

STRASBURG SANITATION AND WATER DISTRICT

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

with

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Strasburg Sanitation and Water District
Strasburg, Colorado

Opinion

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

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Strasburg Sanitation and Water District as of December 31, 2021, and its changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 within one year after the date that the financial statements are issued or available to be issued.

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KENT BEICHLER, CPA

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk is 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, I:

- 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

I am 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.

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KENT BEICHLE, CPA

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues and Expenses - Budget and Actual on pages 18 - 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Kent Beichle, CPA
Northglenn, Colorado
June 30, 2022

MANAGEMENT'S DISCUSSIONS AND ANALYSIS

STRASBURG SANITATION AND WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Strasburg Sanitation and Water District's annual financial report presents an analysis of the District's financial performance during the fiscal year ended December 31, 2021. This information is presented in conjunction with the audited basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2018

- The District's net position increased by \$112 thousand or 5.5 percent from \$2 million 254 thousand to \$2 million 137 thousand.
- Operating revenues decreased by \$9 thousand or 1.8 percent from \$491 thousand to \$482 thousand.
- Operating expenses increased by \$46 thousand or 10.5 percent from \$442 thousand to \$488 thousand.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of the following three parts: Management's Discussion and Analysis, Basic Financial Statements and Other Required Supplementary Information. The Financial Statements include notes which explain in detail some of the information included in the basic financial statements.

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the District report information utilizing the full accrual basis of accounting. The Financial Statements conform to accounting principles which are generally accepted in the United States of America. The Statement of Net Position includes information on the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). The Statements of Revenues, Expenses and Changes in Net Position identifying the District's revenues and expenses for the fiscal year ended December 31, 2021. This statement provides information on the District's operations over the past fiscal year and can be used to determine whether the District has recovered all of its actual and projected costs through user fees and other charges. The third financial statement is the Statements of Cash Flows. This statement provides information on the District's cash receipts, cash payments and changes in cash resulting from operations, investments and financing activities. From the Statements of Cash Flows, the reader can obtain information on the source and use of cash and the change in the cash and cash equivalents balance for the last fiscal year.

STRASBURG SANITATION AND WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

FINANCIAL ANALYSIS OF THE DISTRICT

The Statement of Net Position and the Statements of Revenues, Expenses and Changes in Net Position provide and indication of the District's financial condition and also indicate that the financial condition of the District improved during the last fiscal year. The District's net position reflect the difference between assets and liabilities. An increase in net position over time typically indicates an improvement in financial condition.

NET POSITION

A summary of the District's Statements of Net Position is presented below.

Table 1
 Condensed Statements of Net Position
 (In thousands of dollars)

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and Other assets	\$ 959.8	\$1,019.1	\$ (59.3)	\$ (5.8%)
Capital Assets, net	1,218.4	1,040.6	177.8	17.1%
Total Assets	2,178.2	2,059.7	118.5	5.8%
Current Liabilities	41.7	34.9	6.8	19.5%
Total Liabilities	41.7	34.9	6.8	19.5%
Net position invested in capital assets	1,218.4	1,040.6	177.8	17.1%
Net position restricted for TABOR	20.9	20.8	.1	.5%
Unrestricted net position	897.2	963.3	(66.1)	(6.9%)
Total Net Position	\$2,136.5	\$2,024.7	\$ 111.8	\$ 5.5%

As the table indicates, total net position increased by \$111.8 thousand or 5.5 percent in 2021 as compared to 2020. The increase was attributed to net income for the year. Cash and cash equivalents decreased by \$63 thousand as a result of the operations of the district minus the amount of capital expenditures for the year. Accounts receivable is similar in 2021 to the amount in 2020. Prepaid expenses increased by \$7 thousand in 2021 as compared to 2020.

STRASBURG SANITATION AND WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

NET POSITION, CONTINUED

Capital assets increased by \$178 thousand for the year. Depreciation expense for the year was \$78 thousand, with capital expenditures of \$256 thousand.

