# Winter Park Water and Sanitation District
# Grand County, Colorado

## FINANCIAL STATEMENTS

### With Independent Auditor's Report

### December 31, 2021 and 2020

**Winter Park Water and Sanitation District**

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**December 31, 2021 and 2020**

# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Winter Park Water and Sanitation District
Grand County, Colorado

***Opinions***

We have audited the accompanying financial statements of Winter Park 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, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

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


**Fiscal Focus Partners, LLC**

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### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV through IX be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplemental Information***

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

Fiscal Focus Partners, LLC

Greenwood Village, Colorado
July 18, 2022

**Winter Park Water and Sanitation District**
**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**December 31, 2021**

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

## Financial Highlights

- Assets of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $25,718,348 (net position). Of this amount, $15,468,539 (unrestricted net position) may be used to meet the government's ongoing obligations to its citizens and creditors.
- The District's total net position increased by $1,860,427 over the prior fiscal year, primarily due to collections of tap fees of $1,407,945.
- Service revenues were consistent with the prior year. The District collected $18,871 (1.4%) more in water and sewer service fees than in the prior year.
- The District collected $244,651 in reimbursements, per agreements with other governmental agencies. These funds were used in the Jim Creek improvement project.
- Operating expenses decreased $44,794, or 2.7%, from the prior year, largely due to lower lifecycle replacement and water rights costs.
- Revenues from tap fees increased $1,158,465 from the prior year, as local construction activity rebounded after the Covid-19 pandemic slowdown.
- The District invested $843,674 in infrastructure, plant and equipment.

## Overview of the Financial Statements

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

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

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

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

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

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

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

## Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Winter Park Water and Sanitation District, assets exceeded liabilities and deferred inflows of resources by $25,718,348 at the close of the most recent fiscal year.

### Statements of Net Position

| | December 31, | | |
|---|---|---|---|
| | **2021** | **2020** | **2019** |
| Current assets | $ 16,049,624 | $ 14,579,072 | $ 14,219,299 |
| Capital assets | 10,276,109 | 9,901,688 | 8,684,071 |
| Other assets | 13,551 | 13,551 | 13,551 |
| Total assets | 26,339,284 | 24,494,311 | 22,916,921 |
| Current liabilities | 169,688 | 161,622 | 153,443 |
| Long-term liabliites | - | 89,000 | 174,000 |
| Total liabilities | 169,688 | 250,622 | 327,443 |
| Deferred inflows of resources | 451,248 | 385,768 | 380,674 |
| Net position: | | | |
| Net investment in capital assets | 10,187,109 | 9,727,688 | 8,429,071 |
| Restricted | 62,700 | 92,500 | 60,400 |
| Unrestricted | 15,468,539 | 14,037,733 | 13,719,333 |
| Net position | $ 25,718,348 | $ 23,857,921 | $ 22,208,804 |

The District has 40 percent of its net position invested in capital assets (e.g., infrastructure, plant, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, this net position is *not* available for future spending.

**Winter Park Water and Sanitation District**
**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**December 31, 2021**
**(continued)**

**Changes in Net Position**

| | For the Years Ended December 31, | | |
|---|---|---|---|
| | **2021** | **2020** | **2019** |
| Revenues | | | |
| Operating revenue | | | |
| Water and sewer services | $ 1,405,516 | $ 1,386,645 | $ 1,362,448 |
| Reimbursements | 244,651 | 1,145,563 | - |
| Miscellaneous income | 23,043 | 16,584 | 22,926 |
| Nonoperating revenue | | | |
| Taxes | 413,170 | 409,097 | 352,130 |
| Net investment income | 2,047 | 126,509 | 276,125 |
| Capital contributions | | | |
| Tap fees | 1,407,945 | 249,480 | 801,570 |
| Total revenues | 3,496,372 | 3,333,878 | 2,815,199 |
| Expenses | | | |
| Operating expenses | | | |
| Water operations | 584,034 | 655,073 | 644,826 |
| Sewer operations | 556,878 | 534,978 | 574,682 |
| Depreciation | 469,253 | 464,908 | 532,834 |
| Nonoperating expenses | | | |
| County Treasurer fees | 19,205 | 19,077 | 11,686 |
| Loan interest | 6,575 | 10,725 | 14,675 |
| Total expenses | 1,635,945 | 1,684,761 | 1,778,703 |
| Change in net position | 1,860,427 | 1,649,117 | 1,036,496 |
| Net position - beginning | 23,857,921 | 22,208,804 | 21,172,308 |
| Net position - ending | $ 25,718,348 | $ 23,857,921 | $ 22,208,804 |

