenditures. Accordingly, budget comparisons are of the legally adopted budget. The level of budget control is determined by the resolution appropriating sums of monies. The resolution appropriates the level of budget control by total expenditures. Appropriations lapse at year-end. The District's budget calendar is as follows:

In August of each year, the District develops its budget for the upcoming year. In October, the budget is presented to the Board of Directors for preliminary approval. A public meeting is held at the November board meeting to finalize and approve the budget for the upcoming year.

Cash and Investments

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are valued at amortized cost.

Designated Cash and Investments

The District has several cash and investment accounts that have been designated by the District as follows:

The future asset reserves are comprised of water and sewer tap fees, system development fees and water resource fees held for future capital purchases.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash and Investments (Continued)

The District has several cash and investment accounts that have been restricted for specific purposes. The following accounts have been restricted by external sources:

Under the District's Loan agreements with the Colorado Water Resources and Power Development Authority (CWPA), the District is required to maintain an operating reserve of \$2,500,000, which is shown as restricted cash on the statement of net position. Customer deposits are held by the District and will eventually be refunded to the customers. Proceeds from the 2018 revenue bonds are restricted for capital projects, and the unspent amount is shown as restricted cash on the statement of net position. Historically the District has had a number of parties that are permitted to use a fire hydrant to draw water for construction purposes. The hydrant policy was changed so that new construction water users whose business is located within the District's service area have sufficient space on their property to install the necessary infrastructure and will make a permanent connection to the District's water distribution system in lieu of utilizing District hydrants. The party will install infrastructure as approved by the District and will pay the hydrant water rate for a period of 10 years to adequately reimburse the District for the water resources it uses for construction purposes. Amounts held in employee flexible spending accounts are contributions by employees to a flexible spending account which is restricted to be used at the employee's discretion on allowable costs under the plan.

The restricted asset accounts for customer deposits and employee flexible spending account have corresponding restricted liabilities accounts.

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

Accounts Receivable

The District does not provide a reserve for estimated uncollectible accounts since such amounts are negligible. A lien on the property assures collection of virtually all accounts.

Inventories

Inventories are valued at the lower of cost using the first-in, first-out method or market.

Capital Assets

Capital assets, which include land and land rights, water rights, water plant and equipment, and sanitation plant and equipment, are reported by the District. The District's policy is to capitalize all capital asset purchases regardless of their initial, individual cost. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

Buildings	25 to 30 Years
Water and Sanitation Plant	40 to 99 Years
Furniture and Equipment	5 to 20 Years

The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is 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 if 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 or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes are recorded initially as a deferred inflow of resources in the year they are levied and measurable. The property taxes are then recorded as revenue in the year they are available or collected.

Compensated Absences

Beginning May 2009, the District no longer accrues for sick leave due to the inception of a paid time off (PTO) policy that replaced the sick and vacation leave policy. Unused sick leave remaining from the previous policy is capped at 960 hours per employee and recorded as a long-term liability under accrued benefits payable. Upon termination or resignation from the District, unused sick leave will be paid according to the employee's years of service. Effective January 1, 1999, unused sick leave vests at the same rate as pension benefits vest for employees terminating prior to January 1, 2007. It is the District's policy to use the current year's used PTO amount as the current portion of accrued compensated absences. See the schedule located at Note 5.

PTO is expected to be used within a reasonable period from the date of earning it. Each employee may carryover one and one half (1-1/2) times their annual accrual. Upon termination or resignation, unused PTO will be paid to the employee in full. Unused PTO is recorded as a long-term liability.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization

Bond discounts and premiums are amortized over the lives of the bond issue on a straight-line basis, which approximates the effective interest method.

Deferred Inflows of Resources

The Series 2020B Water and Wastewater Refunding bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$272,774. This difference is reported as a deferred inflow of resources as of December 31, 2020. See Note 5 for additional information.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. 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 significantly 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 Investments	\$ 37,298,652	\$ 40,009,708
Cash and Investments - Designated	69,925,926	53,568,668
Restricted Cash and Investments:		
Operating Reserve	2,500,000	2,500,000
2018 Bond Project	9,083,130	41,724,027
Employee Flexible Spending Accounts	29,556	24,741
Customer Deposits	216,720	178,375
Total Cash and Investments	<u>\$ 119,053,984</u>	<u>\$ 138,005,519</u>

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

	<u>2020</u>	<u>2019</u>
Cash on Hand	\$ 3,480	\$ 3,480
Deposits with Financial Institutions	20,695,648	24,741,460
Investments and Cash Equivalents	98,354,856	113,260,579
Total Cash and Investments	<u>\$ 119,053,984</u>	<u>\$ 138,005,519</u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 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.

Investments

Credit Risk

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

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest:

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

The local government investment pool, Colorado Surplus Asset Fund Trust (CSAFE) is rated AAAM by Standard and Poor's.

Interest Rate Risk

Colorado revised statutes limit investment maturities up 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 bonds proceeds are limited to three years or less.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Interest Rate Risk (Continued)

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

<u>Investment</u>	<u>Maturity Less Than One Year</u>	<u>Standard & Poor's Rating</u>	<u>Total Amortized Cost</u>	<u>Concentration</u>
CSAFE	<u>\$ 98,354,856</u>	AAAm	<u>\$ 98,354,856</u>	<u>100.0%</u>

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

<u>Investment</u>	<u>Maturity Less Than One Year</u>	<u>Standard & Poor's Rating</u>	<u>Total Amortized Cost</u>	<u>Concentration</u>
CSAFE	<u>\$ 113,260,579</u>	AAAm	<u>\$ 113,260,579</u>	<u>100.0%</u>

CSAFE

At December 31, 2020 and 2019, the District had \$98,354,856 and \$113,260,579 respectively, invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle 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. There are no limitations or restrictions on withdrawals from the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE is valued at amortized cost.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

	2020				Balance at December 31, 2020
	Balance at January 1, 2020	Increases	Transfers	Decreases	
	Capital Assets, Not Being Depreciated:				
Land and Land Rights	\$ 4,429,157	\$ -	\$ -	\$ -	\$ 4,429,157
Water Rights	168,472,228	8,745,831	456,476	-	177,674,535
Construction in Progress	94,785,524	45,696,940	(1,395,502)	-	139,086,962
Total Capital Assets, Not Being Depreciated	267,686,909	54,442,771	(939,026)	-	321,190,654
Capital Assets, Being Depreciated:					
Buildings	7,518,465	3,988	-	-	7,522,453
Water System Plant	167,573,267	7,537,709	140,818	72,948	175,178,846
Sanitation System Plant	142,934,457	3,460,879	798,208	69,369	147,124,175
Furniture and Equipment	10,535,379	304,655	-	210,616	10,629,418
Total Capital Assets, Being Depreciated	328,561,568	11,307,231	939,026	352,933	340,454,892
Less Accumulated Depreciation for:					
Buildings	1,324,567	297,297	-	-	1,621,864
Water System Plant	46,918,152	3,001,798	-	72,948	49,847,002
Sanitation System Plant	36,970,677	3,620,917	-	69,369	40,522,225
Furniture and Equipment	5,004,295	147,202	-	205,057	4,946,440
Total Accumulated Depreciation	90,217,691	7,067,214	-	347,374	96,937,531
Total Capital Assets, Being Depreciated, Net	238,343,877	4,240,017	939,026	5,559	243,517,361
Capital Assets, Net	\$ 506,030,786	\$ 58,682,788	\$ -	\$ 5,559	\$ 564,708,015

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 4 CAPITAL ASSETS (CONTINUED)

An analysis of the changes in capital assets for the year ended December 31, 2019 follows:

	2019				Balance at December 31, 2019
	Balance at January 1, 2019	Increases	Transfers	Decreases	
	Capital Assets, Not Being Depreciated:				
Land and Land Rights	\$ 4,429,157	\$ -	\$ -	\$ -	\$ 4,429,157
Water Rights	163,658,049	4,813,283	896	-	168,472,228
Construction in Progress	83,533,364	17,461,584	(6,181,751)	27,673	94,785,524
Total Capital Assets, Not Being Depreciated	251,620,570	22,274,867	(6,180,855)	27,673	267,686,909
Capital Assets, Being Depreciated:					
Buildings	5,461,533	11,180	2,045,752	-	7,518,465
Water System Plant	162,853,373	4,588,177	131,717	-	167,573,267
Sanitation System Plant	137,036,336	3,434,730	2,463,391	-	142,934,457
Furniture and Equipment	8,746,856	301,642	1,539,995	53,114	10,535,379
Total Capital Assets, Being Depreciated	314,098,098	8,335,729	6,180,855	53,114	328,561,568
Less Accumulated Depreciation for:					
Buildings	1,100,842	223,725	-	-	1,324,567
Water System Plant	44,088,713	2,829,439	-	-	46,918,152
Sanitation System Plant	33,486,712	3,483,965	-	-	36,970,677
Furniture and Equipment	4,875,925	181,484	-	53,114	5,004,295
Total Accumulated Depreciation	83,552,192	6,718,613	-	53,114	90,217,691
Total Capital Assets, Being Depreciated, Net	230,545,906	1,617,116	6,180,855	-	238,343,877
Capital Assets, Net	<u>\$ 482,166,476</u>	<u>\$ 23,891,983</u>	<u>\$ -</u>	<u>\$ 27,673</u>	<u>\$ 506,030,786</u>

Depreciation expense for the years ended December 31, 2020 and 2019 as charged to the following operations:

	2020	2019
Direct Water Expenses	\$ 3,284,775	\$ 3,087,327
Direct Sewer Expenses	3,782,439	3,631,286
Total	<u>\$ 7,067,214</u>	<u>\$ 6,718,613</u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 5 LONG-TERM LIABILITIES

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

	Balance January 1, 2020	New Issues	Retirements	Balance December 31, 2020	Due Within One Year
Direct Borrowing -					
Colorado Water and Power Authority Loan - 2002	\$ 1,275,000	\$ -	\$ 487,500	\$ 787,500	\$ 517,500
Colorado Water and Power Authority Loan - 2014	19,270,104	-	997,587	18,272,517	1,012,067
Denver Water	10,782,283	-	10,782,283	-	-
Direct Placement -					
Series 2020A Refunding Bond	-	10,500,000	1,625,000	8,875,000	1,725,000
Series 2020B Refunding Bond	-	7,225,000	-	7,225,000	670,000
Series 2010 Bond	7,830,000	-	7,830,000	-	-
Series 2014 Bond	10,740,000	-	470,000	10,270,000	490,000
Series 2018 Bond	57,220,000	-	1,005,000	56,215,000	1,060,000
Bond Premium	2,699,569	-	408,002	2,291,567	137,473
Total Long-Term Obligations	<u>109,816,956</u>	<u>\$ 17,725,000</u>	<u>\$ 23,605,372</u>	103,936,584	<u>\$ 5,612,040</u>
Less Current Portion	5,299,568			5,612,040	
Long-Term Portion	<u>\$ 104,517,388</u>			<u>\$ 98,324,544</u>	

The following is an analysis of changes in long-term liabilities for the year ended December 31, 2019:

	Balance January 1, 2019	New Issues	Retirements	Balance December 31, 2019	Due Within One Year
Direct Borrowing -					
Colorado Water and Power Authority Loan - 2002	\$ 1,747,500	\$ -	\$ 472,500	\$ 1,275,000	\$ 487,500
Colorado Water and Power Authority Loan - 2014	20,242,864	-	972,760	19,270,104	997,588
Denver Water	12,307,532	-	1,525,249	10,782,283	1,597,007
Series 2010 Bond	8,420,000	-	590,000	7,830,000	605,000
Series 2014 Bond	11,190,000	-	450,000	10,740,000	470,000
Series 2018 Bond	57,220,000	-	-	57,220,000	1,005,000
Bond premium	2,837,042	-	137,473	2,699,569	137,473
Total Long-Term Obligations	<u>113,964,938</u>	<u>\$ -</u>	<u>\$ 4,147,982</u>	109,816,956	<u>\$ 5,299,568</u>
Less Current Portion	4,153,259			5,299,568	
Long-Term Portion	<u>\$ 109,811,679</u>			<u>\$ 104,517,388</u>	

A detail of the District's long-term liabilities is as follows:

Colorado Water and Power Authority (CWPA) Loan. Issue date May 30, 2002; interest rate 3.795%; final payment date of June 1, 2022; annual principal payments range from \$2,500 to \$517,500. The loan contains a provision that in an event of default by the District, outstanding amounts become immediately due if the District is unable to make payment.

Colorado Water and Power Authority Loan. Issue date May 6, 2014; interest rate 2.25%; final payment date of August 1, 2036; annual principal payments range from \$8,896 to \$1,374,000. The loan contains a provision that in an event of default by the District, outstanding amounts become immediately due if the District is unable to make payment.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Water and Wastewater Revenue Bonds, Series 2014. In November 2014, the District issued Bonds for the purpose of funding the costs of water resources and capital improvements to the District’s joint water and wastewater system. The Series 2014 Bonds were issued in the amount of \$12,900,000. The bonds constitute special limited revenue obligations of the District payable solely from and to the extent of the revenue, net of operations and maintenance expenses, derived by the District from the operations of its joint water and wastewater system, and under certain circumstances from moneys held in the Series 2014 Bond Reserve Account. The bonds mature annually beginning in 2015 with final payment in 2036. Interest with rates from 2.00% to 4.00% is payable semi-annually. The Bonds contain a provision that in an event of default by the District, outstanding amounts become immediately due if the District is unable to make payment.

Mandatory Sinking Fund Redemption. The Series 2014 Bonds maturing on December 1, 2025 and 2026 (the Term Bonds), are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount of the Term Bonds so redeemed plus accrued interest to the redemption date, without redemption premium, on the dates and in the principal amounts specified in the following table.

<u>Redemption Date (December 1)</u>	<u>Principal Amount</u>
2025	\$ 570,000
2026 (Maturity)	590,000
Total	<u>\$ 1,160,000</u>

The amount of any sinking fund installment may be reduced by the principal amount of the Term Bonds that prior to such date have been optionally redeemed and cancelled and not theretofore applied as a credit against a mandatory sinking fund installment.

The Series 2014 Bonds maturing on or after December 1, 2025, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or in part, maturities are determined by the District, on December 1, 2024, and on any date thereafter, upon payment of the principal amount of the Series 2014 Bonds are redeemed plus accrued interest to the redemption date without redemption premium.

Water and Wastewater Revenue Bonds, Series 2018. In April 2018, the District issued Bonds for the purpose of funding the costs of water resources and capital improvements to the District’s joint water and wastewater system. The Series 2018 Bonds were issued in the amount of \$57,220,000. The bonds constitute special limited revenue obligations of the District payable solely from and to the extent of the revenue, net of operations and maintenance expenses, derived by the District from the operations of its joint water and wastewater system, and under certain circumstances from moneys held in the Series 2018 Bond Reserve Account. The bonds mature annually beginning in 2020 with final payment in 2048. Interest with rates from 3.00% to 5.50% is payable semi-annually. The Bonds contain a provision that in an event of default by the District, outstanding amounts become immediately due if the District is unable to make payment.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Mandatory Sinking Fund Redemption. The Series 2018 Bonds maturing on December 1, 2046 (the Term Bonds), are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount of the Term Bonds so redeemed plus accrued interest to the redemption date, without redemption premium, on the dates and in the principal amounts specified in the following table.