Liabilities increased by \$7 thousand as a result of an increase in accounts payable. Customer deposits were very similar to 2020.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Table 2
 Condensed Statements of Revenues, Expenses
 and Changes in Net Position
 (In thousands of dollars)

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating Revenues	\$ 482.5	\$ 491.3	\$ (8.8)	\$ (1.8%)
Nonoperating revenues	117.6	80.2	37.4	46.6%
Total Revenues	600.1	571.5	28.6	5.0%
Depreciation expense	78.2	65.4	12.8	19.6%
Other Operating Expenses	410.1	376.5	33.6	8.9%
Total Expenses	488.3	441.9	46.4	10.5%
Changes in Net Position	111.8	129.6	(17.8)	(13.7%)
Beginning Net Position	2,024.7	1,895.1	129.6	6.8%
Ending Net Position	\$2,136.5	\$2,024.7	\$111.8	\$ 5.5%

STRASBURG SANITATION AND WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, CONTINUED

The net position of the District increased by \$112 thousand in 2021 as compared to 2020 as a result of net income of the District.

Operating revenues decreased by \$9 thousand in 2021. The decrease was due to water charges being less in 2021.

Total other operating expenses increased by \$34 thousand or 8.9%. Administrative expenses increased by \$12 thousand in 2021 as compared to 2020. Repairs and maintenance increased by \$20 thousand in 2021. Payroll and benefits increased by \$6 thousand for the year.

CAPITAL ASSETS

As of December 31, 2021, the District's investment in capital assets totaled \$1,218 thousand, which is an increase of \$178 thousand or 17.1% over the capital asset balance of \$1,040 thousand at December 31, 2020. A comparison of the District's capital assets over the past two fiscal years is presented in Note 4 of the financial statements.

STRASBURG SANITATION AND WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the District's customers, investors and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Strasburg Sanitation and Water District at P.O. Box 596, Strasburg, Colorado 80136.

FINANCIAL STATEMENTS

STRASBURG SANITATION AND WATER DISTRICT

STATEMENT OF NET POSITION

December 31, 2021

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 911,583
Accounts receivable	41,346
Prepaid expenses	<u>6,897</u>
Total Current Assets	<u>959,826</u>
Capital Assets (Note 4):	
Nondepreciable capital assets:	
Land	<u>210,951</u>
Total nondepreciable capital assets	<u>210,951</u>
Depreciable capital assets:	
Plant and equipment	2,327,367
Less accumulated depreciation	(1,319,888)
Total depreciable capital assets	<u>1,007,479</u>
Total capital assets	<u>1,218,430</u>
Total Assets	<u>\$2,178,256</u>

DEFERRED OUTFLOWS OF RESOURCES

LIABILITIES

Current Liabilities:	
Accounts payable and accrued expenses	\$ 27,319
Security deposits	<u>14,373</u>
Total Liabilities	<u>41,692</u>

DEFERRED INFLOWS OF RESOURCES

NET POSITION

Net investment in capital assets	\$1,218,430
Restricted for TABOR	20,922
Unrestricted	<u>897,212</u>
Total Net Position	<u>\$2,136,564</u>

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

STRASBURG SANITATION AND WATER DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended December 31, 2021

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Operating Revenues:			
Water and sewer services	\$181,517	\$ 300,997	\$ 482,514
Total Operating Revenues	<u>181,517</u>	<u>300,997</u>	<u>482,514</u>
Operating Expenses:			
Salaries and directors fees	38,685	38,684	77,369
Maintenance supplies	17,690	611	18,301
Payroll taxes and benefits	2,811	2,810	5,621
Legal and accounting (Note 6)	10,407	10,408	20,815
Office supplies and expense	10,024	10,025	20,049
Repairs and maintenance	32,390	1,555	33,945
Electricity	18,307	-	18,307
Depreciation	39,102	39,102	78,204
Testing and chlorine	6,459	-	6,459
Insurance	3,795	3,796	7,591
Engineering	3,159	-	3,159
Sewage surcharge	-	<u>198,433</u>	<u>198,433</u>
Total Operating Expenses	<u>182,829</u>	<u>305,424</u>	<u>488,253</u>
Net Operating Loss	<u>(1,312)</u>	<u>(4,427)</u>	<u>(5,739)</u>
Add Non-Operating Revenues:			
Development fees	19,450	19,450	38,900
Property tax collections	25,819	25,820	51,639
Interest income	188	188	376
Farm income	1,599	1,598	3,197
Rent	11,422	11,422	22,844
Miscellaneous	<u>300</u>	<u>299</u>	<u>599</u>
	<u>58,778</u>	<u>58,777</u>	<u>117,555</u>
Increase in net position	\$ <u>57,466</u>	\$ <u>54,350</u>	111,816
Net position:			
Beginning of Year			<u>2,024,748</u>
End of Year			<u>\$2,136,564</u>