**Budgetary Highlights**

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of capital outlay and debt repayment in addition to operations and nonoperating revenue and expenses and contributions. Depreciation is not reflected in the budget since it does not affect funds available. Funds available (current assets, exclusive of property taxes receivable, less current liabilities, exclusive of current portion of long-term debt) increased by $1,445,447.

**Winter Park Water and Sanitation District**
**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**December 31, 2021**
**(continued)**

Growth in 2021 did not require water or wastewater treatment plant expansion. Tap fee revenues will be reserved for future capital projects.

## Capital Assets

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

### Capital Assets

| | December 31, | | |
|---|---|---|---|
| | 2021 | 2020 | 2019 |
| Land | $ 105,793 | $ 105,793 | $ 105,793 |
| Water rights | 965,509 | 965,509 | 965,509 |
| Construction in progress | 2,292,087 | 1,700,683 | 304,806 |
| Plant and improvements | 11,339,438 | 11,339,438 | 11,339,438 |
| Water storage tanks | 2,488,304 | 2,488,304 | 2,488,304 |
| Infrastructure | 4,311,839 | 4,059,569 | 3,853,400 |
| Vehicles | 207,674 | 207,674 | 207,674 |
| Equipment | 442,863 | 442,863 | 753,973 |
| Total assets | 22,153,507 | 21,309,833 | 20,018,897 |
| Accumulated depreciation | (11,877,399) | (11,408,145) | (11,334,826) |
| Net capital assets | $ 10,276,108 | $ 9,901,688 | $ 8,684,071 |

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

The following is an analysis of the condition of District infrastructure:

- The water and wastewater system are in very good shape for the foreseeable future.
- The water treatment plant and distribution system have plenty of capacity for future growth.
- The District continues an aggressive maintenance program and the condition of the water and wastewater infrastructure remains good.

## Debt Administration

As of December 31, 2021 the District had total debt obligations of $89,000, all of which is general obligation bonded (G.O.) debt. During 2021, $85,000 of G.O. debt was retired.

Additional detail on the District's debt is in Note 5 of this report.

## Economic Factors and Next Year's Budget

The District is anticipating moderate growth, so tap fee revenue budgeted for 2022 is $346,500. As always, the budget is created with Total Budgeted Revenue (less tap revenue) covering Budgeted Operation/Maintenance expenses and Debt Retirement payments.

The District's 2022 budget does not include any capital reimbursements pursuant to the agreement with Denver Water and Grand County.

Legal counsel and District staff continue to study and monitor water supply and water rights which are necessary to sustain our business of providing water and being able to meet future demand.

Capital project expenditures are itemized based on 'growth' (projects necessary due to new customers coming on line) and 'district' (projects necessary to upgrade existing infrastructure for old and new customers). Thus, 'growth' projects are done only if/when tap fee revenue is available.

## Requests for Information

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

District Manager
Winter Park Water and Sanitation District
P.O. Box 7
Winter Park, Colorado 80482

