

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2021 AND 2020



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**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
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YEARS ENDED DECEMBER 31, 2021 AND 2020**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2021 and 2020, and the related notes to the financial statements as listed in the table of contents.

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

Basis for Opinion

We conducted our audits in accordance with the auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' 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 ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgement, 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of operating revenue, budgetary comparison schedules and schedule of budget reconciliation are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the schedule of operating revenue, budgetary comparison schedules and schedule of budget reconciliation are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the secondary market information but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



CliftonLarsonAllen LLP

Denver, Colorado
June 22, 2022

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020**

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, 2021 and 2020. 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 2021

- Net position increased by \$45,180,563 in 2021 or 14.5%, primarily due to capital contributions of \$34,232,951.
- Capital contributions consist of the following:

Tap fees	\$ 1,723,287
Developer contributions	17,483,641
System development fees	15,026,023
- Income before capital contributions is \$10,947,612, a decrease of \$242,405 or 2.2% from 2020.
- The income from operations is \$10,478,149 for 2021, compared to \$10,373,887 in 2020.
- The District currently has 21,431 active customer accounts.
- Unrestricted net position increased by \$4,138,839 which is a 4.0% 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 17-34.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020**

Summary and Financial Analysis

NET POSITION

	2021	2020
ASSETS		
Current Assets	\$ 117,965,509	\$ 114,633,493
Restricted Cash and Investments	2,751,388	11,829,406
Capital Assets, Net of Accumulated Depreciation	605,811,350	564,708,015
Total Assets	\$ 726,528,247	\$ 691,170,914
LIABILITIES		
Current Liabilities	\$ 12,864,735	\$ 17,455,268
Other Liabilities	251,388	246,276
Long-Term Liabilities	92,894,005	98,324,544
Total Liabilities	106,010,128	116,026,088
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	2,925,002	2,704,995
2020B Bond Deferred Gain on Refunding	245,497	272,774
Total Deferred Inflows of Resources	3,170,499	2,977,769
NET POSITION		
Net Investment in Capital Assets	506,021,158	464,979,434
Restricted	2,500,000	2,500,000
Unrestricted	108,826,462	104,687,623
Total Net Position	617,347,620	572,167,057
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 726,528,247	\$ 691,170,914

The District increased its net position by \$45,180,563 during 2021. Capital assets net of depreciation increased by \$41,103,335. This increase is funded by the application of capital contributions in the amount of \$34,232,951. The "Operations Funds Available" (current assets less current liabilities) calculates to an amount of \$105,100,774, 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, 2021 AND 2020**

	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, 2021 AND 2020**

CHANGES IN NET POSITION

	2021	2020
OPERATING REVENUE		
Water	\$ 26,622,018	\$ 24,547,116
Sanitation	15,020,914	14,581,422
Total Operating Revenue	41,642,932	39,128,538
NONOPERATING REVENUE		
Taxes	2,969,535	2,807,372
Net Investment Income	283,149	886,517
Gain on Sale of Capital Asset	13,575	57,084
Other	313,409	248,214
Total Nonoperating Revenue	3,579,668	3,999,187
Total Revenue	45,222,600	43,127,725
OPERATING EXPENSES		
Direct Expenses:		
Water	16,124,557	13,856,641
Sanitation	9,655,731	9,560,740
Total Direct Expenses	25,780,288	23,417,381
General and Administrative Expenses	5,384,495	5,337,270
Total Operating Expenses	31,164,783	28,754,651
NONOPERATING EXPENSES		
Interest	3,065,767	3,073,029
Cost of Debt Issuance	-	75,300
Other	44,438	34,728
Total Nonoperating Expenses	3,110,205	3,183,057
Total Expenses	34,274,988	31,937,708
INCOME BEFORE CAPITAL CONTRIBUTIONS	10,947,612	11,190,017
CAPITAL CONTRIBUTIONS	34,232,951	28,256,659
CHANGE IN NET POSITION	45,180,563	39,446,676
Net Position - Beginning of Year	572,167,057	532,720,381
NET POSITION - END OF YEAR	\$ 617,347,620	\$ 572,167,057

Revenue:

Operating revenue for fiscal year 2021 generated from water operations totaled \$26,622,018, an increase of \$2,074,902 or 8.5% compared to fiscal year 2020. This increase was the result of the District beginning to collect an additional Softening Fee in fiscal year 2021 that amounted to \$1,601,456 as well as increases in revenues generated from Leased Water and Inclusion Fees. The increase was offset by decreases in water consumption (sales) by 4.9% compared to the preceding year. Sewer operating revenues increased from \$14,581,422 to \$15,020,914 due to increased sewer service fee revenues, representing a 3.0% increase.

Non-operating revenue decreased from \$3,999,187 in 2020 to \$3,579,668, representing a 10.5% decrease. The decrease is related to worse performance on investments.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020**

Expenses:

Total operating expenses for 2021, which include direct, general and administrative expenses, were \$31,164,783, an increase of \$2,410,132 or 8.4% more than the preceding year. Expenses for water increased by \$2,267,916 in relation to the increased chemical supplies expense for water treatment. This increase was supplemented by a \$94,991 increase in sewer expenses as a result of an increase in depreciation expense compared to the prior year.

	2020	2019
OPERATING REVENUE		
Water	\$ 24,547,116	\$ 21,588,389
Sanitation	14,581,422	13,767,728
Total Operating Revenue	39,128,538	35,356,117
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	3,999,187	5,476,554
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	23,417,381	22,366,691
General and Administrative Expenses	5,337,270	5,069,537
Total Operating Expenses	28,754,651	27,436,228
NONOPERATING EXPENSES		
Interest	3,073,029	3,793,330
Cost of Debt Issuance	75,300	-
Other	34,728	52,347
Total Nonoperating Expenses	3,183,057	3,845,677
Total Expenses	31,937,708	31,281,905
INCOME BEFORE CAPITAL CONTRIBUTIONS	11,190,017	9,550,766
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

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020**

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.

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.

Capital Assets

	December 31, 2020	Net Changes	December 31, 2021
	<u> </u>	<u> </u>	<u> </u>
Water System			
Land and Land Rights	\$ 4,061,733	\$ -	\$ 4,061,733
Water Rights	177,674,535	29,830,201	207,504,736
Construction in Progress	135,840,532	(52,981,484)	82,859,048
Plant and Equipment	186,305,545	63,475,002	249,780,547
Total Water System	<u>503,882,345</u>	<u>40,323,719</u>	<u>544,206,064</u>
Sanitation System			
Land and Land Rights	367,424	-	367,424
Construction in Progress	3,246,430	3,065,367	6,311,797
Plant and Equipment	154,149,347	5,050,670	159,200,017
Total Sanitation System	<u>157,763,201</u>	<u>8,116,037</u>	<u>165,879,238</u>
Accumulated Depreciation	<u>96,937,531</u>	<u>7,336,421</u>	<u>104,273,952</u>
Total Capital Assets - Net	<u>\$ 564,708,015</u>	<u>\$ 41,103,335</u>	<u>\$ 605,811,350</u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020**

2021

Gross capital assets increased in excess of \$48.4 million during 2021. Significant components of that increase are as follows:

- Payment for the acquisition of permanent water supplies of \$29.8 million.
- Water and Sanitation acceptances totaling in excess of \$11 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, 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>\$ 506,030,786</u>	<u>\$ 58,677,229</u>	<u>\$ 564,708,015</u>

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.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020**

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, 2021, 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 \$270,000 and \$17,260,450, the Series 2014, 2018, 2020A and 2020B Revenue Bonds in the amount of \$9,780,000, \$55,155,000, \$7,150,000 and \$6,555,000.

