

Alameda Water and Sanitation District

Jefferson County, Colorado

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2021 and 2020

Alameda Water and Sanitation District

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December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of Alameda Water and Sanitation District (the District), as of and for the year ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2021 and 2020, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV through VIII be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplemental Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as identified in the table of contents is presented for purposes of additional analysis and legal compliance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Greenwood Village, Colorado
April 6, 2022

Alameda Water and Sanitation District MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Alameda Water and Sanitation District's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the basic financial statements and the notes to financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- Total assets of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$10,898,613 (net position). Of this amount, \$4,933,310 (unrestricted net position) may be used to meet the government's ongoing obligations to its citizens and creditors.
- The District's total net position increased by \$1,192,070 from the prior fiscal year.
- The District collected \$1,883,588 in operating revenue, an increase of \$54,999, or 3%, from the prior year.
- Operating expenses increased \$78,326, or 4%, from the prior year, due primarily to an increase in sewer treatment costs.

Overview of the Financial Statements

The Alameda Water and Sanitation District basic financial statements included in this report are those of a special-purpose government engaged in a business-type activity, providing water and sewer services. The statements are comprised of two components: 1) basic financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements. The basic financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The *Statements of Revenues, Expenses and Changes in Net Position* present information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned compensation). The statement reports

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

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

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

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

A budgetary comparison schedule has been provided in the *supplemental information* to demonstrate compliance with the budget.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Alameda Water and Sanitation District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$10,899,613 at the close of the most recent fiscal year.

Statement of Net Position

	2021	December 31, 2020	2019
Current assets	\$ 12,289,123	\$ 10,429,264	\$ 6,131,010
Noncurrent assets	959,123	1,995,751	1,527,434
Capital assets	2,961,241	2,501,658	2,039,766
Total assets	<u>16,209,487</u>	<u>14,926,673</u>	<u>9,698,210</u>
Current liabilities	<u>183,903</u>	<u>177,039</u>	<u>199,064</u>
Long-term liabilities	<u>3,959,123</u>	<u>3,982,689</u>	<u>-</u>
Deferred inflows of resources	<u>1,167,848</u>	<u>1,060,402</u>	<u>1,068,097</u>
Net Position			
Net investment in capital assets	2,961,241	2,501,658	2,039,766
Restricted	3,004,062	3,035,000	32,000
Unrestricted	4,933,310	4,169,885	6,359,283
Net position	<u>\$ 10,898,613</u>	<u>\$ 9,706,543</u>	<u>\$ 8,431,049</u>

- A portion of the District's net position (27%) reflects its investment in capital assets (e.g. infrastructure, plant, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently these assets are *not* available for future spending.

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

- Restricted net position consists of \$3,004,062. Of that amount, \$2,969,062 is restricted for capital improvements and \$35,000 is restricted for emergencies under TABOR; the remaining net position of \$4,933,310 is unrestricted and available for on-going obligations of the District.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
OPERATING REVENUES			
Water operations	\$ 692,701	\$ 689,707	\$ 552,062
Sewer operations	1,190,887	1,138,882	1,013,119
Total operating revenues	<u>1,883,588</u>	<u>1,828,589</u>	<u>1,565,181</u>
OPERATING EXPENSES			
Water operations - administrative	374,818	408,634	364,121
Water operations - maintenance	15,433	40,175	26,711
Sewer operations - administrative	1,090,592	929,455	1,134,591
Sewer operations - maintenance	222,258	221,984	214,323
General and administrative expenses	75,100	99,830	54,481
Depreciation	139,337	139,134	140,220
Total operating expenses	<u>1,917,538</u>	<u>1,839,212</u>	<u>1,934,447</u>
OPERATING INCOME (LOSS)	<u>(33,950)</u>	<u>(10,623)</u>	<u>(369,266)</u>
NONOPERATING REVENUES			
Property taxes	1,100,302	1,117,817	949,170
Specific ownership taxes	87,761	85,789	84,792
Net investment income	24,216	68,985	141,206
Rent income and miscellaneous	30,000	30,000	27,600
Insurance proceeds	-	-	7,518
Total nonoperating revenues	<u>1,242,279</u>	<u>1,302,591</u>	<u>1,210,286</u>
NONOPERATING EXPENSES			
County Treasurer fees	(16,259)	(16,475)	(14,123)
Total nonoperating expenses	<u>(16,259)</u>	<u>(16,475)</u>	<u>(14,123)</u>
CHANGE IN NET POSITION	1,192,070	1,275,494	826,897
NET POSITION - beginning of the year	<u>9,706,543</u>	<u>8,431,049</u>	<u>7,604,152</u>
NET POSITION - end of the year	<u>\$ 10,898,613</u>	<u>\$ 9,706,543</u>	<u>\$ 8,431,049</u>