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

STRASBURG SANITATION AND WATER DISTRICT

STATEMENT OF CASH FLOWS

Years Ended December 31, 2021

Cash flows from operating activities:	
Cash receipts from customers	\$ 485,954
Cash payments to suppliers for goods and services	(332,833)
Cash payment to employees for services	<u>(77,369)</u>
Net cash provided by operating activities	<u>75,752</u>
Cash flows from noncapital financing activities:	
Property taxes received	51,639
Miscellaneous income	599
Rent income	22,844
Development fees	<u>38,900</u>
Net cash provided by noncapital financing activities	<u>113,982</u>
Cash flows from capital and related financing activities:	
Additions to capital assets	<u>(256,081)</u>
Net cash used in capital and related financing activities	<u>(256,081)</u>
Cash flows from investing activities:	
Farm income	3,197
Interest received on investments	<u>376</u>
Net cash provided by investing activities	<u>3,573</u>
Net decrease in cash and cash equivalents	(62,774)
Cash and cash equivalents, beginning of year	<u>974,357</u>
Cash and cash equivalents, end of year	<u>\$ 911,583</u>
Reconciliation of Operating Loss to	
Net Cash Used by Operating Activities:	
Operating Loss	\$ (5,739)
Adjustments:	
Depreciation	78,204
Net change in assets and liabilities:	
Accounts receivable	3,440
Accounts payable	6,844
Prepaid expenses	(6,897)
Security deposits	<u>(100)</u>
Net cash provided by operating activities	<u>\$ 75,752</u>

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

STRASBURG SANITATION AND WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

(1) Description of Entity

Reporting Entity

The Strasburg Sanitation and Water District operates under an elected five-person Board of Directors. The Board of Directors hires a manager to oversee the daily operations of the District. The District's major operations include water and sewer services for an unincorporated area in Adams and Arapahoe counties known as Strasburg, Colorado. No other agency or authority is controlled by or controls the District.

(2) Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The District's basic financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. The accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the District's assets, liabilities, net position, revenues and expenses. Enterprise Funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statements of net position. Net position (i.e., total assets net of total liabilities) are segregated into investment in capital assets, restricted for TABOR; and unrestricted components.

STRASBURG SANITATION AND WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

December 31, 2021

(2) Summary of Significant Accounting Policies, Continued

Basis of Presentation and Accounting, Continued

Management of the District has made certain estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses to prepare these financial statements in conformity with generally accepted accounting principles. Actual results may differ from those estimates.

Cash Equivalents and Investments

The District considers all highly liquid investments (including restricted cash and investments) with maturities of three months or less when purchased to be cash equivalents. This includes bank certificates of deposit and investments in the Colorado Trust Plan.

All bank balances of deposits as of the balance sheet dates are entirely insured.

Capital Assets

The cost of additions to the utility plant and major replacements of retired units of property is capitalized. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Cost includes direct labor, outside services, materials and transportation, employee fringe benefits, overhead, and interest on funds borrowed to finance construction. The District did not capitalize interest during fiscal year 2018. The cost and accumulated depreciation of property sold or retired is deducted from capital assets, and any profit or loss resulting from the disposal is credited or charged in the nonoperating section of the statements of revenues, expenses and changes in net assets. The cost of current repairs, maintenance, and minor replacements is charged to expense.