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.

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, 2021 AND 2020**

ASSETS	2021	2020
CURRENT ASSETS		
Cash and Investments	\$ 32,616,451	\$ 37,298,652
Cash and Investments - Designated	77,919,918	69,925,926
Accounts Receivable:		
Customers	3,627,578	3,511,593
Taxes	2,985,376	2,765,368
Other	129,777	436,831
Inventories, Supplies, and Materials	594,189	555,748
Prepaid Expenses	92,220	139,375
Total Current Assets	117,965,509	114,633,493
 RESTRICTED CASH AND INVESTMENTS		
Operating Reserve	2,500,000	2,500,000
2018 Bond Project	-	9,083,130
Employee Flexible Spending Accounts	26,618	29,556
Customer Deposits	224,770	216,720
Total Restricted Cash and Investments	2,751,388	11,829,406
 CAPITAL ASSETS		
Capital Assets Not Being Depreciated	301,104,738	321,190,654
Capital Assets Being Depreciated (Net of Accumulated Depreciation)	304,706,612	243,517,361
Total Capital Assets	605,811,350	564,708,015
 Total Assets	 \$ 726,528,247	 \$ 691,170,914

See accompanying Notes to Financial Statements.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2021 AND 2020**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	2021	2020
CURRENT LIABILITIES		
Accounts Payable	\$ 6,010,081	\$ 8,789,076
Retainage Payable	237,793	1,848,135
Accrued Interest	353,099	360,512
Current Portion of Bonds and Loan Payable	5,465,942	5,612,040
Current Portion of Accrued Benefits Payable	797,820	845,505
Total Current Liabilities	12,864,735	17,455,268
RESTRICTED LIABILITIES		
Customer Deposits	224,770	216,720
Employee Flexible Spending Accounts	26,618	29,556
Total Restricted Liabilities	251,388	246,276
LONG-TERM LIABILITIES		
Long-Term Portion of Bonds and Loan Payable	92,894,005	98,324,544
Total Long-Term Liabilities	92,894,005	98,324,544
Total Liabilities	106,010,128	116,026,088
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	2,925,002	2,704,995
2020B Bond Deferred Gain on Refunding	245,497	272,774
Total Deferred Inflows of Resources	3,170,499	2,977,769
NET POSITION		
Net Investment in Capital Assets	506,021,158	464,979,434
Restricted for Operating Reserve	2,500,000	2,500,000
Unrestricted	108,826,462	104,687,623
Total Net Position	617,347,620	572,167,057
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 726,528,247	\$ 691,170,914

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, 2021 AND 2020**

	2021	2020
WATER OPERATIONS		
Operating Revenue	\$ 26,622,018	\$ 24,547,116
Direct Water Expenses	16,124,557	13,856,641
Gross Income from Water Operations	10,497,461	10,690,475
SANITATION OPERATIONS		
Operating Revenue	15,020,914	14,581,422
Direct Sanitation Expenses	9,655,731	9,560,740
Gross Income from Sanitation Operations	5,365,183	5,020,682
GROSS INCOME FROM OPERATIONS	15,862,644	15,711,157
GENERAL AND ADMINISTRATIVE EXPENSES	5,384,495	5,337,270
NET INCOME FROM OPERATIONS	10,478,149	10,373,887
NONOPERATING REVENUES AND (EXPENSES)		
General Property Tax	2,750,272	2,612,013
Other Taxes	219,263	195,359
Net Investment Income	283,149	886,517
Gain on Sale of Capital Asset	13,575	57,084
Miscellaneous	313,409	248,214
Interest Expense	(3,065,767)	(3,073,029)
Cost of Debt Issuance	-	(75,300)
Treasurer's Fees	(44,438)	(34,728)
Total Nonoperating Revenues and (Expenses)	469,463	816,130
INCOME BEFORE CAPITAL CONTRIBUTIONS	10,947,612	11,190,017
CAPITAL CONTRIBUTIONS		
Tap Fees	1,723,287	2,969,296
Developer Contributions	17,483,641	14,159,716
System Development Fees	15,026,023	11,127,647
Total Capital Contributions	34,232,951	28,256,659
CHANGE IN NET POSITION	45,180,563	39,446,676
Net Position - Beginning of Year	572,167,057	532,720,381
NET POSITION - END OF YEAR	\$ 617,347,620	\$ 572,167,057

See accompanying Notes to Financial Statements.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 41,842,051	\$ 38,067,256
Cash Payments for Goods and Services	(17,537,935)	(10,736,858)
Cash Payments to Employees	(10,121,083)	(9,865,710)
Net Cash Provided by Operating Activities	14,183,033	17,464,688
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Tax Receipts Collected by Other Governmental Agencies, Net of Treasurer's Fee	2,925,096	2,772,644
Miscellaneous Receipts	313,411	248,214
Net Cash Provided by Noncapital Financing Activities	3,238,507	3,020,858
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for Capital Acquisitions	(37,928,767)	(49,809,916)
Proceeds from Refunding Debt Issuance	-	17,725,000
Interest Paid	(3,202,527)	(3,244,861)
Debt Issuance Costs Paid	-	(75,300)
Cash Received from Sale of Assets	13,575	62,643
Principal Payments on Debt	(5,474,567)	(5,403,093)
Payments to Escrow Agent	-	(17,794,277)
System Development Fees	15,026,023	11,127,647
Tap Fees	1,723,287	2,969,296
Developer Cash Contributions	6,372,060	4,119,263
Net Cash Used by Capital and Related Financing Activities	(23,470,916)	(40,323,598)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts of Interest	283,149	886,517
Net Cash Provided by Investing Activities	283,149	886,517
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,766,227)	(18,951,535)
Cash and Cash Equivalents - Beginning of Year	119,053,984	138,005,519
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 113,287,757	\$ 119,053,984

	2021	2020
RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF YEAR TO STATEMENT OF NET POSITION		
Unrestricted Cash and Cash Equivalents	\$ 110,536,369	\$ 107,224,578
Restricted Cash and Cash Equivalents	2,751,388	11,829,406
Total Cash and Cash Equivalents	\$ 113,287,757	\$ 119,053,984