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

Budgetary Highlights

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of capital outlay and debt repayment in addition to operations and nonoperating revenue and expenses and contributions. Depreciation is not reflected in the budget since it does not affect funds available. Funds available increased \$728,631 during 2021, primarily due to \$241,500 in tap fee proceeds and general rate increases.

Capital Assets

The District's net investment in capital assets as of December 31, 2021, 2020 and 2019 is as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Capital assets not being depreciated			
Water lines	\$ 1,178,011	\$ 716,539	\$ 115,513
Sewer lines	-	196	196
Total	<u>1,178,011</u>	<u>716,735</u>	<u>115,709</u>
Capital assets being depreciated			
Water lines	\$ 1,623,582	\$ 1,508,068	\$ 1,508,068
Sewer lines	3,429,709	3,419,321	3,419,321
Equipment	48,744	48,744	48,744
Building and improvements	348,539	336,797	336,797
Total	<u>5,450,574</u>	<u>5,312,930</u>	<u>5,312,930</u>
Less accumulated depreciation	<u>(3,667,344)</u>	<u>(3,528,007)</u>	<u>(3,388,873)</u>
Total capital assets being depreciated, net	<u>\$ 1,783,230</u>	<u>\$ 1,784,923</u>	<u>\$ 1,924,057</u>
Capital assets, net	<u><u>\$ 2,961,241</u></u>	<u><u>\$ 2,501,658</u></u>	<u><u>\$ 2,039,766</u></u>

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

Debt Administration

In 2020, the Sewer Enterprise loaned \$1,000,000 to the Water Enterprise to assist in paying for construction for new water infrastructure. The loan is a 30 year term with 2.372% interest rate. Total repayment to the Sewer Enterprise, including interest, is \$1,398,593.

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

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

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

Economic Factors and Next Year's Budget

- Minimal growth in the District is expected in 2022.
- The District has budgeted for 2022 construction and/or rehabilitation projects to water and sewer lines, and related contingencies, in the amount of \$2,800,000.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