<u>Redemption Date (December 1)</u>	<u>Principal Amount</u>
2045	\$ 2,825,000
2046 (Maturity)	<u>2,925,000</u>
Total	<u><u>\$ 5,750,000</u></u>

The amount of any sinking fund installment may be reduced by the principal amount of the Term Bonds that prior to such date have been optionally redeemed and cancelled and not theretofore applied as a credit against a mandatory sinking fund installment.

The Series 2018 Bonds maturing on or after December 1, 2028, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or in part, maturities are determined by the District, on December 1, 2027, and on any date thereafter, upon payment of the principal amount of the Series 2018 Bonds are redeemed plus accrued interest to the redemption date without redemption premium.

Water and Wastewater Revenue Bonds, Series 2020A. In June 2020, the District issued Bonds for the purpose of refunding the Denver Water Storage Agreement outstanding in the amount of \$10,569,277. As a result, the refunded Denver Water Storage Agreement debt was defeased and the liability for that debt has been removed from the District's statement of net position as of December 31, 2020.

The current refunding resulted in the District reducing its debt service payments by \$573,127 and obtaining an economic gain of \$540,243. The 2020A bonds mature annually beginning in 2020 with a final payment in 2025. Interest with a rate of 1.43% is payable semi-annually. The Bonds contain a provision that in an event of default by the District, outstanding amounts become immediately due if the District is unable to make payment.

Water and Wastewater Revenue Bonds, Series 2020B. In November 2020, the District issued Bonds for the purpose of refunding the Water and Wastewater Revenue Bonds, Series 2010 outstanding in the amount of \$7,225,000. As a result, the refunded Water and Wastewater Revenue Bonds, Series 2010 bonds were defeased and the liability for those bonds has been removed from the District's statement of net position as of December 31, 2020.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$272,774. This difference, reported in the accompanying financial statements as a deferred inflow of resources, is being amortized as a component of interest expense through the life of the 2020B bonds. The current refunding resulted in the District reducing its debt service payments by \$980,155 and obtaining an economic gain of \$895,542. The 2020B bonds mature annually beginning in 2021 with a final payment in 2030. Interest with a rate of 1.69% is payable semi-annually. The Bonds contain a provision that in an event of default by the District, outstanding amounts become immediately due if the District is unable to make payment.

Bond and loan principal and interest requirements for the next five years and in five-year increments thereafter are as follows, excluding amortization of bond premium:

Years	Bonds		Bonds and Loans from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2021	\$ 1,550,000	\$ 2,542,150	\$ 3,924,567	\$ 461,087	\$ 8,477,804
2022	1,630,000	2,464,251	3,725,619	390,039	8,209,909
2023	1,710,000	2,382,250	3,506,497	356,183	7,954,930
2024	1,795,000	2,296,150	3,562,375	303,939	7,957,464
2025	1,885,000	2,205,675	3,606,685	250,885	7,948,245
2026-2030	10,800,000	9,658,088	9,276,553	775,198	30,509,839
2031-2035	12,895,000	7,565,419	6,183,317	283,856	26,927,592
2036-2048	34,220,000	8,868,270	1,374,403	15,750	44,478,423
Total	<u>\$ 66,485,000</u>	<u>\$ 37,982,253</u>	<u>\$ 35,160,016</u>	<u>\$ 2,836,937</u>	<u>\$ 142,464,206</u>

Changes in the District's accrued benefits payable are as follows:

	Balance January 1, 2020			Balance December 31, 2020	Current Portion
	Incurring	Retired			
Accrued Benefits Payable	<u>\$ 619,513</u>	<u>\$ 758,352</u>	<u>\$ 532,360</u>	<u>\$ 845,505</u>	<u>\$ 845,505</u>

	Balance January 1, 2019			Balance December 31, 2019	Current Portion
	Incurring	Retired			
Accrued Benefits Payable	<u>\$ 721,059</u>	<u>\$ 584,077</u>	<u>\$ 685,623</u>	<u>\$ 619,513</u>	<u>\$ 619,513</u>

NOTE 6 NET POSITION

The District has net position consisting of three components - net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 6 NET POSITION (CONTINUED)

As of December 31, 2020 and 2019, the District had a net investment in capital assets calculated as follows:

	2020	2019
Net Investment in Capital Assets:		
Capital Assets - Net of Accumulated Depreciation	\$ 564,708,015	\$ 506,030,786
Unspent Bond Proceeds	9,083,130	41,724,027
Deferred Inflow from Debt Refunding	(272,774)	-
Capital-Related Retainage and Accounts Payable	(4,602,353)	(2,735,130)
Current Portion of Bonds and Loan Payable	(5,612,040)	(5,299,568)
Long-Term Portion of Bonds and Loan Payable	(98,324,544)	(104,517,388)
Total	\$ 464,979,434	\$ 435,202,727

Restricted assets include net position 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's restricted net position as of December 31, 2020 and 2019 are as follows:

	2020	2019
Restricted Net Position:		
Operating Reserve	\$ 2,500,000	\$ 2,500,000

NOTE 7 RETIREMENT AND DEFERRED COMPENSATION PLAN

Employees Pension Fund - The District has contracted with Lincoln National Life Insurance Company as the carrier of a single employer defined contribution retirement program for the District employees. The District has received a favorable determination letter from the Internal Revenue Service, which will allow the employer contributions to be non-taxable to the employees until the contributions are withdrawn from the Plan at retirement. The District contributes a 5% match of employees' wages to the Plan. An employee becomes eligible to participate in the Plan upon attaining the age of twenty-one and upon completing three years of service. Employees are 100% vested upon reaching normal retirement age, death or disability. On January 10, 2007, the District elected to amend the vesting schedule. If an employee terminates prior to normal retirement for any reason other than death or disability, the vesting schedules are as follows.

For employee terminating on or after January 1, 2007, the vesting schedule is as follows:

Years of Credited Service	Non-Forfeitable Vested Percent
3	60%
4	80%
5 or More	100%

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 7 RETIREMENT AND DEFERRED COMPENSATION PLAN (CONTINUED)

Pension contributions were \$305,122 and \$316,896 for 2020 and 2019, respectively. The District also has a Deferred Compensation Plan under Section 457 of the Internal Revenue Code. All employees are eligible for this Plan. There are no costs to the District under this Deferred Compensation Plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. During 1997, the District amended the Section 457 Deferred Compensation Plan to require all amounts deferred to be held in trust for the exclusive benefit of participating employees and is not accessible by the District or its creditors.

NOTE 8 BOND AND LOAN COMPLIANCE

Under the CWPA loan agreements, the District will provide net revenues in each fiscal year sufficient to equal at least 110% of the aggregate amount of principal and interest payable in the following year.

As noted in the bond resolution for the 2014 and 2018 Water and Wastewater Revenue Bonds, the District will provide net revenues in each fiscal year sufficient to equal at least 125% of the aggregate amount of principal and interest payable in the following year of the bond issues.

At December 31, 2020 and December 31, 2019, management believes it has met these covenants.

NOTE 9 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.

The District is a member of the Colorado Special Districts Property and Liability Pool (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. The District is only covered by the Pool for workers' compensation. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District continues to carry commercial insurance coverage for other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the year under coverage. The District has had no significant reductions in insurance coverage from coverage in prior years. The District retains a certain level of all liability losses. For the year ended December 31, 2020, the District retains commercial general liability up to \$0 and a limit of \$1,000,000 per occurrence. The District retains liability losses for buildings up to \$5,000 with a limit of \$1,000,000 per occurrence. The District retains liability losses for earthquakes up to \$50,000 with a limit of \$5,000,000 per occurrence.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 9 RISK MANAGEMENT (CONTINUED)

The District retains liability losses for Flood up to \$50,000 with a limit of \$5,000,000 per occurrence for buildings 1-44, 57-67, 73, 74, 78, 79, 84, 88, 90-94, 107-112; retains liability losses for Flood up to \$100,000 for buildings and a limit of \$2,500,000 per occurrence for buildings 68, 69, 75, 76, 85-87; and retains liability losses for Flood up to \$100,000 for buildings and a limit of \$1,000,000 per occurrence for buildings 45-56, 70-72, 77, 80-83, 89, 95-106. The District retains liability losses for Utility Services up to \$5,000 with a limit of \$100,000 per occurrence. The District retains liability losses for Cause of Loss – Equipment Breakdown up to \$10,000 with a limit of \$250,000 per occurrence. The District retains liability losses for governmental crime \$1,000 with a limit of \$300,000 per occurrence. The District retains liability losses for public entity management liability \$10,000 with a limit of \$1,000,000 per occurrence. The District retains liability losses for public entity employment-related practices liability up to \$15,000 with a limit of \$1,000,000 per occurrence. The District retains liability losses for cyberfirst liability with a limit of \$50,000 per occurrence. The District retains liability losses for automobiles up to \$500 with a limit of \$1,000,000. The District retains umbrella excess liability up to \$10,000 with a limit of \$5,000,000 per occurrence.