STRASBURG SANITATION AND WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

December 31, 2021

(2) Summary of Significant Accounting Policies, Continued

Capital Assets, Continued

The useful lives of property, plant and equipment for purposes of computing depreciation:

	<u>Years</u>
Office equipment and tools	10
Buildings and sheds	15
Fences, pump house and equipment, water tank and tower, wells and pumps, water storage facility and administration building	20
Sewer transmission and distribution lines	50
Vehicle	4

Operating Revenues and Expenses

Operating revenues and expenses consist of those revenues that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from nonexchange transactions or ancillary activities. When an expense is incurred for purposes for which there are both restricted and unrestricted net assets available, it is the District's policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

Property Taxes Receivable

Arapahoe and Adams Counties are responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of the levy year and may be paid in two equal installments. The first installment is due on or before February 28 and the second installment is due on or before June 15.

STRASBURG SANITATION AND WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

December 31, 2021

(2) Summary of Significant Accounting Policies, Continued

Property Taxes Receivable, Continued

All property taxes are recognized in compliance with NCGA Interpretation-3 (Revenue Recognition-Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period.

A fee of .25% on General Fund collections is retained by the County as compensation for collecting the taxes.

Compensated Absences

A liability for compensated absences has not been accrued in the financial statements because the amount cannot be reasonably determined and is immaterial in amount.

Net Position

Net position, comprise the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position are classified in the following three components:

Invested in capital assets, net of related debt-This component of net position of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted-This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The District is restricted by the Colorado Tabor Amendment law regarding tax revenues, emergency reserves and other requirements.

Unrestricted net position-This component of net position consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

STRASBURG SANITATION AND WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

December 31, 2021

(2) Summary of Significant Accounting Policies, Continued

Budgetary Principles

The District's Board of Directors prepares a budget in December of each year on a cash basis. The adopted budget can be amended during the year based upon unforeseen revenues and expenditures. All expenditures from the budget are approved by the Board of Directors during their monthly meetings. There were no amendments to the budget during the 2021 calendar year.

(3) Deposits

The District's cash and deposit policies are approved by the Board of Directors and governed by Colorado Statute. The Colorado Public Deposit Protection Act and the Savings and Loan Public Deposit Protection Act of Colorado (PDPA) require 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 uninsured public deposits as a group. The fair value of the collateral must be at least equal to the aggregate uninsured deposits. As of December 31, 2021, the district's deposits included \$260,025 of demand deposits, \$20,922 of certificates of deposit and \$630,636 of money market funds. All deposits are either insured or collateralized.

STRASBURG SANITATION AND WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS, CONTINUED

December 31, 2021

(4) Capital Assets

A summary of changes in capital assets is as follows:

	Balance January 1, 2021	<u>Additions</u>	<u>Deletions</u>	Balance December 31, 2021
Non-depreciable capital assets:				
Land and land rights	\$ <u>210,951</u>	\$ _____	\$ _____	\$ <u>210,951</u>
Total non-depreciable capital assets	<u>210,951</u>	_____	_____	<u>210,951</u>
Depreciable capital assets:				
Sewer lines	126,777	-	-	126,777
Fences	2,577	-	-	2,577
Buildings and sheds	12,161	-	-	12,161
Pump house and equipment	35,759	-	-	35,759
Wells and pumps	863,420	-	-	863,420
Water tank and tower	33,881	-	-	33,881
Water storage facility	164,073	-	-	164,073
Transmission and distribution lines	760,320	256,081	-	1,016,401
Administration building	<u>72,318</u>	_____	_____	<u>72,318</u>
Total capital assets being depreciated	<u>2,071,286</u>	<u>256,081</u>	_____	<u>2,327,367</u>
Less accumulated depreciation	<u>1,241,684</u>	<u>78,204</u>	_____	<u>1,319,888</u>
Total capital assets being depreciated, net	<u>829,602</u>	<u>177,877</u>	_____	<u>1,007,479</u>
Total capital assets, net	\$ <u>1,040,553</u>	\$ <u>177,877</u>	\$ _____	\$ <u>1,218,430</u>

(5) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District carries commercial insurance for risk of loss. The District is insured by the Colorado Special Districts Property and Liability Pool. The purpose of the Pool is to arrange and administer programs for the pooling of self-insurance losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance and administrative services.