Alameda Water and Sanitation District

STATEMENTS OF NET POSITION

December 31, 2021 and 2020

	<u>Water Enterprise</u>		<u>Sewer Enterprise</u>		<u>District Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
ASSETS						
Current assets						
Cash and cash equivalents	\$ 240,604	\$ 311,729	\$ 36,001	\$ 162,962	\$ 276,605	\$ 474,691
Cash and cash equivalents - restricted	1,000	1,000	34,000	34,000	35,000	35,000
Investments	1,569,650	1,799,211	5,274,494	3,204,624	6,844,144	5,003,835
Cash in project account - restricted	2,969,062	3,000,000	-	-	2,969,062	3,000,000
Accounts receivable - users	39,511	45,952	936,710	780,666	976,221	826,618
Accrued interest receivable	-	-	500	7,032	500	7,032
Property taxes receivable	-	-	1,173,460	1,067,955	1,173,460	1,067,955
Prepaid expenses	-	-	14,131	14,133	14,131	14,133
Total current assets	<u>4,819,827</u>	<u>5,157,892</u>	<u>7,469,296</u>	<u>5,271,372</u>	<u>12,289,123</u>	<u>10,429,264</u>
Noncurrent assets						
Investments	-	-	-	1,013,062	-	1,013,062
Notes receivable from water enterprise	-	-	959,123	982,689	959,123	982,689
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>959,123</u>	<u>1,995,751</u>	<u>959,123</u>	<u>1,995,751</u>
Capital assets, net of depreciation	<u>1,926,237</u>	<u>1,405,494</u>	<u>1,035,004</u>	<u>1,096,164</u>	<u>2,961,241</u>	<u>2,501,658</u>
Total assets	<u>6,746,064</u>	<u>6,563,386</u>	<u>9,463,423</u>	<u>8,363,287</u>	<u>16,209,487</u>	<u>14,926,673</u>
LIABILITIES						
Current liabilities						
Accounts payable	36,518	38,493	134,295	125,456	170,813	163,949
Tap fee and rent deposits	-	-	13,090	13,090	13,090	13,090
Total current liabilities	<u>36,518</u>	<u>38,493</u>	<u>147,385</u>	<u>138,546</u>	<u>183,903</u>	<u>177,039</u>
Long-term liabilities						
Notes payable to sewer enterprise	959,123	982,689	-	-	959,123	982,689
Note payable to CWRPDA	3,000,000	3,000,000	-	-	3,000,000	3,000,000
	<u>3,959,123</u>	<u>3,982,689</u>	<u>-</u>	<u>-</u>	<u>3,959,123</u>	<u>3,982,689</u>
Total liabilities	<u>3,995,641</u>	<u>4,021,182</u>	<u>147,385</u>	<u>138,546</u>	<u>4,143,026</u>	<u>4,159,728</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred property tax	-	-	1,167,848	1,060,402	1,167,848	1,060,402
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,167,848</u>	<u>1,060,402</u>	<u>1,167,848</u>	<u>1,060,402</u>
NET POSITION						
Net investment in capital assets	1,926,237	1,405,494	1,035,004	1,096,164	2,961,241	2,501,658
Restricted	2,970,062	3,001,000	34,000	34,000	3,004,062	3,035,000
Unrestricted	(2,145,876)	(1,864,290)	7,079,186	6,034,175	4,933,310	4,169,885
Total net position	<u>\$ 2,750,423</u>	<u>\$ 2,542,204</u>	<u>\$ 8,148,190</u>	<u>\$ 7,164,339</u>	<u>\$ 10,898,613</u>	<u>\$ 9,706,543</u>

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

Alameda Water and Sanitation District
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
December 31, 2021 and 2020

	Water Enterprise		Sewer Enterprise		District Total	
	2021	2020	2021	2020	2021	2020
OPERATING REVENUES						
Water operations	\$ 692,701	\$ 689,707	\$ -	\$ -	\$ 692,701	\$ 689,707
Sewer operations	-	-	949,387	927,412	949,387	927,412
Sewer tap fees	-	-	241,500	211,470	241,500	211,470
Total operating revenues	692,701	689,707	1,190,887	1,138,882	1,883,588	1,828,589
OPERATING EXPENSES						
Water operations - administrative	374,818	408,634	-	-	374,818	408,634
Water operations - maintenance	15,433	40,175	-	-	15,433	40,175
Sewer operations - administrative	-	-	1,090,592	929,455	1,090,592	929,455
Sewer operations - maintenance	-	-	222,258	221,983	222,258	221,983
General and administrative expenses	37,550	49,916	37,550	49,915	75,100	99,831
Depreciation	57,821	57,618	81,516	81,516	139,337	139,134
Total operating expenses	485,622	556,343	1,431,916	1,282,869	1,917,538	1,839,212
OPERATING INCOME (LOSS)	207,079	133,364	(241,029)	(143,987)	(33,950)	(10,623)
NONOPERATING REVENUES						
Property taxes	-	-	1,100,302	1,117,818	1,100,302	1,117,818
Specific ownership taxes	-	-	87,761	85,789	87,761	85,789
Net investment income	1,140	24,145	23,076	44,840	24,216	68,985
Rent income and miscellaneous	-	-	30,000	30,000	30,000	30,000
Total nonoperating revenues	1,140	24,145	1,241,139	1,278,447	1,242,279	1,302,592
NONOPERATING EXPENSES						
County Treasurer fees	-	-	(16,259)	(16,475)	(16,259)	(16,475)
Total nonoperating expenses	-	-	(16,259)	(16,475)	(16,259)	(16,475)
CHANGE IN NET POSITION	208,219	157,509	983,851	1,117,985	1,192,070	1,275,494
NET POSITION - beginning of the year	2,542,204	2,384,695	7,164,339	6,046,354	9,706,543	8,431,049
NET POSITION - end of the year	\$ 2,750,423	\$ 2,542,204	\$ 8,148,190	\$ 7,164,339	\$ 10,898,613	\$ 9,706,543