NOTE 10 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 qualify for this exclusion.

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.

NOTE 11 COMMITMENTS AND CONTINGENCIES

As of December 31, 2020, the District had unexpended construction related contract commitments and contingencies on other projects of \$8,103,849.

Water Rights Cases

The District is involved in several water rights proceedings. Water rights proceedings are determinations with respect to quantitative rights to water resources in the state of Colorado, and, as such, do not directly involve monetary determinations under Colorado law, though the District's water rights and water agreements are of substantial value.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 12 AGREEMENTS

The District has entered into the agreements described below.

Water Storage Agreement - Westminster

In 2001, the District entered into a water storage agreement with the City of Westminster. Under the conditions of this agreement, the City agrees to sell 1,200 acre-feet of storage space, inlet and outlet capacity and the right to carry 1,200 acre-feet of water to the District. The District paid an initial payment of \$336,000 in 2001 and has made annual payments from 2002 through 2007. The District agreed to pay total costs of \$3,767,459. As of December 31, 2020, the District has a remaining cost of \$877,718 to be paid once the project is complete. The project is in the process of being renegotiated between the City of Westminster and the District.

Water Stock Purchase Agreement - FRICO

On November 2, 2001, the District entered into a water resources agreement with Farmers Reservoir and Irrigation Company (FRICO), Burlington Ditch and Land Company, and Henrylyn Irrigation District to purchase water. Under this agreement, the District agrees to purchase 5,000 acre-feet of water subject to the satisfaction of certain conditions. The initial payment required was \$3,500,000, with principal payments totaling \$60,000,000, which will be funded through contributions from 11 developments. Participants' annual option payments will total \$1,200,000 per year with annual increases of 3.5% (see Water Resources Agreements section below). The District held \$8,768,757 and \$13,358,370 of developer contributions related to this agreement in escrow at December 31, 2020 and 2019, respectively.

Water Resource Agreements

The District has entered into various water resource agreements with landowners and developers in the District. Under these agreements, the District has acquired certain water rights, storage rights and related improvements, and received capital contributions to go towards providing public water service to the participants.

Prospect Valley Intergovernmental Agreement

The District entered into an agreement with Prospect Valley Water and Sanitation District (PV) and Commerce City (CC) to share water resources among the parties and to meet conditions necessary for approval of the PV Service Agreement to provide services within Commerce City. PV conveyed to the District the water rights associated with certain wells located in the Lost Creek Designated Ground Water Basin, along with the well structures, related easements, and the obligation to convey additional easements and a 10 acre parcel of land in the future. In return, the District will issue 4,775.836 South Adams ERU Water Connections and the right of PV or its assigns to purchase 4,775.836 South Adams ERU Sanitary Sewer Connections. The ERU's can be used anywhere in the District's service area.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 12 AGREEMENTS (CONTINUED)

Metro Wastewater Reclamation District Agreement

On November 6, 2014, the District entered into an agreement with Metro Wastewater Reclamation District (MWRD) to purchase Single Family Residential Equivalents (SFRE) for existing customers in its Northern Service Area to divert a portion of its wastewater flow to MWRD for sanitation. From 2009 to 2025 the District has agreed to purchase a total of 8,910.2 SFREs, which it will begin to divert to MWRD upon the completion of the Northern Treatment Plant (NTP) to be constructed by MWRD.

SUPPLEMENTARY INFORMATION

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF OPERATING REVENUE
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2019)**

	Water	Sanitation	Totals	
			2020	2019
Metered Water Fees	\$ 22,291,695	\$ -	\$ 22,291,695	\$ 19,489,826
Sewer Service Fees	-	14,320,896	14,320,896	13,431,063
Pretreatment Fees	-	124,452	124,452	134,958
Fireline Fees	273,144	-	273,144	262,137
Inclusion Fees	53,111	1,850	54,961	51,235
Leased Water	38,525	-	38,525	181,322
Turn on Charge	35,794	21,022	56,816	372,608
Tap-in Fees	740,966	113,202	854,168	608,216
Hydrant Water	1,113,881	-	1,113,881	824,752
Total Operating Revenue	\$ 24,547,116	\$ 14,581,422	\$ 39,128,538	\$ 35,356,117

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF OPERATING EXPENSES COMPARED WITH BUDGET – WATER
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2019)**

	Annual Budget	Actual				Total 2020	Actual Over (Under) Budget	Total 2019
		Source of Supply	Treatment	Distribution and Collection Allocated	Administration and General Allocated			
Power	\$ 1,079,695	\$ 854,448	\$ 309,462	\$ 13,745	\$ 11,729	\$ 1,189,384	\$ 109,689	\$ 1,002,066
Purchased Water	3,401,551	3,372,059	-	-	-	3,372,059	(29,492)	3,310,918
Repair and Maintenance - Equipment	296,560	66,130	44,232	35,422	13,488	159,272	(137,288)	161,892
Repair and Maintenance - Fire and Mains	311,903	48,892	-	127,154	123,122	299,168	(12,735)	263,387
Repair and Maintenance Existing Service	336,005	-	39,836	148,075	5,758	193,669	(142,336)	179,144
Collection System Repairs	51,500	-	-	18,281	-	18,281	(33,219)	7,064
Safety Equipment	8,190	-	-	-	-	-	(8,190)	-
Customer Service Materials	173,250	77,634	42,307	257,400	-	377,341	204,091	265,183
Small Tools and Equipment	15,750	-	-	8,700	-	8,700	(7,050)	16,909
Operating Supplies - Chemicals	171,641	5,209	2,534	25,420	79,411	112,574	(59,067)	151,469
Office Supplies	22,302	-	6,559	1,376	6,469	14,404	(7,898)	14,725
Leased Equipment	23,940	-	-	-	19,778	19,778	(4,162)	17,936
Shop Supplies	25,765	6,817	5,524	4,389	-	16,730	(9,035)	18,873
Carbon Replacement	400,000	-	340,866	-	-	340,866	(59,134)	356,139
Chemical Supplies	92,150	42,808	103,914	-	-	146,722	54,572	104,765
Lab Supplies	70,000	50,467	39,763	-	-	90,230	20,230	100,670
Uniforms	17,010	804	1,572	4,285	109	6,770	(10,240)	16,877
Telecommunications	173,250	-	-	-	212,270	212,270	39,020	198,256
Utility - Gas	31,781	-	17,923	2,119	3,158	23,200	(8,581)	29,906
Salaries	4,157,421	339,714	1,025,430	1,445,901	1,068,011	3,879,056	(278,365)	3,900,245
Employee Benefits	1,501,920	139,949	323,514	545,442	354,307	1,363,212	(138,708)	1,355,630
Taxes - Payroll	307,909	25,302	75,675	108,127	78,195	287,299	(20,610)	301,999
Fuel Expense	76,865	9,231	3,790	46,820	142	59,983	(16,882)	79,545
Truck Expense	53,550	-	-	67,095	-	67,095	13,545	62,274
Water Supply	340,000	-	-	-	173,150	173,150	(166,850)	200,947
Quality Control	60,000	30,812	16,226	-	-	47,038	(12,962)	124,101
Audit	32,445	-	-	-	32,778	32,778	333	33,694
Management Services	316,260	-	-	30,561	186,549	217,110	(99,150)	236,773
Postage	64,575	-	-	86	73,421	73,507	8,932	69,011
Legal	225,000	-	-	-	263,076	263,076	38,076	216,748
Engineering	413,000	-	-	-	374,092	374,092	(38,908)	350,786
Insurance	204,750	-	-	-	197,318	197,318	(7,432)	188,837
Miscellaneous	314,222	9,826	10,894	28,660	223,917	273,297	(40,925)	280,507
Publications	10,395	-	-	-	5,565	5,565	(4,830)	8,603
Dues and Subscriptions	49,190	860	7,546	-	32,858	41,264	(7,926)	32,945
Water Rights Assessments	90,000	-	-	-	43,864	43,864	(46,136)	68,966
Conservation	28,350	-	-	-	5,702	5,702	(22,648)	15,229
Janitor	38,310	-	15,489	13,559	13,325	42,373	4,063	32,020
Landscape Maintenance	63,198	86,539	13,703	2,009	2,094	104,345	41,147	54,924
Board of Directors	5,670	-	-	-	4,851	4,851	(819)	5,134
Education	50,461	575	11,174	4,418	16,393	32,560	(17,901)	46,033
Total Operating Expenses - Water	15,105,734	\$ 5,168,076	\$ 2,457,933	\$ 2,939,044	\$ 3,624,900	14,189,953	(915,781)	13,881,130
Total Operating Expenses - Sanitation (Page 36)	<u>7,330,477</u>					<u>7,497,484</u>	<u>167,007</u>	<u>6,836,485</u>
Total Operating Expenses	\$ 22,436,211					\$ 21,687,437	\$ (748,774)	\$ 20,717,615

SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF OPERATING EXPENSES COMPARED WITH BUDGET – SANITATION (NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2019)

	Actual					Total 2020	Actual Over (Under) Budget	Total 2019
	Annual Budget	Transmission and Collection	Sewage Treatment	Distribution and Collection Allocated	Administration and General Allocation			
Power	\$ 426,805	\$ 110,644	\$ 362,291	\$ 8,072	\$ 6,889	\$ 487,896	\$ 61,091	\$ 464,055
Repair and Maintenance - Equipment	486,440	43,429	323,293	20,803	7,921	395,446	(90,994)	351,295
Repair and Maintenance - Fire and Mains	173,848	-	42,498	74,677	72,310	189,485	15,637	150,463
Repair and Maintenance Existing Service	197,495	-	101,746	86,965	3,382	192,093	(5,402)	169,480
Collection System Repairs	18,500	14,976.00	-	10,736	-	25,712	7,212	43,521
Safety Equipment	4,810	-	-	-	-	-	(4,810)	-
Customer Service Materials	101,750	4,455	-	151,171	-	155,626	53,876	125,077
Small Tools and Equipment	9,250	-	-	5,109	-	5,109	(4,141)	7,957
Operating Supplies - Chemicals	475,909	11,063	392,960	14,929	46,639	465,591	(10,318)	442,827
Office Supplies	10,900	-	2,195	808	3,800	6,803	(4,097)	7,291
Leased Equipment	14,060	-	-	-	11,616	11,616	(2,444)	8,440
Shop Supplies	10,735	-	5,766	2,577	-	8,343	(2,392)	8,034
Uniforms	11,172	1,413	2,487	2,517	64	6,481	(4,691)	12,699
Telecommunications	101,750	377	-	-	124,667	125,044	23,294	93,297
Utility - Gas	46,919	3,295	39,406	1,244	1,854	45,799	(1,120)	55,295
Salaries	2,931,753	443,166	1,300,181	849,180	627,244	3,219,771	288,018	2,902,265
Employee Benefits	1,068,187	183,354	396,475	320,339	208,085	1,108,253	40,066	1,034,501
Taxes - Payroll	215,184	33,424	96,075	63,503	45,924	238,926	23,742	221,915
Fuel Expense	66,635	49	10,994	27,498	84	38,625	(28,010)	53,792
Truck Expense	32,450	-	493	39,405	-	39,898	7,448	33,491
Quality Control	90,000	-	55,871	-	-	55,871	(34,129)	57,990
Audit	19,055	-	-	-	19,250	19,250	195	15,856
Management Services	185,740	-	-	17,949	109,561	127,510	(58,230)	111,422
Postage	49,925	-	9,307	50	43,120	52,477	2,552	42,406
Legal	-	-	-	-	-	-	-	-
Engineering	79,000	-	-	-	45,222	45,222	(33,778)	42,924
Insurance	120,250	-	-	-	115,885	115,885	(4,365)	88,865
Miscellaneous	197,578	1,035	24,487	16,836	128,674	171,032	(26,546)	150,441
Publications	9,105	-	-	-	3,268	3,268	(5,837)	4,048
Dues and Subscriptions	77,310	-	-	-	62,030	62,030	(15,280)	54,564
Conservation	16,650	-	-	-	3,348	3,348	(13,302)	7,167
Janitor	28,690	-	17,551	7,963	7,826	33,340	4,650	24,195
Landscape Maintenance	13,053	-	20,997	1,180	1,230	23,407	10,354	11,261
Board of Directors	3,330	-	-	-	2,849	2,849	(481)	2,416
Education	36,239	1,296	1,960	2,594	9,628	15,478	(20,761)	37,235
Total Operating Expenses - Sanitation	\$ 7,330,477	\$ 851,976	\$ 3,207,033	\$ 1,726,105	\$ 1,712,370	\$ 7,497,484	\$ 167,007	\$ 6,836,485

SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF OPERATING EXPENSES COMPARED WITH BUDGET – DISTRIBUTION AND COLLECTION
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2019)

	Actual					Actual Over (Under) Budget	Total 2019	
	Annual Budget	Distribution and Collection	Development	Meter Reading	Fleet			Total 2020
Power	\$ 100,000	21,817	\$ -	\$ -	\$ -	\$ 21,817	\$ (78,183)	\$ 14,302
Repair and Maintenance - Equipment	282,000	3,686	11,309	1,022	40,208	56,225	(225,775)	92,692
Repair and Maintenance - Fire and Mains	175,000	201,831	-	-	-	201,831	26,831	167,088
Repair and Maintenance Existing Service	245,000	98,081	-	136,959	-	235,040	(9,960)	195,905
Collection System Repairs	50,000	29,017	-	-	-	29,017	(20,983)	52,886
Safety Equipment	13,000	-	-	-	-	-	(13,000)	(387)
Customer Service Materials	275,000	-	-	408,571	-	408,571	133,571	422,354
Small Tools and Equipment	25,000	5,108	-	-	8,701	13,809	(11,191)	13,253
Operating Supplies - Chemicals	87,500	21,225	6,313	6,826	5,985	40,349	(47,151)	83,650
Office Supplies	4,000	-	2,184	-	-	2,184	(1,816)	12,013
Shop Supplies	15,500	385	-	-	6,581	6,966	(8,534)	13,001
Uniforms	17,000	3,429	1,624	1,217	532	6,802	(10,198)	10,332
Utility - Gas	11,500	3,363	-	-	-	3,363	(8,137)	3,976
Salaries	2,742,941	808,825	922,501	360,240	203,515	2,295,081	(447,860)	2,171,886
Employee Benefits	1,072,352	330,246	329,098	124,820	81,617	865,781	(206,571)	754,054
Taxes - Payroll	204,390	60,838	68,855	26,795	15,142	171,630	(32,760)	162,583
Fuel Expense	85,000	-	-	-	74,318	74,318	(10,682)	94,947
Truck Expense	85,000	-	-	-	106,500	106,500	21,500	86,758
Management Services	152,000	-	48,510	-	-	48,510	(103,490)	49,080
Postage	-	-	136	-	-	136	136	1
Engineering	100,000	-	-	-	-	-	(100,000)	-
Miscellaneous	42,400	44,963	-	-	533	45,496	3,096	29,607
Publications	500	-	-	-	-	-	(500)	-
Dues and Subscriptions	4,500	-	-	-	-	-	(4,500)	-
Janitor	18,000	21,522	-	-	-	21,522	3,522	15,076
Landscape Maintenance	5,500	3,189	-	-	-	3,189	(2,311)	2,450
Education	14,500	677	5,513	-	822	7,012	(7,488)	12,994
Total Operating Expenses - Distribution and Collection	\$ 5,827,583	\$ 1,658,202	\$ 1,396,043	\$ 1,066,450	\$ 544,454	\$ 4,665,149	\$ (1,162,434)	\$ 4,460,501
Total Allocated to Water	\$ 3,671,377	\$ 1,044,667	\$ 879,507	\$ 671,864	\$ 343,006	\$ 2,939,044	\$ (732,333)	\$ 2,564,015
Total Allocated to Sanitation	2,156,206	613,535	516,536	394,587	201,448	1,726,105	(430,101)	1,206,595
Total	\$ 5,827,583	\$ 1,658,202	\$ 1,396,043	\$ 1,066,450	\$ 544,454	\$ 4,665,149	\$ (1,162,434)	\$ 3,770,610