See accompanying Notes to Financial Statements.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 10,478,149	\$ 10,373,887
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	7,511,419	7,067,214
Effect of Changes in Operating Assets and Liabilities:		
Customer Receivables	(115,985)	(1,107,772)
Other Receivables	307,054	8,145
Inventory	(38,441)	(119,102)
Prepaid Expenses	47,155	(67,034)
Accounts Payable	(3,963,745)	1,040,198
Accrued Benefits	(50,623)	230,807
Customer Deposits	8,050	38,345
Net Cash Provided by Operating Activities	\$ 14,183,033	\$ 17,464,688

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

Developer infrastructure contributions were \$11,111,581 and \$10,040,453 for 2021 and 2020, respectively. Bond premium amortization was \$102,070 and \$135,228 for 2021 and 2020. Amortization of deferred gain on refunding was \$27,277 and \$2,273 for 2021 and 2020. Capital-related retainage and accounts payable was \$1,184,748 and \$4,602,353 for 2021 and 2020.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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, 2021 AND 2020**

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, 2021 AND 2020**

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, 2021 AND 2020**

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, 2021 AND 2020**

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, 2021. 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, 2021 and 2020 statements of net position as follows:

	2021	2020
Cash and Investments	\$ 32,616,451	\$ 37,298,652
Cash and Investments - Designated	77,919,918	69,925,926
Restricted Cash and Investments:		
Operating Reserve	2,500,000	2,500,000
2018 Bond Project	-	9,083,130
Employee Flexible Spending Accounts	26,618	29,556
Customer Deposits	224,770	216,720
Total Cash and Investments	\$ 113,287,757	\$ 119,053,984

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

	2021	2020
Cash on Hand	\$ 3,480	\$ 3,480
Deposits with Financial Institutions	13,539,169	20,695,648
Investments and Cash Equivalents	99,745,108	98,354,856
Total Cash and Investments	\$ 113,287,757	\$ 119,053,984

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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, 2021 AND 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Interest Rate Risk (Continued)

As of December 31, 2021, 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>\$ 99,745,108</u>	AAAm	<u>\$ 99,745,108</u>	<u>100.0%</u>

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>

CSAFE

At December 31, 2021 and 2020, the District had \$99,745,108 and \$98,354,856 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, 2021 AND 2020**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021 follows:

	2021				Balance at December 31, 2021
	Balance at January 1, 2021	Increases	Transfers	Decreases	
	Capital Assets, Not Being Depreciated:				
Land and Land Rights	\$ 4,429,157	\$ -	\$ -	\$ -	\$ 4,429,157
Water Rights	177,674,535	16,600,303	13,229,898	-	207,504,736
Construction in Progress	139,086,962	20,404,641	(70,320,758)	-	89,170,845
Total Capital Assets, Not Being Depreciated	321,190,654	37,004,944	(57,090,860)	-	301,104,738
Capital Assets, Being Depreciated:					
Buildings	7,522,453	29,565	-	-	7,552,018
Water System Plant	175,178,846	6,597,684	56,907,585	174,998	238,509,117
Sanitation System Plant	147,124,175	4,772,888	-	-	151,897,063
Furniture and Equipment	10,629,418	209,673	183,275	-	11,022,366
Total Capital Assets, Being Depreciated	340,454,892	11,609,810	57,090,860	174,998	408,980,564
Less Accumulated Depreciation for:					
Buildings	1,621,864	342,252	-	-	1,964,116
Water System Plant	49,847,002	3,301,347	-	174,998	52,973,351
Sanitation System Plant	40,522,225	3,733,071	-	-	44,255,296
Furniture and Equipment	4,946,440	134,749	-	-	5,081,189
Total Accumulated Depreciation	96,937,531	7,511,419	-	174,998	104,273,952
Total Capital Assets, Being Depreciated, Net	243,517,361	4,098,391	57,090,860	-	304,706,612
Capital Assets, Net	\$ 564,708,015	\$ 41,103,335	\$ -	\$ -	\$ 605,811,350

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

Depreciation expense for the years ended December 31, 2021 and 2020 as charged to the following operations:

	2021	2020
Direct Water Expenses	\$ 3,609,001	\$ 3,284,775
Direct Sewer Expenses	3,902,416	3,782,439
Total	<u>\$ 7,511,417</u>	<u>\$ 7,067,214</u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 5 LONG-TERM LIABILITIES

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

	Balance January 1, 2021	New Issues	Retirements	Balance December 31, 2021	Due Within One Year
Direct Borrowing -					
Colorado Water and Power Authority Loan - 2002	\$ 787,500	\$ -	\$ 517,500	\$ 270,000	\$ 270,000
Colorado Water and Power Authority Loan - 2014	18,272,517	-	1,012,067	17,260,450	1,034,081
Direct Placement -					
Series 2020A Refunding Bond	8,875,000	-	1,725,000	7,150,000	1,750,000
Series 2020B Refunding Bond	7,225,000	-	670,000	6,555,000	680,000
Series 2014 Bond	10,270,000	-	490,000	9,780,000	510,000
Series 2018 Bond	56,215,000	-	1,060,000	55,155,000	1,120,000
Bond Premium	2,291,567	-	102,070	2,189,497	101,861
Total Long-Term Obligations	<u>103,936,584</u>	<u>\$ -</u>	<u>\$ 5,576,637</u>	<u>98,359,947</u>	<u>\$ 5,465,942</u>
Less Current Portion	5,612,040			5,465,942	
Long-Term Portion	<u>\$ 98,324,544</u>			<u>\$ 92,894,005</u>	

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>	<u>103,936,584</u>	<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>	

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

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.

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

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

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.

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)	2,925,000
Total	<u>\$ 5,750,000</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 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.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

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.

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 of \$245,497 as of December 31, 2021, 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	Revenue Bonds		Bonds and Loans from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2022	\$ 1,630,000	\$ 2,464,250	\$ 3,734,081	\$ 390,040	\$ 8,218,371
2023	1,710,000	2,382,251	3,506,497	356,183	\$ 7,954,931
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	1,975,000	2,116,250	1,810,649	203,079	\$ 6,104,978
2027-2031	11,225,000	9,231,644	8,624,859	654,270	\$ 29,735,773
2032-2036	13,375,000	7,086,888	6,390,304	217,455	\$ 27,069,647
2037-2048	31,340,000	7,656,994	-	-	\$ 38,996,994
Total	\$ 64,935,000	\$ 35,440,102	\$ 31,235,450	\$ 2,375,851	\$ 133,986,403

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

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

	Balance January 1, 2021	Incurred	Retired	Balance December 31, 2021	Current Portion
Accrued Benefits Payable	\$ 845,505	\$ 697,683	\$ 745,368	\$ 797,820	\$ 797,820
	Balance January 1, 2020	Incurred	Retired	Balance December 31, 2020	Current Portion
Accrued Benefits Payable	\$ 619,513	\$ 758,352	\$ 532,360	\$ 845,505	\$ 845,505

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.