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

Alameda Water and Sanitation District
STATEMENTS OF CASH FLOWS
December 31, 2021 and 2020

	Water Enterprise		Sewer Enterprise		District Total	
	2021	2020	2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 699,142	\$ 675,919	\$ 1,034,843	\$ 1,035,416	\$ 1,733,985	\$ 1,711,335
Payments to suppliers for goods and services	(431,353)	(526,770)	(1,235,659)	(1,112,714)	(1,667,012)	(1,639,484)
Payments to and on behalf of employees for services	-	-	(98,625)	(85,837)	(98,625)	(85,837)
Net cash provided (used) by operating activities	<u>267,789</u>	<u>149,149</u>	<u>(299,441)</u>	<u>(163,135)</u>	<u>(31,652)</u>	<u>(13,986)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Property taxes	-	-	1,100,302	1,117,817	1,100,302	1,117,817
Specific ownership taxes	-	-	87,761	85,789	87,761	85,789
Other income	-	-	30,000	30,000	30,000	30,000
County Treasurer's fees	-	-	(16,259)	(16,475)	(16,259)	(16,475)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>1,201,804</u>	<u>1,217,131</u>	<u>1,201,804</u>	<u>1,217,131</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from long-term debt	-	3,000,000	-	-	-	3,000,000
Proceeds from (payments of) interfund loans	(23,566)	982,689	23,566	(982,689)	-	-
Acquisition of capital assets	(576,986)	(601,026)	(25,690)	-	(602,676)	(601,026)
Net cash provided (used) by capital and related financing activities	<u>(600,552)</u>	<u>3,381,663</u>	<u>(2,124)</u>	<u>(982,689)</u>	<u>(602,676)</u>	<u>2,398,974</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Net (increase) decrease in investment principal	229,561	(434,623)	(1,056,808)	(103,534)	(827,247)	(538,157)
Interest earnings received	1,139	24,145	29,608	44,840	30,747	68,985
Net cash provided (used) by investing activities	<u>230,700</u>	<u>(410,478)</u>	<u>(1,027,200)</u>	<u>(58,694)</u>	<u>(796,500)</u>	<u>(469,172)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(102,063)</u>	<u>3,120,334</u>	<u>(126,961)</u>	<u>12,613</u>	<u>(229,024)</u>	<u>3,132,947</u>
CASH AND CASH EQUIVALENTS - beginning of year	<u>3,312,729</u>	<u>192,395</u>	<u>196,962</u>	<u>184,349</u>	<u>3,509,691</u>	<u>376,744</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 3,210,666</u>	<u>\$ 3,312,729</u>	<u>\$ 70,001</u>	<u>\$ 196,962</u>	<u>\$ 3,280,667</u>	<u>\$ 3,509,691</u>

(continued)

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

Alameda Water and Sanitation District
STATEMENTS OF CASH FLOWS
(continued)
For the Years Ended December 31, 2021 and 2020

	<u>Water Enterprise</u>		<u>Sewer Enterprise</u>		<u>District Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO						
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 207,079	\$ 133,364	\$ (241,029)	\$ (143,987)	\$ (33,950)	\$ (10,623)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation	57,821	57,618	81,516	81,516	139,337	139,134
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	6,441	(13,788)	(156,044)	(106,466)	(149,603)	(120,254)
Increase (decrease) in:						
Accounts payable	(3,552)	(28,045)	16,116	2,802	12,564	(25,243)
Tap fee and rent deposits	-	-	-	3,000	-	3,000
Total adjustments	<u>60,710</u>	<u>15,785</u>	<u>(58,412)</u>	<u>(19,148)</u>	<u>2,298</u>	<u>(3,363)</u>
Net cash provided (used) by operating activities	<u>\$ 267,789</u>	<u>\$ 149,149</u>	<u>\$ (299,441)</u>	<u>\$ (163,135)</u>	<u>\$ (31,652)</u>	<u>\$ (13,986)</u>

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

Alameda Water and Sanitation District

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 1 – Definition of reporting entity

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

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

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

Note 2 – Summary of significant accounting policies

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

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

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

Basis of Accounting

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

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2021 and 2020

Operating revenues and expenses

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

Cash equivalents

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

Investments

Investments for the District are reported at fair value.