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF OPERATING EXPENSES COMPARED WITH BUDGET – ADMINISTRATION AND GENERAL
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2019)**

	Actual						Total 2020	Over (Under) Budget	Total 2019
	Budget	Accounting and Management	Finance	Information Technology	Environmental	General			
Power	\$ 26,500	\$ -	\$ -	\$ -	\$ -	\$ 18,618	\$ 18,618	\$ (7,882)	\$ 25,153
Repair and Maintenance - Equipment	30,000	-	10,765	10,644	-	-	21,409	(8,591)	14,082
Repair and Maintenance - Fire and Mains	186,750	-	4,122	191,310	-	-	195,432	8,682	170,888
Repair and Maintenance Existing Service	18,500	-	499	8,641	-	-	9,140	(9,360)	795
Operating Supplies - Chemicals	158,200	5,082	100,067	20,901	-	-	126,050	(32,150)	149,495
Office Supplies	18,700	3,438	6,110	721	-	-	10,269	(8,431)	15,225
Leased Equipment	38,000	-	-	31,394	-	-	31,394	(6,606)	25,529
Uniforms	2,380	(53)	226	-	-	-	173	(2,207)	862
Telecommunications	275,000	-	-	336,937	-	-	336,937	61,937	271,624
Utility - Gas	7,200	-	-	-	-	5,012	5,012	(2,188)	6,226
Salaries	1,643,730	533,722	970,749	190,784	-	-	1,695,255	51,525	1,469,184
Employee Benefits	568,986	133,604	328,518	87,517	-	12,753	562,392	(6,594)	476,803
Taxes - Payroll	123,038	38,302	71,669	14,148	-	-	124,119	1,081	116,175
Fuel Expense	500	-	226	-	-	-	226	(274)	1,245
Truck Expense	-	-	-	-	-	-	-	-	5
Water Supply	-	-	-	-	-	173,150	173,150	173,150	272,563
Audit	51,500	-	52,028	-	-	-	52,028	528	48,100
Management Services	350,000	80,541	18,617	196,952	-	-	296,110	(53,890)	283,353
Postage	102,500	-	116,541	-	-	-	116,541	14,041	103,373
Legal	-	-	-	-	-	263,076	263,076	263,076	253,683
Engineering	-	-	-	-	-	419,314	419,314	419,314	217,763
Insurance	325,000	-	-	-	-	313,203	313,203	(11,797)	267,869
Miscellaneous	397,000	-	3,203	-	-	349,388	352,591	(44,409)	275,274
Publications	16,000	-	-	-	-	8,833	8,833	(7,167)	10,560
Dues and Subscriptions	58,500	3,571	-	-	-	91,317	94,888	36,388	70,697
Water Rights Assessments	-	-	-	-	-	43,864	43,864	43,864	68,089
Conservation	45,000	-	-	-	-	9,050	9,050	(35,950)	14,559
Janitor	19,000	-	-	-	-	21,151	21,151	2,151	17,429
Landscape Maintenance	2,750	-	-	-	-	3,324	3,324	574	1,950
Board of Directors	9,000	7,700	-	-	-	-	7,700	(1,300)	6,450
Education	40,200	2,888	50	370	-	22,713	26,021	(14,179)	65,221
Total	\$ 4,513,934	\$ 808,795	\$ 1,683,390	\$ 1,090,319	\$ -	\$ 1,754,766	\$ 5,337,270	\$ 823,336	\$ 4,720,224
Total Allocated to Water	\$ 2,843,778	\$ 509,541	\$ 1,060,536	\$ 686,901	\$ -	\$ 585,418	\$ 3,624,900	\$ 781,122	\$ 3,436,753
Total Allocated to Sanitation	1,670,156	299,254	622,854	403,418	-	343,817	1,712,370	42,214	1,284,191
Total	\$ 4,513,934	\$ 808,795	\$ 1,683,390	\$ 1,090,319	\$ -	\$ 929,235	\$ 5,337,270	\$ 823,336	\$ 4,720,944

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF BUDGET COMPARISON (NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2020**

	Water		Sanitation		General		Total Budget	Total Actual	Actual (Under) Over Budget
	Budget	Actual	Budget	Actual	Budget	Actual			
REVENUES AND RECEIPTS									
Service Fees	\$ 19,160,505	\$ 22,291,695	\$ 13,589,194	\$ 14,320,896	\$ -	\$ -	\$ 32,749,699	\$ 36,612,591	\$ 3,862,892
Pretreatment Rees	-	-	111,144	124,452	-	-	111,144	124,452	13,308
Hydrant Water	719,018	1,113,881	-	-	-	-	719,018	1,113,881	394,863
Fireline Fees	264,036	273,144	-	-	-	-	264,036	273,144	9,108
Inclusion Fees	15,450	53,111	91,504	1,850	-	-	106,954	54,961	(51,993)
Leased Water	257,500	38,525	-	-	-	-	257,500	38,525	(218,975)
Turn on Charge	253,434	35,794	122,926	21,022	-	-	376,360	56,816	(319,544)
Tap-In Fees	438,806	740,966	-	113,202	-	-	438,806	854,168	415,362
Contributions:									
Customers and Contractors	8,745,831	14,159,716	-	-	-	-	8,745,831	14,159,716	5,413,885
Connection Fees	4,823,889	11,180,194	4,584,657	2,916,749	-	-	9,408,546	14,096,943	4,688,397
Taxes:									
Property	-	-	-	-	2,639,436	2,612,013	2,639,436	2,612,013	(27,423)
Other	-	-	-	-	160,000	195,359	160,000	195,359	35,359
Interest Income	625,000	640,655	625,000	245,862	-	-	1,250,000	886,517	(363,483)
Gain on Sale of Capital Asset	-	57,084	-	-	-	-	-	57,084	57,084
Miscellaneous	51,665	58,421	46,000	16,968	8,000	172,825	105,665	248,214	142,549
Total Revenue and Receipts	<u>\$ 35,355,134</u>	<u>\$ 50,643,186</u>	<u>\$ 19,170,425</u>	<u>\$ 17,761,001</u>	<u>\$ 2,807,436</u>	<u>\$ 2,980,197</u>	<u>\$ 57,332,995</u>	<u>\$ 71,384,384</u>	<u>\$ 14,051,389</u>
EXPENDITURES, DISBURSEMENTS, AND TRANSFERS									
Operating Expenses	\$ 15,105,734	\$ 14,189,953	\$ 7,330,477	\$ 7,497,484	\$ -	\$ -	\$ 22,436,211	\$ 21,687,437	\$ (748,774)
Nonoperating Expenses	144,273	-	84,732	-	80,000	34,728	309,005	34,728	(274,277)
Debt Service Principal and Interest	12,974,862	17,401,353	6,728,237	9,079,574	-	-	19,703,099	26,480,927	6,777,828
Capital Expenditures	18,399,829	50,975,612	6,670,841	4,734,073	100,700	-	25,171,370	55,709,685	30,538,315
Transfers	-	(1,855,645)	-	(1,089,824)	-	2,945,469	-	-	-
Total Expenditures, Disbursements, and Transfers	<u>\$ 46,624,698</u>	<u>\$ 80,711,273</u>	<u>\$ 20,814,287</u>	<u>\$ 20,221,307</u>	<u>\$ 180,700</u>	<u>\$ 2,980,197</u>	<u>\$ 67,619,685</u>	<u>\$ 103,912,777</u>	<u>\$ 36,293,092</u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF BUDGET RECONCILIATION
YEAR ENDED DECEMBER 31, 2020**