As of December 31, 2021 and 2020, the District had a net investment in capital assets calculated as follows:

	2021	2020
Net Investment in Capital Assets:		
Capital Assets - Net of Accumulated Depreciation	\$ 605,811,350	\$ 564,708,015
Unspent Bond Proceeds	-	9,083,130
Deferred Inflow from Debt Refunding	(245,497)	(272,774)
Capital-Related Retainage and Accounts Payable	(1,184,748)	(4,602,353)
Current Portion of Bonds and Loan Payable	(5,465,942)	(5,612,040)
Long-Term Portion of Bonds and Loan Payable	(92,894,005)	(98,324,544)
Total	\$ 506,021,158	\$ 464,979,434

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, 2021 and 2020 are as follows:

	2021	2020
Restricted Net Position:		
Operating Reserve	\$ 2,500,000	\$ 2,500,000

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021 AND 2020**

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:

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

Pension contributions were \$311,529 and \$305,122 for 2021 and 2020, 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, 2021 and December 31, 2020, management believes it has met these covenants.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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, 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. 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, 2021, 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.

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.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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, 2021, the District had unexpended construction related contract commitments and contingencies on other projects of \$15,806,599.

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.

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, 2021, 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.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 12 AGREEMENTS (CONTINUED)

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 \$4,797,794 and \$8,768,757 of developer contributions related to this agreement in escrow at December 31, 2021 and 2020, 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.

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, 2021
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)**

	Water	Sanitation	Totals	
			2021	2020
Metered Water Fees	\$ 21,188,256	\$ -	\$ 21,188,256	\$ 22,291,695
Softening Fees	1,601,456	-	\$ 1,601,456	\$ -
Sewer Service Fees	-	14,738,399	14,738,399	14,320,896
Pretreatment Fees	-	151,029	151,029	124,452
Fireline Fees	286,801	-	286,801	273,144
Inclusion Fees	220,432	9,000	229,432	54,961
Leased Water	1,148,697	-	1,148,697	38,525
Turn on Charge	238,134	-	238,134	56,816
Tap-in Fees	792,396	122,486	914,882	854,168
Hydrant Water	1,145,846	-	1,145,846	1,113,881
Total Operating Revenue	\$ 26,622,018	\$ 15,020,914	\$ 41,642,932	\$ 39,128,538

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF OPERATING EXPENSES COMPARED WITH BUDGET – WATER
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)**

	Annual Budget	Actual				Total 2021	Actual Over (Under) Budget	Total 2020
		Source of Supply	Treatment	Distribution and Collection Allocated	Administration and General Allocated			
Power	\$ 1,215,000	800,339	329,795	\$ 18,827	\$ -	\$ 1,148,961	\$ (66,039)	\$ 1,189,384
Purchased Water	3,369,101	3,404,328	-	-	-	3,404,328	35,227	3,372,059
Repair and Maintenance	1,598,000	116,548	147,530	385,572	\$ 125,917	775,567	(822,433)	159,272
Safety Equipment	13,000	-	-	4,306	\$ -	4,306	(8,694)	-
Customer Service Materials	275,000	-	-	372,176	\$ -	372,176	97,176	377,341
Small Tools and Equipment	30,000	-	-	17,086	\$ -	17,086	(12,914)	8,700
Operating Supplies	245,850	4,825	4,161	64,462	\$ 103,510	176,958	(68,892)	112,574
Office Supplies	24,800	-	7,567	3,087	\$ 16,268	26,922	2,122	14,404
Leased Equipment	35,000	-	-	-	\$ 33,631	33,631	(1,369)	19,778
Shop Supplies	35,500	7,812	13,465	7,610	\$ -	28,887	(6,613)	16,730
Carbon Replacement	300,000	-	271,464	-	\$ -	271,464	(28,536)	340,866
Chemical Supplies	1,509,000	30,013	1,501,025	-	\$ -	1,531,038	22,038	146,722
Lab Supplies	70,000	35,676	62,907	-	\$ -	98,583	28,583	90,230
Uniforms	20,305	2,269	4,579	6,117	\$ 838	13,803	(6,502)	6,770
Telecommunications	330,000	-	-	-	\$ 233,689	233,689	(96,311)	212,270
Utility - Gas	64,500	19,947	45,811	2,988	\$ 16,774	85,520	21,020	23,200
Salaries	6,016,465	457,803	964,261	1,602,223	\$ 1,097,151	4,121,438	(1,895,027)	3,879,056
Employee Benefits	2,367,067	156,478	335,568	634,907	\$ 389,382	1,516,335	(850,732)	1,363,212
Taxes - Payroll	456,809	31,250	76,991	123,332	\$ 85,608	317,181	(139,628)	287,299
Fuel Expense	107,250	-	8,384	83,980	\$ (89)	92,275	(14,975)	59,983
Truck Expense	85,000	-	-	80,575	\$ -	80,575	(4,425)	67,095
Water Supply	300,000	-	-	-	\$ 178,211	178,211	(121,789)	173,150
Quality Control	61,000	29,430	2,133	-	\$ -	31,563	(29,437)	47,038
Audit	52,250	-	-	-	\$ 36,794	36,794	(15,456)	32,778
Management Services	500,500	-	-	27,569	\$ 268,950	296,519	(203,981)	217,110
Postage	112,500	-	-	188	\$ 87,213	87,401	(25,099)	73,507
Legal	200,000	-	-	-	\$ 184,800	184,800	(15,200)	263,076
Engineering	420,000	-	-	-	\$ 314,376	314,376	(105,624)	374,092
Insurance	333,900	-	-	-	\$ 239,040	239,040	(94,860)	197,318
Miscellaneous	430,800	6,048	20,391	22,004	\$ 275,615	324,058	(106,742)	273,297
Publications	10,000	-	-	-	\$ 8,459	8,459	(1,541)	5,565
Dues and Subscriptions	70,000	7,725	5,715	-	\$ 63,573	77,013	7,013	41,264
Water Rights Assessments	80,000	-	-	-	\$ 109,647	109,647	29,647	43,864
Conservation	70,000	-	-	-	\$ 12,277	12,277	(57,723)	5,702
Janitor	57,500	-	25,616	14,284	\$ 17,209	57,109	(391)	42,373
Landscape Maintenance	66,000	92,951	23,761	1,436	\$ 2,362	120,510	54,510	104,345
Board of Directors	9,000	-	-	-	\$ 6,222	6,222	(2,778)	4,851
Education	51,450	501	6,269	3,178	\$ 5,880	15,828	(35,622)	32,560
Total Operating Expenses - Water	20,992,547	\$ 5,203,943	\$ 3,857,393	\$ 3,475,907	\$ 3,913,307	16,450,550	(4,541,997)	13,678,835
Total Operating Expenses - Sanitation (Page 37)	14,260,040					7,202,816	(7,057,224)	6,836,485
Total Operating Expenses	\$ 35,252,587					\$ 23,653,366	\$ (11,599,221)	\$ 20,515,320

SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF OPERATING EXPENSES COMPARED WITH BUDGET – SANITATION (NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)

	Annual Budget	Actual				Total 2021	Actual Over (Under) Budget	Total 2020
		Transmission and Collection	Sewage Treatment	Distribution and Collection Allocated	Administration and General Allocation			
Power	\$ 530,000	96,176	410,463	\$ 8,860	\$ -	\$ 515,499	\$ (14,501)	\$ 487,896
Repair and Maintenance	1,579,000	96,585	466,967	181,445	59,255	804,252	(774,748)	395,446
Safety Equipment	13,000	-	-	2,027	-	2,027	(10,973)	-
Customer Service Materials	275,000	-	-	175,142	-	175,142	(99,858)	155,626
Small Tools and Equipment	30,000	-	-	8,041	-	8,041	(21,959)	5,109
Operating Supplies	641,850	12,176	489,067	30,335	48,710	580,288	(61,562)	465,591
Office Supplies	20,300	-	2,361	1,453	7,655	11,469	(8,831)	6,803
Leased Equipment	35,000	-	-	-	15,827	15,827	(19,173)	11,616
Shop Supplies	25,500	-	2,915	3,581	-	6,496	(19,004)	8,343
Uniforms	19,305	2,389	3,943	2,878	395	9,605	(9,700)	6,481
Telecommunications	330,000	-	-	-	109,971	109,971	(220,029)	125,044
Utility - Gas	58,500	3,814	39,864	1,406	7,894	52,978	(5,522)	45,799
Salaries	5,792,801	378,138	1,211,850	753,988	516,306	2,860,282	(2,932,519)	3,219,771
Employee Benefits	2,250,241	147,023	407,113	298,780	183,238	1,036,154	(1,214,087)	1,108,253
Taxes - Payroll	439,393	30,206	90,539	58,039	40,286	219,070	(220,323)	238,926
Fuel Expense	110,250	-	32,062	39,520	(42)	71,540	(38,710)	38,625
Truck Expense	86,000	-	777	37,917	-	38,694	(47,306)	39,898
Quality Control	90,000	-	83,370	-	-	83,370	(6,630)	55,871
Audit	52,250	-	-	-	17,315	17,315	(34,935)	19,250
Management Services	500,500	-	-	12,973	126,564	139,537	(360,963)	127,510
Postage	133,000	-	13,796	88	41,041	54,925	(78,075)	52,477
Legal	-	-	-	-	-	-	-	-
Engineering	160,000	-	-	-	-	-	(160,000)	45,222
Insurance	333,900	-	-	-	112,489	112,489	(221,411)	115,885
Miscellaneous	433,800	-	25,612	10,354	129,704	165,670	(268,130)	171,032
Publications	13,000	-	-	-	3,981	3,981	(9,019)	3,268
Dues and Subscriptions	114,500	-	-	-	29,917	29,917	(84,583)	62,030
Conservation	70,000	-	-	-	5,777	5,777	(64,223)	3,348
Janitor	50,500	-	19,266	6,722	8,098	34,086	(16,414)	33,340
Landscape Maintenance	16,000	-	20,859	676	1,112	22,647	6,647	23,407
Board of Directors	9,000	-	-	-	2,928	2,928	(6,072)	2,849
Education	47,450	2,140	6,436	1,496	2,767	12,839	(34,611)	15,478
Total Operating Expenses - Sanitation	\$ 14,260,040	\$ 768,647	\$ 3,327,260	\$ 1,635,721	\$ 1,471,188	\$ 7,202,816	\$ (7,057,224)	\$ 7,090,194

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, 2021
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)

	Distribution				Actual			Actual	
	Annual Budget	Distribution and Collection	Development	Meter Reading	Fleet	Total 2021	(Under) Budget	Total 2020	
Power	\$ 125,000	27,687	\$ -	-	\$ -	\$ 27,687	\$ (97,313)	\$ 21,817	
Repair and Maintenance	752,000	374,541	568	109,713	82,195	567,017	(184,983)	56,225	
Safety Equipment	13,000	5,297	-	-	1,036	6,333	(6,667)	-	
Customer Service Materials	275,000	-	-	547,318	-	547,318	272,318	408,571	
Small Tools and Equipment	30,000	11,560	-	-	13,567	25,127	(4,873)	13,809	
Operating Supplies	82,500	41,601	14,639	10,985	27,572	94,797	12,297	40,349	
Office Supplies	4,000	43	4,175	-	322	4,540	540	2,184	
Shop Supplies	20,500	2,721	-	-	8,470	11,191	(9,309)	6,966	
Uniforms	14,000	4,227	2,569	1,162	1,037	8,995	(5,005)	6,802	
Utility - Gas	11,500	4,394	-	-	-	4,394	(7,106)	3,363	
Salaries	2,908,259	741,748	941,724	377,924	294,815	2,356,211	(552,048)	2,295,081	
Employee Benefits	1,232,164	341,795	335,799	132,298	123,795	933,687	(298,477)	865,781	
Taxes - Payroll	222,304	58,413	70,240	28,377	24,341	181,371	(40,933)	171,630	
Fuel Expense	85,000	-	-	-	123,500	123,500	38,500	74,318	
Truck Expense	85,000	-	-	-	118,492	118,492	33,492	106,500	
Management Services	60,000	1,356	39,186	-	-	40,542	(19,458)	48,510	
Postage	-	-	276	-	-	276	276	136	
Engineering	120,000	-	-	-	-	-	(120,000)	-	
Miscellaneous	35,200	30,915	690	-	753	32,358	(2,842)	45,496	
Publications	500	-	-	-	-	-	(500)	-	
Dues and Subscriptions	4,500	-	-	-	-	-	(4,500)	-	
Janitor	18,000	21,006	-	-	-	21,006	3,006	21,522	
Landscape Maintenance	3,000	2,112	-	-	-	2,112	(888)	3,189	
Education	12,000	868	2,268	-	1,538	4,674	(7,326)	7,012	
Total Operating Expenses -	\$ 6,113,427	\$ 1,670,284	\$ 1,412,134	\$ 1,207,777	\$ 821,433	\$ 5,111,628	\$ (1,001,799)	\$ 4,199,261	
Distribution and Collection									
Total Allocated to Water	\$ 4,157,130	\$ 1,135,793	\$ 960,251	\$ 821,288	\$ 558,574	\$ 3,475,907	\$ (681,223)	\$ 2,939,044	
Total Allocated to Sanitation	1,956,297	534,491	451,883	386,489	262,859	1,635,721	(320,576)	1,726,105	
Total	\$ 6,113,427	\$ 1,670,284	\$ 1,412,134	\$ 1,207,777	\$ 821,433	\$ 5,111,628	\$ (1,001,799)	\$ 4,665,149	