# BASIC FINANCIAL STATEMENTS

**Winter Park Water and Sanitation District**

**STATEMENTS OF NET POSITION**

**December 31, 2021 and 2020**

| | 2021 | 2020 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash and cash equivalents | $ 5,628,029 | $ 3,870,149 |
| Cash and cash equivalents - restricted | 62,700 | 92,500 |
| Investments | 9,754,023 | 10,054,645 |
| Accounts receivable - users | 122,488 | 140,687 |
| Accounts receivable - County Treasurer | 2,573 | 2,431 |
| Accrued interest receivable | 1,355 | 6,240 |
| Property taxes receivable | 451,248 | 385,768 |
| Prepaid expenses | 27,208 | 26,652 |
| **Total current assets** | 16,049,624 | 14,579,072 |
| **Capital assets, net** | 10,276,109 | 9,901,688 |
| **Other assets** | | |
| Deposits | 13,551 | 13,551 |
| **Total other assets** | 13,551 | 13,551 |
| **Total assets** | $ 26,339,284 | $ 24,494,311 |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable | $ 47,624 | $ 42,185 |
| Accrued salaries, benefits and related liabilities | 33,064 | 34,437 |
| Current portion of long-term debt | 89,000 | 85,000 |
| **Total current liabilities** | 169,688 | 161,622 |
| **Long-term obligations** | - | 89,000 |
| **Total liabilities** | 169,688 | 250,622 |
| **DEFERRED INFLOWS OF RESOURCES** | | |
| Deferred property taxes | 451,248 | 385,768 |
| **Total deferred inflows of resources** | 451,248 | 385,768 |
| **NET POSITION** | | |
| Net investment in capital assets | 10,187,109 | 9,727,688 |
| Restricted | 62,700 | 92,500 |
| Unrestricted | 15,468,539 | 14,037,733 |
| **Total net position** | $ 25,718,348 | $ 23,857,921 |

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

## Winter Park Water and Sanitation District

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

## December 31, 2021 and 2020

| | 2021 | 2020 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Water and sewer services | $ 1,405,516 | $ 1,386,645 |
| Reimbursements | 244,651 | 1,145,563 |
| Miscellaneous income | 23,043 | 16,584 |
| **Total operating revenues** | 1,673,210 | 2,548,792 |
| **OPERATING EXPENSES** | | |
| Water operations - administrative | 175,017 | 176,646 |
| Water operations - maintenance | 409,017 | 478,427 |
| Sewer operations - administrative | 164,843 | 167,464 |
| Sewer operations - maintenance | 392,035 | 367,514 |
| Depreciation | 469,253 | 464,908 |
| **Total operating expenses** | 1,610,165 | 1,654,959 |
| **OPERATING INCOME (LOSS)** | 63,045 | 893,833 |
| **NONOPERATING REVENUES** | | |
| Property taxes | 383,365 | 380,476 |
| Specific ownership taxes | 29,805 | 28,621 |
| Net investment income | 2,047 | 126,509 |
| **Total nonoperating revenues** | 415,217 | 535,606 |
| **NONOPERATING EXPENSES** | | |
| County Treasurer fees | 19,205 | 19,077 |
| Loan interest | 6,575 | 10,725 |
| **Total nonoperating expenses** | 25,780 | 29,802 |
| **INCOME BEFORE CAPITAL CONTRIBUTIONS** | 452,482 | 1,399,637 |
| **CAPITAL CONTRIBUTIONS** | | |
| Tap fees | 1,407,945 | 249,480 |
| **CHANGE IN NET POSITION** | 1,860,427 | 1,649,117 |
| **NET POSITION - beginning of year** | 23,857,921 | 22,208,804 |
| **NET POSITION - end of year** | $ 25,718,348 | $ 23,857,921 |

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

**Winter Park Water and Sanitation District**

**STATEMENTS OF CASH FLOWS**

**December 31, 2021 and 2020**

| | 2021 | 2020 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Receipts from customers | $ 1,691,409 | $ 2,526,031 |
| Payments to suppliers for goods and services | (656,745) | (713,106) |
| Payments to employees for services | (480,657) | (475,674) |
| **Net cash provided (used) by operating activities** | 554,007 | 1,337,251 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | |
| Property taxes | 383,223 | 380,501 |
| Specific ownership taxes | 29,805 | 28,621 |
| County Treasurer's fees | (19,205) | (19,077) |
| **Net cash provided (used) by noncapital financing activities** | 393,823 | 390,045 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | |
| Tap fees | 1,407,945 | 249,480 |
| Acquisition of fixed assets | (843,674) | (1,682,525) |
| Debt principal payments | (85,000) | (81,000) |
| Interest paid on debt | (6,575) | (10,725) |
| **Net cash provided (used) by capital and related financing activities** | 472,696 | (1,524,770) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Net redemption/(purchase) of investments | 256,181 | (136,029) |
| Interest earnings received | 51,373 | 143,752 |
| **Net cash provided (used) by investing activities** | 307,554 | 7,723 |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | 1,728,080 | 210,249 |
| **CASH AND CASH EQUIVALENTS - beginning of year** | 3,962,649 | 3,752,400 |
| **CASH AND CASH EQUIVALENTS - end of year** | $ 5,690,729 | $ 3,962,649 |