	<u>Water</u>	<u>Sanitation</u>	<u>General</u>
Revenues and Receipts			
Budget Basis Revenues and Receipts	\$ 50,643,186	\$ 17,761,001	\$ 2,980,197
Allocate:			
General Fund Revenues	<u>1,877,524</u>	<u>1,102,673</u>	<u>(2,980,197)</u>
Budget Basis Revenues and Receipts	<u>52,520,710</u>	<u>18,863,674</u>	<u>-</u>
GAAP Basis Revenue and Receipts	<u>\$ 52,520,710</u>	<u>\$ 18,863,674</u>	<u>\$ -</u>
 GAAP Basis			
Operating Revenues	\$ 24,547,116	\$ 14,581,422	\$ -
Nonoperating Revenues	<u>27,973,594</u>	<u>4,282,252</u>	<u>-</u>
Budget Basis Revenues and Receipts	<u>\$ 52,520,710</u>	<u>\$ 18,863,674</u>	<u>\$ -</u>
 Expenditures and Disbursements			
Budget Basis Expenditures and Disbursements	\$ 80,711,273	\$ 20,221,307	\$ 2,980,197
Plus:			
Amortization Expense - Bonds	(91,955)	(43,273)	-
Depreciation Expense	3,284,775	3,782,439	-
Transfers	1,855,645	1,089,824	(2,945,469)
General Fund Treasurer's Fees	23,615	11,113	(34,728)
Less:			
Capital Expenditures	50,975,612	4,734,073	-
Principal Payments on Debt	<u>14,764,352</u>	<u>8,433,018</u>	<u>-</u>
GAAP Basis Expenditures and Disbursements	<u>\$ 20,043,388</u>	<u>\$ 11,894,320</u>	<u>\$ -</u>
 GAAP Basis			
Operating Expenses	\$ 13,856,641	\$ 9,560,740	\$ -
Allocated Administrative and General Expenses	3,624,900	1,712,370	-
Nonoperating Expenses	<u>2,561,847</u>	<u>621,210</u>	<u>-</u>
Total Expenses	<u>\$ 20,043,388</u>	<u>\$ 11,894,320</u>	<u>\$ -</u>

SECONDARY MARKET INFORMATION

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
HISTORICAL AND BUDGETED NET REVENUES AND PRO FORMA DEBT SERVICE COVERAGE
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT COVERAGE)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Budget 2021</u>
Gross Revenues	\$ 41,776	\$ 30,071	\$ 31,273	\$ 36,382	\$ 38,067	\$ 40,148	\$ 35,029
Operating and Maintenance Expenses (Excluding Depreciation)	17,685	19,387	19,618	20,510	20,718	21,687	21,282
Net Revenue	<u>\$ 24,091</u>	<u>\$ 10,684</u>	<u>\$ 11,655</u>	<u>\$ 15,872</u>	<u>\$ 17,349</u>	<u>\$ 18,460</u>	<u>\$ 13,747</u>
Pro Forma Coverage of the Combined Maximum Annual Debt Service Requirements for the Series 2010, 2014 and 2018 Bonds and the SWRPDA Loans	6.50	2.88	3.15	3.09	2.93	2.13	1.98

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (GAAP BASIS)**

	2014 (Restated)	2015	2016	2017	2018	2019	2020
WATER OPERATIONS							
Operating Revenue	\$ 14,131,190	\$ 15,134,210	\$ 18,484,806	\$ 18,751,898	\$ 21,540,951	\$ 21,588,389	\$ 24,547,116
Direct Water Expenses	11,681,955	10,680,146	12,089,993	12,196,976	13,150,199	13,290,278	13,856,641
Gross Income from Water Operations	<u>2,449,235</u>	<u>4,454,064</u>	<u>6,394,813</u>	<u>6,554,922</u>	<u>8,390,752</u>	<u>8,298,111</u>	<u>10,690,475</u>
SANITATION OPERATIONS							
Operating Revenue	9,833,619	10,644,409	11,310,429	12,041,784	12,944,086	13,767,728	14,581,422
Direct Sanitation Expenses	7,028,853	6,937,215	6,177,307	7,281,585	9,538,761	9,076,413	9,560,740
Gross Income from Sanitation Operations	<u>2,804,766</u>	<u>3,707,194</u>	<u>5,133,122</u>	<u>4,760,199</u>	<u>3,405,325</u>	<u>4,691,315</u>	<u>5,020,682</u>
GROSS INCOME FROM OPERATIONS	5,254,001	8,161,258	11,527,935	11,315,121	11,796,077	12,989,426	15,711,157
GENERAL AND ADMINISTRATIVE EXPENSES	<u>4,849,927</u>	<u>4,804,740</u>	<u>4,858,265</u>	<u>5,009,797</u>	<u>4,720,944</u>	<u>5,069,537</u>	<u>5,337,270</u>
NET INCOME (LOSS) FROM OPERATIONS	404,074	3,356,518	6,669,670	6,305,324	7,075,133	7,919,889	10,373,887
NONOPERATING REVENUES AND (EXPENSES)							
General Property Tax	2,018,751	1,957,413	2,173,347	2,296,299	2,302,973	2,432,218	2,612,013
Other Taxes	156,257	158,370	180,920	213,384	204,285	198,381	195,359
Net Investment Income	25,043	54,125	195,440	415,955	1,813,772	2,618,218	886,517
Intergovernmental Revenue	400,000	600,000	-	-	-	-	-
Gain (Loss) on Dissolution of Joint Venture	(7,407)	8,530	88,335	-	-	15,000	57,084
Miscellaneous	157,683	164,356	183,493	172,994	209,869	212,737	248,214
Interest Expense	(1,407,186)	(2,233,251)	(1,494,773)	(1,488,392)	(3,324,385)	(3,793,330)	(3,073,029)
Cost of Debt Issuance	-	-	-	-	(498,996)	-	(75,300)
Treasurer's Fees	(93,502)	(60,407)	(56,870)	(52,449)	(49,166)	(52,347)	(34,728)
Total Nonoperating Revenues and (Expenses)	<u>1,249,639</u>	<u>649,136</u>	<u>1,269,892</u>	<u>1,557,791</u>	<u>658,352</u>	<u>1,630,877</u>	<u>816,130</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	<u>1,653,713</u>	<u>4,005,654</u>	<u>7,939,562</u>	<u>7,863,115</u>	<u>7,733,485</u>	<u>9,550,766</u>	<u>11,190,017</u>
CAPITAL CONTRIBUTIONS							
Tap Fees	2,815,086	2,949,511	1,501,933	2,204,371	3,316,471	2,332,049	2,969,296
Developer Contributions	6,054,357	5,973,576	6,896,271	10,705,728	9,289,076	12,946,447	14,159,716
System Development Fees	2,601,087	2,733,702	6,358,473	13,965,225	8,246,955	14,011,348	11,127,647
Total Capital Contributions	<u>11,470,530</u>	<u>11,656,789</u>	<u>14,756,677</u>	<u>26,875,324</u>	<u>20,852,502</u>	<u>29,289,844</u>	<u>28,256,659</u>
CHANGE IN NET POSITION	13,124,243	15,662,443	22,696,239	34,738,439	28,585,987	38,840,610	39,446,676
Net Position - Beginning of Year (Restated)	<u>379,069,420</u>	<u>392,196,663</u>	<u>407,859,106</u>	<u>430,555,345</u>	<u>465,293,784</u>	<u>493,879,771</u>	<u>532,720,381</u>
NET POSITION - END OF YEAR	<u>\$ 392,193,663</u>	<u>\$ 407,859,106</u>	<u>\$ 430,555,345</u>	<u>\$ 465,293,784</u>	<u>\$ 493,879,771</u>	<u>\$ 532,720,381</u>	<u>\$ 572,167,057</u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
REVENUES FROM WATER AND SEWER SERVICE CHARGES**