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, 2021
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)

	Budget	Actual						Total 2021	Over (Under) Budget	Total 2020
		Management	Accounting and Finance	Information Technology	Environmental	General				
Power	\$ 25,000	-	\$ -	-	\$ -	-	\$ -	-	\$ (25,000)	\$ 18,618
Repair and Maintenance	316,000	-	9,914	175,258	-	-	185,172	(130,828)	21,409	216,050
Operating Supplies	151,350	10,917	103,708	37,595	-	-	152,220	870	126,050	10,269
Office Supplies	13,800	5,970	17,540	413	-	-	23,923	10,123	10,269	31,394
Leased Equipment	35,000	-	-	49,458	-	-	49,458	14,458	173	336,937
Uniforms	1,305	941	191	101	-	-	1,233	(72)	13,660	5,012
Telecommunications	330,000	-	-	343,660	-	-	343,660	17,668	(1,003)	562,392
Utility - Gas	7,000	-	-	-	-	24,668	24,668	(16,491)	5,659	124,119
Salaries	1,614,460	533,057	888,789	191,611	-	-	1,613,457	(381)	226	173,150
Employee Benefits	589,111	143,818	335,269	93,533	-	-	572,620	1,859	52,028	296,110
Taxes - Payroll	120,235	40,757	70,342	14,795	-	-	125,894	15,754	116,541	263,076
Fuel Expense	250	-	(131)	-	-	-	(131)	314,376	17,629	419,314
Truck Expense	-	-	-	-	-	-	-	351,529	37,719	313,203
Water Supply	-	-	-	-	178,211	-	178,211	2,940	8,833	352,591
Audit	52,250	-	54,109	-	-	-	54,109	1,859	8,888	94,888
Management Services	440,500	104,416	19,120	271,978	-	-	395,514	(44,986)	43,864	9,050
Postage	112,500	-	128,254	-	-	-	128,254	15,754	263,076	419,314
Legal	-	-	-	-	184,800	-	184,800	314,376	17,629	313,203
Engineering	333,900	-	-	-	-	-	-	398,157	37,719	352,591
Insurance	367,600	4,681	2,481	-	-	-	12,440	2,940	8,833	94,888
Miscellaneous	9,500	-	-	-	-	-	-	90,713	37,490	94,888
Publications	56,000	2,777	-	-	-	-	93,490	37,490	109,647	43,864
Dues and Subscriptions	70,000	-	-	-	-	-	109,647	109,647	(51,946)	9,050
Water Rights Assessments	17,500	-	-	-	-	-	18,054	25,307	7,807	21,151
Conservation	3,000	-	-	-	-	-	-	3,474	474	3,324
Janitor	9,000	9,150	-	-	-	-	9,150	150	7,700	7,700
Landscape Maintenance	23,450	2,559	-	163	-	-	8,647	(14,803)	26,021	26,021
Board of Directors	23,450	2,559	-	163	-	-	8,647	(14,803)	26,021	26,021
Education	23,450	2,559	-	163	-	-	8,647	(14,803)	26,021	26,021
Total	\$ 4,698,711	\$ 859,043	\$ 1,629,586	\$ 1,178,565	\$ -	\$ 1,717,301	\$ 5,384,495	\$ 685,784	\$ 5,132,698	\$ 5,132,698
Total Allocated to Water	\$ 3,195,123	\$ 584,149	\$ 1,108,118	\$ 801,424	\$ -	\$ 632,582	\$ 3,913,307	\$ 718,184	\$ 3,436,753	\$ 3,436,753
Total Allocated to Sanitation	1,503,588	274,894	521,468	377,141	-	297,685	1,471,188	(32,400)	1,284,191	1,284,191
Total	\$ 4,698,711	\$ 859,043	\$ 1,629,586	\$ 1,178,565	\$ -	\$ 930,267	\$ 5,384,495	\$ 685,784	\$ 4,720,944	\$ 4,720,944

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF BUDGET COMPARISON (NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2021**

	Water		Sanitation		General		Total Budget	Total Actual	Actual (Under) Over Budget
	Budget	Actual	Budget	Actual	Budget	Actual			
REVENUES AND RECEIPTS									
Service Fees	\$ 19,440,103	21,188,256	\$ 13,726,650	14,738,399	\$ -	\$ -	\$ 33,166,753	\$ 35,926,655	\$ 2,759,902
Pretreatment Rees	-	-	130,000	151,029	-	-	130,000	\$ 151,029	21,029
Hydrant Water	715,000	1,145,846	-	-	-	-	715,000	\$ 1,145,846	430,846
Water Softening Fee	1,623,872	1,601,456	-	-	-	-	1,623,872	\$ 1,601,456	(22,416)
Fireline Fees	275,000	286,801	-	-	-	-	275,000	\$ 286,801	11,801
Inclusion Fees	15,000	220,432	5,000	9,000	-	0	20,000	229,432	209,432
Leased Water	250,000	1,148,697	-	-	-	-	250,000	1,148,697	898,697
Turn on Charge	255,000	238,134	18,750	-	-	-	273,750	238,134	(35,616)
Tap-In Fees	450,000	792,396	-	122,486	-	-	450,000	914,882	464,882
Contributions:									
Customers and Contractors	2,909,345	-	-	-	-	-	2,909,345	-	(2,909,345)
Connection Fees	4,660,663	27,995,767	4,672,500	6,237,184	-	-	9,333,163	34,232,951	24,899,788
Taxes:									
Property	-	-	-	-	2,764,994	2,750,272	2,764,994	2,750,272	(14,722)
Other	-	-	-	-	160,000	219,263	160,000	219,263	59,263
Interest Income	375,000	51,284	375,000	231,865	-	-	750,000	283,149	(466,851)
Gain on Sale of Capital Asset	-	9,231	-	4,344	-	-	-	13,575	13,575
Miscellaneous	82,250	70,028	87,250	16,196	10,500	227,185	180,000	313,409	133,409
Total Revenue and Receipts	\$ 31,051,233	\$ 54,748,328	\$ 19,015,150	\$ 21,510,503	\$ 2,935,494	\$ 3,196,720	\$ 53,001,877	\$ 79,455,551	\$ 26,476,090
EXPENDITURES, DISBURSEMENTS, AND TRANSFERS									
Operating Expenses	\$ 20,992,547	\$ 16,450,550	\$ 14,260,040	\$ 7,202,816	\$ -	\$ -	\$ 35,252,587	\$ 23,653,366	\$ (11,599,221)
Nonoperating Expenses	-	-	-	-	80,000	44,438	80,000	44,438	(35,562)
Debt Service Principal and Interest	15,532,209	4,890,727	7,522,784	3,117,417	-	-	23,054,993	8,008,144	(15,046,849)
Capital Expenditures	33,751,420	33,988,768	8,731,684	3,515,282	282,222	-	42,765,326	37,504,050	(5,261,276)
Transfers	-	(2,143,552)	-	(1,008,730)	-	-	-	-	-
Total Expenditures, Disbursements, and Transfers	\$ 70,276,176	\$ 53,186,493	\$ 30,514,508	\$ 12,826,785	\$ 362,222	\$ 3,196,720	\$ 101,152,906	\$ 69,209,998	\$ (31,942,908)