(continued)

**Winter Park Water and Sanitation District**

**STATEMENTS OF CASH FLOWS**

**For the years ended December 31, 2021 and 2020**
**(continued)**

| | 2021 | 2020 |
|---|---|---|
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | | |
| Operating income (loss) | $ 63,045 | $ 893,833 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | | |
| Depreciation and amortization | 469,253 | 464,909 |
| Change in assets and liabilities: | | |
| (Increase) decrease in: | | |
| Accounts receivable | 18,199 | (22,762) |
| Prepaid expenses | (556) | (2,908) |
| Increase (decrease) in: | | |
| Accounts payable | 5,439 | (1,860) |
| Accrued salaries, benefits and related liabilities | (1,373) | 6,039 |
| Total adjustments | 490,962 | 443,418 |
| **Net cash provided (used) by operating activities** | $ 554,007 | $ 1,337,251 |

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

**Note 1 – Definition of reporting entity**

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in eastern Grand County, Colorado. The District was organized in 1966 to provide water and sanitation services within the District's boundaries.

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

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

**Note 2 – Summary of significant accounting policies**

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

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

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

**Basis of Accounting**

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

**Operating revenues and expenses**

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

**Cash equivalents**

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

**Accounts receivable, allowance for doubtful accounts**

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

**Property Taxes**

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

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

**Capital assets**

Capital assets include land, water rights, water and sewer plants and systems, equipment and vehicles. Capital assets are defined by the District as those assets with an initial, individual cost of $3,000 or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation or at the developer's cost.

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

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

| | |
|---|---|
| Plant and improvements | 5 to 50 years |
| Water storage tanks | 30 to 50 years |
| Water distribution system | 10 to 40 years |
| Vehicles | 5 years |
| Other equipment | 5 to 10 years |

**Water rights**

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

**Compensated absences**

The District has a policy that allows employees to accumulate unused paid time off up to a certain maximum hours. Compensated absences are accrued when incurred in the financial statements.

**Capital contributions**

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

### Debt issue costs

Debt issuance costs are expensed in the period incurred.

### Budgets

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

## 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 cash equivalents | $ 5,628,029 | $ 3,870,149 |
| Cash and cash equivalents - restricted | 62,700 | 92,500 |
| Investments | 9,754,023 | 10,054,645 |
| Total cash and investments | $ 15,444,752 | $ 14,017,294 |

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

| | | |
|---|---|---|
| Deposits with financial institutions | $ 5,690,729 | $ 3,962,649 |
| Investments | 9,754,023 | 10,054,645 |
| Total cash and investments | $ 15,444,752 | $ 14,017,294 |

At December 31, 2021 and 2020, the District's cash deposits had bank balances of $5,718,090 and $3,993,126, respectively, and carrying balances of $5,690,729 and $3,962,649, respectively.

### Deposits with financial institutions

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

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has not adopted a deposit policy for custodial credit risk. As of December 31, 2021 and 2020, the District's bank balances and carrying balances were insured or collateralized as follows:

| | 2021 | 2020 |
|---|---|---|
| Bank balances: | | |
| Federally insured | $ 2,000,000 | $ 1,752,964 |
| Collateralized | 3,718,090 | 2,240,162 |
| Total bank balances | $ 5,718,090 | $ 3,993,126 |
| Carrying balances: | | |
| Federally insured | $ 2,000,000 | $ 1,752,964 |
| Collateralized | 3,690,729 | 2,209,685 |
| Total carrying balances | $ 5,690,729 | $ 3,962,649 |

**Investments**

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

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

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

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

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities

- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

### Fair Value Measurement and Application

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

The local government investment pools, which include the Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Local Government Liquid Asset Trust (Colotrust), have ratings as noted below.