The District did not have settled claims that exceeded the District's commercial insurance coverage in any of the past three years.

SUPPLEMENTARY INFORMATION

STRASBURG SANITATION AND WATER DISTRICT

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

Year Ended December 31, 2021

	<u>Original Budget</u> (Compiled)	<u>Final Budget</u> (Compiled)	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Water sales	\$ 200,000	\$ 200,000	\$ 181,517	\$ (18,483)
Sewer fees	315,000	315,000	300,997	(14,003)
Property taxes	50,000	50,000	51,639	1,639
Interest	4,000	4,000	376	(3,624)
Farm income	3,200	3,200	3,197	(3)
Rent	21,500	21,500	22,844	1,344
Miscellaneous	4,400	4,400	599	(3,801)
Development fees	<u>10,000</u>	<u>10,000</u>	<u>38,900</u>	<u>28,900</u>
Total Revenues	<u>608,100</u>	<u>608,100</u>	<u>600,069</u>	<u>(8,031)</u>
Expenditures:				
Sanitation:				
Collection:				
Sewer treatment surcharge	210,000	210,000	198,433	11,567
Supplies	10,000	10,000	611	9,389
Repairs and maintenance	<u>12,000</u>	<u>12,000</u>	<u>1,555</u>	<u>10,445</u>
Total Sewage Collection	<u>232,000</u>	<u>232,000</u>	<u>200,599</u>	<u>31,401</u>
Water:				
Source of supply:				
Supplies	25,000	25,000	17,690	7,310
Electricity	<u>22,000</u>	<u>22,000</u>	<u>18,307</u>	<u>3,693</u>
Total Source of Supply	<u>47,000</u>	<u>47,000</u>	<u>35,997</u>	<u>11,003</u>
Source of supply:				
Supplies	5,000	5,000	5,272	(272)
Chemicals	8,000	8,000	612	7,388
Tests	<u>4,000</u>	<u>4,000</u>	<u>575</u>	<u>3,425</u>
Total Water Treatment	<u>17,000</u>	<u>17,000</u>	<u>6,459</u>	<u>10,541</u>

STRASBURG SANITATION AND WATER DISTRICT

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL, CONTINUED

Year Ended December 31, 2021

	<u>Original Budget</u> (Compiled)	<u>Final Budget</u> (Compiled)	<u>Actual</u>	Variance Favorable (Unfavorable)
Transmission and Distribution:				
Supplies	6,000	6,000	32,390	(26,390)
Meter expense	100,000	100,000	57,970	42,030
Capital additions	<u>200,500</u>	<u>200,500</u>	<u>198,111</u>	<u>2,389</u>
Total Transmission and Distributions	<u>306,500</u>	<u>306,500</u>	<u>288,471</u>	<u>18,029</u>
Total Water	<u>370,500</u>	<u>370,500</u>	<u>330,927</u>	<u>39,573</u>
Administrative and General:				
Salaries and directors fees	86,000	86,000	77,369	8,631
Payroll taxes and benefits	10,000	10,000	5,621	4,379
Professional fees	52,500	52,500	23,974	28,526
Supplies	50,000	50,000	20,049	29,951
Insurance	<u>8,500</u>	<u>8,500</u>	<u>7,591</u>	<u>909</u>
Total Administrative and General	<u>207,000</u>	<u>207,000</u>	<u>134,604</u>	<u>72,396</u>
 Total Expenditures	 <u>809,500</u>	 <u>809,500</u>	 <u>666,130</u>	 <u>143,370</u>
 Total Revenues Over Expenditures	 <u>\$(201,400)</u>	 <u>\$(201,400)</u>	 <u>\$(66,061)</u>	 <u>\$ 135,339</u>
Reconciliation of Budget Net Income to General Accepted Accounting Principles				
Net Income:				
Net income per budget				\$ (66,061)
Depreciation				(78,204)
Capital additions				<u>256,081</u>
 Net income per general accepted accounting principles basis				 <u>\$ 111,816</u>