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF BUDGET RECONCILIATION
YEAR ENDED DECEMBER 31, 2021**

	<u>Water</u>	<u>Sanitation</u>	<u>General</u>
Revenues and Receipts			
Budget Basis Revenues and Receipts	\$ 54,748,328	\$ 21,510,503	\$ 3,196,720
Allocate:			
General Fund Revenues	<u>2,173,770</u>	<u>1,022,950</u>	<u>(3,196,720)</u>
Budget Basis Revenues and Receipts	<u>56,922,098</u>	<u>22,533,453</u>	<u>-</u>
GAAP Basis Revenue and Receipts	<u>\$ 56,922,098</u>	<u>\$ 22,533,453</u>	<u>\$ -</u>
 GAAP Basis			
Operating Revenues	\$ 26,622,018	\$ 15,020,914	\$ -
Nonoperating Revenues	<u>30,300,080</u>	<u>7,512,539</u>	<u>-</u>
Budget Basis Revenues and Receipts	<u>\$ 56,922,098</u>	<u>\$ 22,533,453</u>	<u>\$ -</u>
 Expenditures and Disbursements			
Budget Basis Expenditures and Disbursements	\$ 53,186,493	\$ 12,826,785	\$ 3,196,720
Plus:			
Amortization Expense - Bonds	(93,711)	(44,099)	-
Depreciation Expense	3,609,001	3,902,416	-
Transfers	2,143,552	1,008,730	(3,152,282)
General Fund Treasurer's Fees	30,219	14,219	(44,438)
Less:			
Capital Expenditures	33,988,768	3,515,282	-
Principal Payments on Debt	<u>2,227,000</u>	<u>2,577,567</u>	<u>-</u>
GAAP Basis Expenditures and Disbursements	<u>\$ 22,659,786</u>	<u>\$ 11,615,202</u>	<u>\$ -</u>
 GAAP Basis			
Operating Expenses	\$ 16,124,557	\$ 9,655,731	\$ -
Allocated Administrative and General Expenses	3,913,307	1,471,188	-
Nonoperating Expenses	<u>2,621,922</u>	<u>488,283</u>	<u>-</u>
Total Expenses	<u>\$ 22,659,786</u>	<u>\$ 11,615,202</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)

	2016	2017	2018	2019	2020	2021	Budget 2022
Gross Revenues	\$ 30,071	\$ 31,273	\$ 36,382	\$ 38,067	\$ 40,148	\$ 42,026	\$ 39,428
Operating and Maintenance Expenses (Excluding Depreciation)	19,387	19,618	20,510	20,718	21,687	23,653	22,916
Net Revenue	\$ 10,684	\$ 11,655	\$ 15,872	\$ 17,349	\$ 18,461	\$ 18,373	\$ 16,511

Pro Forma Coverage of the Combined Maximum
Annual Debt Service Requirements for the Series
2010, 2014 and 2018 Bonds and the SWRPDA Loans

	3.84	3.14	3.09	2.93	2.39	2.12	1.97
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**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (GAAP BASIS)**

	2015	2016	2017	2018	2019	2020	2021
WATER OPERATIONS							
Operating Revenue	\$ 15,134,210	\$ 18,484,806	\$ 18,751,898	\$ 21,540,951	\$ 21,588,389	\$ 24,547,116	\$ 26,622,018
Direct Water Expenses	10,680,146	12,089,993	12,196,976	13,150,199	13,290,278	13,856,641	16,124,557
Gross Income from Water Operations	4,454,064	6,394,813	6,554,922	8,390,752	8,298,111	10,690,475	10,497,461
SANITATION OPERATIONS							
Operating Revenue	10,644,409	11,310,429	12,041,784	12,944,086	13,767,728	14,581,422	15,020,914
Direct Sanitation Expenses	6,937,215	6,177,307	7,281,585	9,538,761	9,076,413	9,560,740	9,655,731
Gross Income from Sanitation Operations	3,707,194	5,133,122	4,760,199	3,405,325	4,691,315	5,020,682	5,365,183
GROSS INCOME FROM OPERATIONS	8,161,258	11,527,935	11,315,121	11,796,077	12,989,426	15,711,157	15,862,644
GENERAL AND ADMINISTRATIVE EXPENSES	4,804,740	4,858,265	5,009,797	4,720,944	5,069,537	5,337,270	5,384,495
NET INCOME (LOSS) FROM OPERATIONS	3,356,518	6,669,670	6,305,324	7,075,133	7,919,889	10,373,887	10,478,149
NONOPERATING REVENUES AND (EXPENSES)							
General Property Tax	1,957,413	2,173,347	2,296,299	2,302,973	2,432,218	2,612,013	2,750,272
Other Taxes	158,370	180,920	213,384	204,285	198,381	195,359	219,263
Net Investment Income	54,125	195,440	415,955	1,813,772	2,618,218	886,517	283,149
Intergovernmental Revenue	600,000	-	-	-	-	-	-
Gain (Loss) on Dissolution of Joint Venture	8,530	88,335	-	-	15,000	57,084	13,575
Miscellaneous	164,356	183,493	172,994	209,869	212,737	248,214	313,409
Interest Expense	(2,233,251)	(1,494,773)	(1,488,392)	(3,324,385)	(3,793,330)	(3,073,029)	(3,065,767)
Cost of Debt Issuance	-	-	-	(498,996)	-	(75,300)	-
Treasurer's Fees	(60,407)	(56,870)	(52,449)	(49,166)	(52,347)	(34,728)	(44,438)
Total Nonoperating Revenues and (Expenses)	649,136	1,269,892	1,557,791	658,352	1,630,877	816,130	469,463
INCOME BEFORE CAPITAL CONTRIBUTIONS	4,005,654	7,939,562	7,863,115	7,733,485	9,550,766	11,190,017	10,947,612
CAPITAL CONTRIBUTIONS							
Tap Fees	2,949,511	1,501,933	2,204,371	3,316,471	2,332,049	2,969,296	1,723,287
Developer Contributions	5,973,576	6,896,271	10,705,728	9,289,076	12,946,447	14,159,716	17,483,641
System Development Fees	2,733,702	6,358,473	13,965,225	8,246,955	14,011,348	11,127,647	15,026,023
Total Capital Contributions	11,656,789	14,756,677	26,875,324	20,852,502	29,289,844	28,256,659	34,232,951
CHANGE IN NET POSITION	15,662,443	22,696,239	34,738,439	28,585,987	38,840,610	39,446,676	45,180,563
Net Position - Beginning of Year (Restated)	392,196,663	407,859,106	430,555,345	465,293,784	493,879,771	532,720,381	572,167,057
NET POSITION - END OF YEAR	\$ 407,859,106	\$ 430,555,345	\$ 465,293,784	\$ 493,879,771	\$ 532,720,381	\$ 572,167,057	\$ 617,347,620