Accounts receivable, allowance for doubtful accounts

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

Property Taxes

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

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

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2021 and 2020

Capital assets

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

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

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

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

Compensated absences

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

Capital contributions

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements.

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2021 and 2020

Use of estimates

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

Note 3 – Cash and investments

Cash and investments are reflected on the December 31, 2021 and 2020 Statements of Net Position as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,280,667	\$ 3,509,691
Investments	6,844,144	5,003,835
Investments - noncurrent	-	1,013,062
	<u>\$ 10,124,811</u>	<u>\$ 9,526,588</u>

Cash and investments as of December 31, 2021 and 2020 consist of the following:

Cash on hand	\$ 25	\$ 25
Deposits with financial institutions	311,580	509,666
Cash held by other agencies	2,969,062	3,000,000
Investments	6,844,144	6,016,897
Total cash and investments	<u>\$ 10,124,811</u>	<u>\$ 9,526,588</u>

At December 31, 2021 and 2020, the District's cash deposits had bank balances of \$356,563 and \$632,973 with carrying balances of \$311,580 and \$509,666 respectively.

Deposits with financial institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. As of December 31, 2021 and 2020, the federal insurance limits were \$250,000. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

Alameda Water and Sanitation District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2021 and 2020

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

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has not adopted a deposit policy for custodial credit risk. As of December 31, 2021 and 2020, none of the District's bank balance was exposed to custodial credit risk, as amounts were either insured or collateralized. The District carried bank balances in excess of federally insured amounts of \$379,864 at December 31, 2021. All amounts not federally insured are fully collateralized as required under the PDPA.

Investments

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

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

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

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

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

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2021 and 2020

Fair Value Measurement and Application

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

As of December 31, 2021 and 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>2021</u>	<u>2020</u>
Colorado Surplus Asset Fund (CSAFE)	Weighted average under 60 days	\$ 3,173,839	\$ 1,951,947
CSAFE Core	Weighted average under 180 days	3,670,305	3,051,888
U.S. government agencies (Level 1)	1 to 2 years	-	1,013,062
Total investments		<u>\$ 6,844,144</u>	<u>\$ 6,016,897</u>

U.S. Government Agency Securities

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

CSAFE

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

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2021 and 2020

money market fund and each share is equal in value to \$2.00. CORE measures all of its investments at amortized cost with a weighted average maturity of 180 days or less. CORE is rated AA Af/S1 by Fitch Ratings. There are no unfunded commitments; the redemption frequency is daily, and there is no redemption notice period.

Restricted cash and investments

The District had restricted cash of \$35,000 and \$32,000 for emergencies as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 7), as of December 31, 2021 and 2020, respectively. The District had \$3,000,000 in a project fund account, held by Colorado Water Resources and Power Development Authority, restricted for capital improvements.