Revenues from Water Service Charges

Year	Consumption (Thousands of Gallons)	Revenues from Metered Water Service Charges
2014	2,621,609	\$ 13,207,911
2015	2,619,007	14,112,055
2016	2,650,240	16,372,854
2017	2,929,562	16,865,244
2018	3,130,000	18,500,028
2019	3,173,847	19,489,826
2020	3,515,284	22,291,695

Revenues from Sewer Service Charges

Year	Consumption (Thousands of Gallons)	Revenues from Metered Sewer Service Charges
2014	2,621,609	\$ 14,112,055
2015	2,619,007	10,342,187
2016	2,650,240	11,069,156
2017	2,929,562	11,773,385
2018	3,130,000	12,585,030
2019	3,173,847	13,431,063
2020	3,515,284	14,320,896

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
COMPARISON OF FISCAL YEAR 2020 AND 2021 BUDGET TO
FISCAL YEAR 2020 ACTUAL RESULTS OF OPERATIONS
BUDGETARY BASIS**

	2020		Over (Under) Budget	2021
	Adopted Budget	Actual		Adopted Budget
WATER OPERATIONS				
Operating Revenue	\$ 21,108,749	\$ 24,547,116	\$ 3,438,367	\$ 23,023,975
Direct Water Expenses	12,261,956	10,565,053	(1,696,903)	11,956,252
Gross Income from Water Operations	8,846,793	13,982,063	5,135,270	11,067,723
SANITATION OPERATIONS				
Operating Revenue	13,914,768	14,581,422	666,654	13,885,400
Direct Sanitation Expenses	5,660,321	5,785,114	124,793	5,873,242
Gross Income from Sanitation Operations	8,254,447	8,796,308	541,861	8,012,158
GROSS INCOME FROM OPERATIONS	17,101,240	22,778,371	5,677,131	19,079,881
GENERAL AND ADMINISTRATIVE EXPENSES	4,513,934	5,337,270	823,336	3,801,811
NET INCOME FROM OPERATIONS	12,587,306	17,441,101	4,853,795	15,278,070
NONOPERATING REVENUES				
General Property Tax	2,639,436	2,612,013	(27,423)	2,764,994
Other Taxes	160,000	195,359	35,359	160,000
Net Investment Income	1,250,000	886,517	(363,483)	750,000
Gain on Sale of Capital Asset	-	57,084	57,084	-
Miscellaneous	105,665	248,214	142,549	175,000
Total Nonoperating Revenues	4,155,101	3,999,187	(155,914)	3,849,994
NONOPERATING EXPENSES				
Interest Expense	3,153,300	3,073,029	(80,271)	3,623,500
Treasurer's Fees	229,004	34,728	(194,276)	82,000
Nonoperating Expenses	80,000	-	(80,000)	-
Total Nonoperating Expenses	3,462,304	3,107,757	(354,547)	3,705,500
INCOME BEFORE CAPITAL CONTRIBUTIONS	13,280,103	18,332,531	5,052,428	15,422,564
CAPITAL CONTRIBUTIONS				
Tap Fees	4,584,657	2,969,296	(1,615,361)	4,672,500
Developer Contributions	8,745,831	14,159,716	5,413,885	2,909,345
System Development Fees	4,823,889	11,127,647	6,303,758	4,660,663
Total Capital Contributions	18,154,377	28,256,659	10,102,282	12,242,508
Capital Expenditures	25,171,370	41,549,969	16,378,599	39,855,981
Capital Expenditures/Bond Fund	-	-	-	10,300,000
FRICO Payments	8,745,831	14,159,716	5,413,885	2,909,345
Intergovernmental Payments	-	-	-	4,449,900
Debt Service	7,803,969	23,407,898	15,603,929	8,305,093
NET INCREASE (DECREASE) IN FUNDS	(10,286,690)	(32,528,393)	(22,241,703)	(38,155,247)
Funds Available - Beginning of Year	116,250,000	116,250,000	-	83,721,607
FUNDS AVAILABLE - END OF YEAR	<u>\$ 105,963,310</u>	<u>\$ 83,721,607</u>	<u>\$ (22,241,703)</u>	<u>\$ 45,566,360</u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
GOVERNMENTAL AND ENTERPRISE ACTIVITY
FISCAL YEAR 2020 ACTUAL RESULTS OF OPERATIONS
BUDGETARY BASIS**

	General Government Fund	Enterprise Fund	Total
OPERATING REVENUES			
General Property Tax	\$ 2,612,013	\$ -	\$ 2,612,013
Other Taxes	195,359	-	195,359
Metered Water Fees	-	22,291,695	22,291,695
Sewer Service Fees	-	14,320,896	14,320,896
Pretreatment Fees	-	124,452	124,452
Fireline Fees	-	273,144	273,144
Inclusion Fees	-	54,961	54,961
Leased Water	-	38,525	38,525
Turn on Charge	-	56,816	56,816
Tap-In Fees	-	854,168	854,168
Hydrant Water	-	1,113,881	1,113,881
Total Operating Revenues	<u>2,807,372</u>	<u>39,128,538</u>	<u>41,935,910</u>
OPERATING EXPENSES			
Source of Supply	-	5,168,076	5,168,076
Treatment	-	2,457,933	2,457,933
Transmission	-	851,976	851,976
Treatment	-	3,207,033	3,207,033
Distribution and Collection	-	1,658,202	1,658,202
Development	-	1,396,043	1,396,043
Meter Readers	-	1,066,450	1,066,450
Management	299,254	509,541	808,795
Administration	622,854	1,060,536	1,683,390
Information Technology	403,418	686,901	1,090,319
General	544,454	1,754,766	2,299,220
Total Operating Expenses	<u>1,869,980</u>	<u>19,817,457</u>	<u>21,687,437</u>
TOTAL OPERATING REVENUE (LOSS)	937,392	19,311,081	20,248,473
OTHER REVENUES			
Developer Contributions	-	14,159,716	14,159,716
System Development Fees	-	14,096,943	14,096,943
Interest Income	328,011	558,506	886,517
Miscellaneous	112,960	192,337	305,298
Total Other Revenues	<u>440,971</u>	<u>29,007,502</u>	<u>29,448,474</u>
TOTAL NET REVENUES	1,378,363	48,318,583	49,696,947
OTHER EXPENSES			
Nonoperating Expenses	34,728	-	34,728
Bonded Indebtedness	-	23,373,170	23,373,170
Capital Outlay	-	41,549,969	41,549,969
FRICO	-	14,159,716	14,159,716
Total Other Expenses	<u>34,728</u>	<u>79,082,855</u>	<u>79,117,583</u>
BALANCE (DEFICIT)	<u>\$ 1,343,635</u>	<u>\$ (30,764,272)</u>	<u>\$ (29,420,636)</u>