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

| Investment | Maturity | 2021 | 2020 |
|---|---|---|---|
| U.S. government/agency securities | Less than 5 years | $ 3,120,182 | $ 3,424,622 |
| Colorado Surplus Asset Fund Trust (CSAFE) | Weighted average under 60 days | 1,603,565 | 1,603,002 |
| Colorado Surplus Asset Fund Trust (CSAFE) - Colorado CORE | Weighted average under180 days | 1,967,919 | 1,966,137 |
| Colorado Liquid Asset Trust (Colotrust) | Less than 1 year | 3,062,357 | 3,060,884 |
| Total investments | | $ 9,754,023 | $ 10,054,645 |

### U.S. Government and U.S. Government Agency Securities

As of December 31, 2021, the District invested $3,120,182 in U.S. Government agency securities rated AAA by Fitch and Aaa by Moody's. These investments are valued using Level 1 inputs.

### CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The Trust offers funds in two portfolios, CSAFE Cash (CSAFE) and CSAFE Colorado Core (CORE). The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each CSAFE share valued at $1.00. CSAFE may invest in

U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAmmf by Fitch Ratings. CSAFE measures all of its investments at amortized cost with a weighted average maturity of 60 days or less. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. CORE authorized securities primarily include highly rated commercial paper and corporate bonds, bank deposits (collateralized through PDPA) and other Colorado LGIP funds inclusive of other funds offered by the Trust as allowed. CORE operates similarly to a money market fund and each share is equal in value to $2.00. CORE measures all of its investments at amortized cost with a weighted average maturity of 180 days or less. CORE is rated AAAf/S1 by Fitch Ratings. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**COLOTRUST**

The District invests in the Colorado Local Government Liquid Asset Trust (the Trust); an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust offers shares in three portfolios, COLOTRUST PRIME (PRIME), COLOTRUST PLUS+ (PLUS), and COLOTRUST EDGE (EDGE). The Trust operates similarly to a money market fund and each share of PRIME and PLUS is equal in value to $1.00, and EDGE shares are approximately equal to $10. Each portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. PLUS and EDGE may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. PRIME and PLUS are rated AAAm by Standard & Poor's, and EDGE is rated AAAF/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**Restricted cash and investments**

The District had restricted cash of $62,700 and $92,500 for emergencies as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 8), as of December 31, 2021 and 2020.

**Note 4 – Capital assets**

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

| | Balance at December 31, 2020 | Increases | Adjustments/ Decreases | Balance at December 31, 2021 |
|---|---|---|---|---|
| Capital assets, not being depreciated | | | | |
| Land | $ 105,793 | $ - | $ - | $ 105,793 |
| Construction in progress | 1,700,683 | 591,404 | - | 2,292,087 |
| Water rights | 965,509 | - | - | 965,509 |
| Total capital assets, not being depreciated | 2,771,985 | 591,404 | - | 3,363,389 |
| Capital assets being depreciated | | | | |
| Plant, buildings and improvements | 11,339,438 | - | - | 11,339,438 |
| Water storage tanks | 2,488,304 | - | - | 2,488,304 |
| Infrastructure | 4,059,569 | 252,270 | - | 4,311,839 |
| Vehicles | 207,674 | - | - | 207,674 |
| Office and other equipment | 442,863 | - | - | 442,863 |
| Total capital assets being depreciated | 18,537,848 | 252,270 | - | 18,790,118 |
| Less accumulated depreciation for | | | | |
| Plant and improvements | 7,315,631 | 275,601 | - | 7,591,232 |
| Water storage tanks | 1,359,714 | 38,289 | - | 1,398,003 |
| Infrastructure | 2,255,634 | 130,675 | - | 2,386,309 |
| Vehicles | 181,906 | 8,589 | - | 190,495 |
| Office and other equipment | 295,260 | 16,100 | - | 311,360 |
| Total accumulated depreciation | 11,408,145 | 469,254 | - | 11,877,399 |
| Total capital assets being depreciated, net | 7,129,703 | (216,984) | - | 6,912,719 |
| Capital assets, net | $ 9,901,688 | $ 374,420 | $ - | $ 10,276,108 |