**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
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
2021	3,342,714	21,188,256

Revenues from Sewer Service Charges

Year	Consumption (Thousands of Gallons)	Revenues from Metered Sewer Service Charges
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
2021	3,342,714	14,738,399

**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**

	2021		Over (Under) Budget	2022
	Adopted Budget	Actual		Adopted Budget
WATER OPERATIONS				
Operating Revenue	\$ 23,023,975	\$ 26,622,018	\$ 3,598,043	\$ 24,421,820
Direct Water Expenses	17,797,424	12,537,243	(5,260,181)	12,220,887
Gross Income from Water Operations	5,226,551	14,084,775	8,858,224	12,200,933
SANITATION OPERATIONS				
Operating Revenue	13,880,400	15,020,914	1,140,514	15,005,731
Direct Sanitation Expenses	12,756,452	5,731,628	(7,024,824)	5,960,436
Gross Income from Sanitation Operations	1,123,948	9,289,286	8,165,338	9,045,295
GROSS INCOME FROM OPERATIONS	6,350,499	23,374,061	17,023,562	21,246,228
GENERAL AND ADMINISTRATIVE EXPENSES	4,698,711	5,384,495	685,784	4,734,817
NET INCOME FROM OPERATIONS	1,651,788	17,989,566	16,337,778	16,511,411
NONOPERATING REVENUES				
General Property Tax	2,764,994	2,750,272	(14,722)	2,994,323
Other Taxes	160,000	219,263	59,263	165,000
Net Investment Income	750,000	283,149	(466,851)	125,000
Gain on Sale of Capital Asset	-	13,575	13,575	-
Miscellaneous	180,000	313,409	133,409	175,000
Total Nonoperating Revenues	3,854,994	3,579,668	(275,326)	3,459,323
NONOPERATING EXPENSES				
Interest Expense	3,623,500	3,065,767	(557,733)	3,004,290
Treasurer's Fees	82,000	44,438	(37,562)	62,000
Nonoperating Expenses	-	-	-	-
Total Nonoperating Expenses	3,705,500	3,110,205	(595,295)	3,066,290
INCOME BEFORE CAPITAL CONTRIBUTIONS	1,801,282	18,459,029	16,657,747	16,904,444
CAPITAL CONTRIBUTIONS				
Tap Fees	4,672,500	1,723,287	(2,949,213)	3,525,557
Developer Contributions	2,909,345	17,483,641	14,574,296	-
System Development Fees	4,660,663	15,026,023	10,365,360	7,586,271
Total Capital Contributions	12,242,508	34,232,951	21,990,443	11,111,828
Capital Expenditures	36,231,381	20,020,409	(16,210,972)	43,420,654
Capital Expenditures/Bond Fund	10,300,000	-	(10,300,000)	-
FRICO Payments	2,909,345	17,483,641	14,574,296	-
Intergovernmental Payments	4,449,000	-	(4,449,000)	4,606,380
Debt Service	8,305,093	4,942,377	(3,362,716)	8,414,509
NET INCREASE (DECREASE) IN FUNDS	(48,151,029)	10,245,553	58,396,582	(28,425,271)
Funds Available - Beginning of Year	83,721,607	83,721,607	-	93,967,160
FUNDS AVAILABLE - END OF YEAR	<u>\$ 35,570,578</u>	<u>\$ 93,967,160</u>	<u>\$ 58,396,582</u>	<u>\$ 65,541,889</u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
GOVERNMENTAL AND ENTERPRISE ACTIVITY
FISCAL YEAR 2021 ACTUAL RESULTS OF OPERATIONS
BUDGETARY BASIS**

	General Government Fund	Enterprise Fund	Total
OPERATING REVENUES			
General Property Tax	\$ 2,750,272	\$ -	\$ 2,750,272
Other Taxes	219,263	-	219,263
Metered Water Fees	-	21,188,256	21,188,256
Softening Fees	-	1,601,456	1,601,456
Sewer Service Fees	-	14,738,399	14,738,399
Pretreatment Fees	-	151,029	151,029
Fireline Fees	-	286,801	286,801
Inclusion Fees	-	229,432	229,432
Leased Water	-	1,148,697	1,148,697
Turn on Charge	-	238,134	238,134
Tap-In Fees	-	914,882	914,882
Hydrant Water	-	1,145,846	1,145,846
Total Operating Revenues	<u>2,969,535</u>	<u>41,642,932</u>	<u>44,612,467</u>
OPERATING EXPENSES			
Source of Supply	-	5,203,943	5,203,943
Treatment	-	3,857,393	3,857,393
Transmission	-	768,647	768,647
Treatment	-	3,327,260	3,327,260
Distribution and Collection	-	1,670,284	1,670,284
Development	-	1,412,134	1,412,134
Meter Readers	-	1,207,777	1,207,777
Management	274,894	584,149	859,043
Administration	521,468	1,108,118	1,629,586
Information Technology	377,141	801,424	1,178,565
General	821,433	1,717,301	2,538,734
Total Operating Expenses	<u>1,994,936</u>	<u>21,658,430</u>	<u>23,653,366</u>
TOTAL OPERATING REVENUE (LOSS)	974,599	19,984,502	20,959,101
OTHER REVENUES			
Developer Contributions	-	17,483,641	17,483,641
System Development Fees	-	16,749,310	16,749,310
Interest Income	90,608	192,541	283,149
Miscellaneous	104,635	222,348	326,984
Total Other Revenues	<u>195,243</u>	<u>34,647,840</u>	<u>34,843,084</u>
TOTAL NET REVENUES	1,169,842	54,632,342	55,802,185
OTHER EXPENSES			
Nonoperating Expenses	44,438	-	44,438
Bonded Indebtedness	-	4,897,939	4,897,939
Capital Outlay	-	20,020,409	20,020,409
FRICO	-	17,483,641	17,483,641
Total Other Expenses	<u>44,438</u>	<u>42,401,989</u>	<u>42,446,427</u>
BALANCE (DEFICIT)	<u>\$ 1,125,404</u>	<u>\$ 12,230,353</u>	<u>\$ 13,355,758</u>

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