Note 4 – Capital assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance at December 31, 2020	Additions	Deletions	Balance at December 31, 2021
Construction in progress - water lines	\$ 716,539	\$ 576,986	\$ 115,514	\$ 1,178,011
Construction in progress - sewer lines	196	-	196	-
Total capital assets, not being depreciated	<u>\$ 716,735</u>	<u>\$ 576,986</u>	<u>\$ 115,710</u>	<u>\$ 1,178,011</u>
Capital assets being depreciated				
Water lines	\$ 1,508,068	\$ 115,514	\$ -	\$ 1,623,582
Sewer lines	3,419,321	10,388	-	3,429,709
Equipment	48,744	-	-	48,744
Building and improvements	336,797	15,498	3,756	348,539
Total capital assets being depreciated	<u>5,312,930</u>	<u>141,400</u>	<u>3,756</u>	<u>5,450,574</u>
Less accumulated depreciations for				
Water lines	819,114	52,075	-	871,189
Sewer lines	2,455,391	73,673	-	2,529,064
Equipment	36,233	4,730	-	40,963
Building and improvements	217,269	8,859	-	226,128
Total accumulated depreciation	<u>3,528,007</u>	<u>139,337</u>	<u>-</u>	<u>3,667,344</u>
Total capital assets being depreciated, net	<u>\$ 1,784,923</u>	<u>\$ 2,063</u>	<u>\$ 3,756</u>	<u>\$ 1,783,230</u>
Capital assets, net	<u>\$ 2,501,658</u>	<u>\$ 579,049</u>	<u>\$ 119,466</u>	<u>\$ 2,961,241</u>

Depreciation expense of \$139,337 and \$139,134 for the years ended December 31, 2021 and 2020, respectively, was charged to water and sewer operations.

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2021 and 2020

Note 5 – Long-term obligation

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Direct Borrowing:					
2020 Loan - CWRPDA	\$3,000,000	\$ -	\$ -	\$3,000,000	\$ 40,264
Total long-term obligations	<u>\$3,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,000,000</u>	<u>\$ 40,264</u>

Loan – Colorado Water Resources and Development Authority (CWRPDA)

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

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

	Principal	Interest	Total
2022	\$ 40,264	\$ 43,679	\$ 83,943
2023	70,542	73,556	144,098
2024	72,317	71,781	144,098
2025	74,136	69,961	144,097
2026	76,001	68,096	144,097
2027-2031	409,668	310,821	720,489
2032-2036	463,854	256,635	720,489
2037-2041	525,206	195,283	720,489
2042-2046	594,677	125,812	720,489
2047-2051	673,335	47,157.20	720,492
Total	<u>\$ 3,000,000</u>	<u>\$ 1,262,782</u>	<u>\$ 4,262,782</u>

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2021 and 2020

Inter-Enterprise Loan

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

At December 31, 2021, the District had no authorized but unissued indebtedness.

Note 6 – Agreements

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

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

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

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

Integrated System Distributor Agreement

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

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2021 and 2020

Note 7 – Risk management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special District Property and Liability Pool (the Pool) as of December 31, 2021. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, and public officials' liability and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 8 – Tax, spending and debt limitations

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

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

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

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

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

Alameda Water and Sanitation District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2021 and 2020

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

SUPPLEMENTAL INFORMATION

Alameda Water and Sanitation District
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND AVAILABLE - BUDGET AND ACTUAL
BUDGETARY BASIS
For the Year Ended December 31, 2021