Capital asset activity for the year ended December 31, 2020 was as follows:

| | Balance at December 31, 2019 | Increases | Adjustments/ Decreases | Balance at December 31, 2020 |
|---|---|---|---|---|
| Capital assets, not being depreciated | | | | |
| Land | $ 105,793 | $ - | $ - | $ 105,793 |
| Construction in progress | 304,806 | 1,400,807 | (4,930) | 1,700,683 |
| Water rights | 965,509 | - | - | 965,509 |
| Total capital assets, not being depreciated | 1,376,108 | 1,400,807 | (4,930) | 2,771,985 |
| Capital assets being depreciated | | | | |
| Plant and improvements | 11,339,438 | - | - | 11,339,438 |
| Water storage tanks | 2,488,304 | - | - | 2,488,304 |
| Infrastructure | 3,853,400 | 206,169 | - | 4,059,569 |
| Vehicles | 207,674 | - | - | 207,674 |
| Office and other equipment | 753,973 | 80,479 | (391,589) | 442,863 |
| Total capital assets being depreciated | 18,642,789 | 286,648 | (391,589) | 18,537,848 |
| Less accumulated depreciation for | | | | |
| Plant and improvements | 7,033,721 | 281,910 | - | 7,315,631 |
| Water storage tanks | 1,321,424 | 38,290 | - | 1,359,714 |
| Infrastructure | 2,146,532 | 109,102 | - | 2,255,634 |
| Vehicles | 173,317 | 8,589 | - | 181,906 |
| Office and other equipment | 659,832 | 27,017 | (391,589) | 295,260 |
| Total accumulated depreciation | 11,334,826 | 464,908 | (391,589) | 11,408,145 |
| Total capital assets being depreciated, net | 7,307,963 | (178,260) | - | 7,129,703 |
| Capital assets, net | $ 8,684,071 | $1,222,547 | $ (4,930) | $ 9,901,688 |

Depreciation expense of $469,254 and $464,908 for the years ended December 31, 2021 and 2020, respectively, was charged to water and sewer operations.

## Note 5 – Long term obligations

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

| | Balance at December 31, 2020 | Additions | Reductions | Balance at December 31, 2021 | Due Within One Year |
|---|---|---|---|---|---|
| General Obligation Water Bonds | $ 174,000 | $ - | $ 85,000 | $ 89,000 | $ 89,000 |
| | $ 174,000 | $ - | $ 85,000 | $ 89,000 | $ 89,000 |

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

| | Balance at December 31, 2019 | Additions | Reductions | Balance at December 31, 2020 | Due Within One Year |
|---|---|---|---|---|---|
| General Obligation Water Bonds | $ 255,000 | - | $ 81,000 | $ 174,000 | $ 85,000 |
| | $ 255,000 | - | $ 81,000 | $ 174,000 | $ 85,000 |

### General Obligation Refunding Water Bonds

On April 1, 1982, the District issued $1,603,000 in general obligation refunding bonds, which were purchased by the Farmers Home Administration, to refund bonds issued for the acquisition of a water distribution and treatment system. These bonds have varying maturities through October 1, 2022. They are paying 5% annual percentage interest and were redeemable at the option of the District after April 1, 1993 at par.

All refunded bonds have been paid and accordingly, no defeased debt is outstanding.

Annual debt service requirements are as follows:

| Year Ended December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2022 | $ 89,000 | $ 2,225 | $ 91,225 |
| | $ 89,000 | $ 2,225 | $ 91,225 |

### Debt authorization

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

## Note 6 – Deferred compensation plans

The District maintains a MetLife 457(b) Deferred Compensation Plan in which all of its full time employees are eligible to participate. Under the Plan, employees may elect to defer an amount each year which does not exceed the lesser of $18,500 or 100% of includible compensation in accordance with Section 457 of the Internal Revenue Code. The District matches 100% of the first 5% of the employees' contributions. The contributions for each employee vest immediately. The employees may withdraw funds from the plan as allowed under IRC Section 457. Plan provisions and contribution requirements are established and may be amended by the District Board of Directors. In accordance with Internal Revenue Code Section 457(b), all plan assets and income are held in trust for the exclusive benefit of the participants and their beneficiaries. During the years ended December 31, 2021 and 2020, employees' contributions totaled $23,105 and $22,340, respectively, and the District's matching contributions totaled $17,940 and $17,002, respectively.

Effective January 1, 2011, the District established the WPWSD 401(a) Plan, which serves as a replacement plan for social security. Employees are eligible to participate effective the first day of the month after the date of hire. Employees make a mandatory contribution of 6.2% of compensation. The District makes a matching contribution of 6.2% of compensation. District contributions are subject to a 3-year cliff vesting schedule. Distributions from the Plan are available upon termination of employment, retirement, or for disability. Loans from the plan are prohibited. Hardship withdrawals are available for emergencies as defined by the Plan. All plan assets and income are held in trust for the exclusive benefit of the participants and their beneficiaries. During the year ended December 31, 2021 and 2020, employees' contributions totaled $22,245 and $21,027 and the District's contributions totaled $22,245 and $21,027, respectively.

## Note 7 – Risk management

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District carries commercial insurance for these risks of loss, including workers compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the past three fiscal years.

## Note 8 – Tax, spending and debt limitations

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

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

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

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

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

In November 2007, a majority of the District’s electors authorized the District to collect, retain, and expend each year all revenues it receives, in fiscal year 2008 and thereafter, from all sources, as a voter approved revenue change and without regard to spending, revenue raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the property tax revenue limitation of Section 29-1-301, Colorado Revised Statues, or any other law.

* * * * *

## SUPPLEMENTAL INFORMATION

**Winter Park Water and Sanitation District**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**WATER FUND**

**For the year ended December 31, 2021**

| | Original and Final Budgeted Amounts | Actual Amounts | Variance Favorable (Unfavorable) |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services | $ 634,568 | $ 629,705 | $ (4,863) |
| Property taxes | 266,491 | 264,233 | (2,258) |
| Specific ownership taxes | 17,000 | 18,301 | 1,301 |
| Net investment income | 80,000 | 29,864 | (50,136) |
| Tap fees | 173,250 | 706,860 | 533,610 |
| Miscellaneous income / reimbursement | 161,969 | 258,670 | 96,701 |
| **Total Revenues** | 1,333,278 | 1,907,633 | 574,355 |
| **EXPENDITURES** | | | |
| **Administrative** | | | |
| Accounting and legal | 34,000 | 14,115 | 19,885 |
| Automobile | 1,200 | 446 | 754 |
| County Treasurer's fees | 13,325 | 13,257 | 68 |
| Directors fees | 3,000 | 1,500 | 1,500 |
| Employee benefits | 42,619 | 37,473 | 5,146 |
| Insurance | 15,500 | 13,910 | 1,590 |
| Miscellaneous | 2,500 | 4,142 | (1,642) |
| Membership fees and publications | 14,500 | 14,093 | 407 |
| Office labor | 80,836 | 79,860 | 976 |
| Office expense | 9,500 | 6,501 | 2,999 |
| Office rent | 1,200 | 1,200 | - |
| Payroll taxes | - | 1,602 | (1,602) |
| Seminars and training | 3,300 | 175 | 3,125 |
| **Total Administration** | 221,480 | 188,274 | 33,206 |

(continued)

**Winter Park Water and Sanitation District**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**WATER FUND**

**For the year ended December 31, 2021 (continued)**

| | Original Budgeted Amounts | Actual Amounts | Variance Favorable (Unfavorable) |
|---|---|---|---|
| **Maintenance** | | | |
| Automobile | 4,000 | 2,453 | 1,547 |
| Contract maintenance and project costs | 89,000 | 88,296 | 704 |
| Employee benefits | 46,707 | 42,848 | 3,859 |
| Engineering | 39,300 | 15,820 | 23,480 |
| Labor | 80,959 | 85,025 | (4,066) |
| Permits | 3,000 | - | 3,000 |
| Payroll taxes | - | 1,813 | (1,813) |
| Rehab and replacement | 200,000 | 23,125 | 176,875 |
| Seminars and training | 3,500 | 368 | 3,132 |
| Supplies | 40,000 | 36,982 | 3,018 |
| Utilities | 72,100 | 56,812 | 15,288 |
| Water rights professional services | 76,000 | 50,481 | 25,519 |
| Water testing | 8,000 | 4,994 | 3,006 |
| **Total Maintenance** | 662,566 | 409,017 | 253,549 |
| Debt service - principal | 81,000 | 85,000 | (4,000) |
| Debt service - interest | 6,575 | 6,575 | - |
| Capital outlay | 5,756,406 | 805,119 | 4,951,287 |
| **Total Expenditures** | 6,728,027 | 1,493,985 | 5,234,042 |
| **EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES** | (5,394,749) | 413,648 | 5,808,397 |
| **BEGINNING FUNDS AVAILABLE** | 5,420,759 | 5,036,839 | (383,920) |
| **ENDING FUNDS AVAILABLE** | $ 26,010 | $ 5,450,487 | $ 5,424,477 |