	Original Budget	Actual	Variance Favorable (Unfavorable)
WATER ENTERPRISE:			
Revenues			
Charges for services	\$ 580,000	\$ 674,626	\$ 94,626
Net investment income	42,000	1,140	(40,860)
Tap fees	3,840	18,075	14,235
Miscellaneous income	200	-	(200)
Total revenues	<u>626,040</u>	<u>693,841</u>	<u>67,801</u>
Expenditures			
Water purchases	375,000	341,009	33,991
Engineering	5,000	-	5,000
Capital outlay	1,012,000	577,086	434,914
Repairs, maintenance, and inspection	53,500	25,974	27,526
Legal	800	-	800
Interest	23,054	23,054	-
Miscellaneous	1,500	250	1,250
Office, telephone, utilities	2,300	(36)	2,336
Internal loan repayment	23,554	23,566	(12)
Total expenditures	<u>1,496,708</u>	<u>990,903</u>	<u>505,805</u>
Excess (deficit) of revenues over (under) water enterprise expenditures	<u>(870,668)</u>	<u>(297,062)</u>	<u>573,606</u>
SEWER ENTERPRISE:			
Revenues			
Charges for services	\$ 820,500	\$ 949,387	\$ 128,887
Net investment income	118,054	23,076	(94,978)
Tap fees	10,500	241,500	231,000
Miscellaneous income	35,000	30,000	(5,000)
Internal loan repayment	23,554	23,566	12
Total revenues	<u>1,007,608</u>	<u>1,267,529</u>	<u>259,921</u>
Expenditures			
Sewer treatment charges	954,000	871,892	82,108
Engineering	19,800	44,957	(25,157)
Capital outlay	200,000	25,690	174,310
Salaries, taxes and benefits	92,000	91,430	570
Repairs, maintenance, and inspection	263,000	253,917	9,083
Insurance	14,900	14,457	443
Legal	1,000	-	1,000
Miscellaneous	-	6,158	(6,158)
Office, telephone, utilities	24,700	30,039	(5,339)
Total expenditures	<u>1,569,400</u>	<u>1,338,540</u>	<u>230,860</u>
Excess (deficit) of revenues over (under) sewer enterprise expenditures	<u>(561,792)</u>	<u>(71,011)</u>	<u>490,781</u>
Other financing sources (uses)			
Transfer from general fund	1,099,169	1,097,000	(2,169)
Total other financing sources (uses)	<u>1,099,169</u>	<u>1,097,000</u>	<u>(2,169)</u>
Excess (deficit) of revenues over (under) sewer enterprise expenditures and other financing sources (uses)	<u>537,377</u>	<u>1,025,989</u>	<u>488,612</u>
GENERAL GOVERNMENT:			
Revenues			
Property taxes	1,147,188	1,100,302	(46,886)
Specific ownership taxes	85,500	87,761	2,261
Net investment income	150	-	(150)
Total revenues	<u>1,232,838</u>	<u>1,188,063</u>	<u>(44,775)</u>
Expenditures			
County Treasurer's fees	17,208	16,259	949
Directors fees	6,000	6,900	(900)
Legal	9,500	2,360	7,140
Elections and publications	1,200	-	1,200
Accounting and audit	12,000	13,525	(1,525)
Taxes and benefits	459	527	(68)
Miscellaneous	1,600	2,775	(1,175)
Office, telephone, utilities	400	-	400
Payment for services	-	49,013	(49,013)
Emergency reserve	(193)	-	(193)
Total expenditures	<u>48,174</u>	<u>91,359</u>	<u>(43,185)</u>
Excess (deficit) of revenues over (under) general government expenditures	<u>1,184,664</u>	<u>1,096,704</u>	<u>(87,960)</u>
Other financing sources (uses)			
Transfer to enterprise fund	(1,099,169)	(1,097,000)	2,169
Total other financing sources (uses)	<u>(1,099,169)</u>	<u>(1,097,000)</u>	<u>2,169</u>
Excess (deficit) of revenues over (under) enterprise expenditures and other financing sources (uses)	<u>85,495</u>	<u>(296)</u>	<u>(85,791)</u>
Total district revenues	<u>3,965,655</u>	<u>4,246,433</u>	<u>280,778</u>
Total district expenditures	<u>4,213,451</u>	<u>3,517,802</u>	<u>695,649</u>
Total excess (deficit) of revenues over (under) expenditures	<u>(247,796)</u>	<u>728,631</u>	<u>\$ 976,427</u>
Funds available - beginning of year	<u>6,210,336</u>	<u>5,637,418</u>	
Funds available - end of year	<u>\$ 5,962,540</u>	<u>\$ 6,366,049</u>	

Alameda Water and Sanitation District

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

For the Year Ended December 31, 2021

Revenues (budgetary basis)	\$ 4,246,433
Less:	
Intradistrict loan principal	(23,566)
Intradistrict budgetary transfers	<u>(1,097,000)</u>
Total revenues per Statement of Revenues, Expenses and Changes in Net Position	<u>3,125,867</u>
Expenditures (budgetary basis)	3,517,802
Depreciation and amortization	139,337
Capital outlay	(602,776)
Intradistrict loan principal	(23,566)
Intradistrict budgetary transfers	<u>(1,097,000)</u>
Total expenses per Statement of Revenues, Expenses and Changes in Net Position	<u>1,933,797</u>
Change in net position per Statement of Revenues, Expenses and Changes in Net Position	<u><u>\$ 1,192,070</u></u>