## Winter Park Water and Sanitation District

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)

## SEWER FUND

**For the year ended December 31, 2021**

| | Original and Final Budgeted Amounts | Actual Amounts | Variance Favorable (Unfavorable) |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services | $ 771,677 | $ 775,811 | $ 4,134 |
| Property taxes | 119,277 | 119,132 | (145) |
| Specific ownership taxes | 10,000 | 11,504 | 1,504 |
| Net investment income | 70,000 | 16,624 | (53,376) |
| Tap fees | 173,250 | 701,085 | 527,835 |
| Miscellaneous income | 5,100 | 9,024 | 3,924 |
| **Total Revenues** | 1,149,304 | 1,633,180 | 483,876 |
| **EXPENDITURES** | | | |
| **Administrative** | | | |
| Accounting and legal | 34,000 | 14,115 | 19,885 |
| Automobile | 1,200 | 446 | 754 |
| County Treasurer's fees | 5,964 | 5,948 | 16 |
| Directors fees | 3,000 | 1,500 | 1,500 |
| Employee benefits | 42,619 | 37,473 | 5,146 |
| Insurance | 15,500 | 13,910 | 1,590 |
| Licenses and permits | - | 1,593 | (1,593) |
| Membership fees and publications | 6,000 | 4,121 | 1,879 |
| Miscellaneous | 2,500 | 2,088 | 412 |
| Office labor | 80,836 | 80,085 | 751 |
| Office expense | 9,500 | 6,535 | 2,965 |
| Office rent | 1,200 | 1,200 | - |
| Payroll taxes | - | 1,602 | (1,602) |
| Seminars and training | 3,300 | 175 | 3,125 |
| **Total Administration** | 205,619 | 170,791 | 34,828 |

(continued)

**Winter Park Water and Sanitation District**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**SEWER FUND**

**For the year ended December 31, 2021 (continued)**

| | Original and Final Budgeted Amounts | Actual Amounts | Variance Favorable (Unfavorable) |
|---|---|---|---|
| **Maintenance** | | | |
| Automobile | 4,000 | 2,499 | 1,501 |
| Contract maintenance and project costs | 88,200 | 49,999 | 38,201 |
| Employee benefits | 46,708 | 42,848 | 3,860 |
| Engineering | 28,100 | 16,253 | 11,847 |
| Labor | 121,439 | 112,436 | 9,003 |
| Permits | 2,500 | - | 2,500 |
| Payroll taxes | - | 1,813 | (1,813) |
| Rehab and replacement | 284,255 | - | 284,255 |
| Seminars and training | 3,500 | 272 | 3,228 |
| Supplies | 51,000 | 37,424 | 13,576 |
| Testing | 3,000 | 1,072 | 1,928 |
| Utilities | 133,900 | 127,419 | 6,481 |
| **Total Maintenance** | 766,602 | 392,035 | 374,567 |
| Capital outlay | 6,712,281 | 38,555 | 6,673,726 |
| **Total Expenditures** | 7,684,502 | 601,381 | 7,083,121 |
| **EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES** | (6,535,198) | 1,031,799 | 7,566,997 |
| **BEGINNING FUNDS AVAILABLE -** | 6,555,368 | 6,630,322 | 74,954 |
| **ENDING FUNDS AVAILABLE** | $ 20,170 | $ 7,662,121 | $ 7,641,951 |

**Winter Park Water and Sanitation District**

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

**WATER AND SEWER FUNDS**

**For the year ended December 31, 2021**

| | |
|---|---|
| Revenues (budgetary basis) | $ 3,540,813 |
| Unrealized gain (loss) on investments | (44,441) |
| Total revenues per Statement of Revenues, Expenses and Changes in Net Position | 3,496,372 |
| Expenditures (budgetary basis) | 2,095,366 |
| Depreciation and amortization | 469,253 |
| Debt service - principal | (85,000) |
| Capital outlay | (843,674) |
| Total expenses per Statement of Revenues, Expenses and Changes in Net Position | 1,635,945 |
| Change in net position per Statement of Revenues, Expenses and Changes in Net Position | $ 1,860,427 |