

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT**  
**Jefferson County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>I</b>
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	<b>IV</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF NET POSITION</b>	<b>1</b>
<b>STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION</b>	<b>2</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>3</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>4</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION</b>	<b>17</b>
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE – BUDGET AND ACTUAL (BUDGETARY BASIS) - WATER</b>	<b>19</b>
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE – BUDGET AND ACTUAL (BUDGETARY BASIS) - WASTEWATER</b>	<b>20</b>
<b>RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION</b>	<b>22</b>
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY</b>	<b>29</b>

Board of Directors  
West Jefferson County Metropolitan District  
Evergreen, Colorado

### **Opinion**

We have audited the accompanying financial statements of the business-type activities of West Jefferson County Metropolitan District, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise West Jefferson County Metropolitan District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of West Jefferson County Metropolitan District, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit 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 West Jefferson County Metropolitan 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**

West Jefferson County Metropolitan District's 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 West Jefferson County Metropolitan District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the West Jefferson County Metropolitan 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 West Jefferson County Metropolitan 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 III through VII be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Jefferson County Metropolitan District's basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Report on Summarized Comparative Information*

We have previously audited West Jefferson County Metropolitan District's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 18, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Watson Coon Ryan, LLC*

CENTENNIAL, COLORADO  
JULY 17, 2023

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

The management of West Jefferson County Metropolitan District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2022.

**Financial Highlights**

- Assets of the District exceeded its liabilities at the close of the fiscal year by \$13,617,905 (net position). Of this amount, \$1,739,866 (unrestricted net position) may be used to meet the government's ongoing obligations to its citizens and creditors.
- The District's total net position decreased by \$174,399 from the prior fiscal year.
- Compared to the prior year, the District's revenues increased \$148,459 (5.04%). Of this amount, \$126,735 is from operating revenues consisting of an increase of \$56,969 in water operating revenues and an increase of \$69,766 in wastewater operating revenues.
- The District's expenses, inclusive of depreciation expense, increased \$139,959 (4.39%).
- Total net operating loss of \$265,536 was a decrease of \$2,183 from last year. Excluding depreciation, net operating income was \$259,305.
- The District's total debt outstanding as of December 31, 2022 was \$2,887,886, which represents a 2021 loan from the Water Pollution Control Revolving Fund. See Note 5 (Long-Term Obligations) for additional detail of the loan.

**Overview of the Financial Statements**

Management's discussions and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of financial statements and notes to financial statements. This report also contains other supplemental information and continuing disclosure annual financial information in addition to the basic financial statements themselves.

The financial statements of the District are presented as a special purpose government engaged only in business type activities – providing water and sewer utility services.

The statement of net position presents information on all of the District's assets and liabilities, with the difference being reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information that reflects how the District's net position changed during the past year. All changes in the 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, revenue and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The statement of cash flows reports the District's cash flows from operating, noncapital financing, capital, and investing activities.

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

The supplementary information contained in this report provides a schedule of revenues, expenses, and change in net position, budget and actual information, and debt service requirements.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

The District's net position decreased \$174,399 in 2022, mainly resulting from the depreciation expense. As noted earlier, change in net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2022 and 2021, assets exceeded total liabilities by \$13,617,905 and \$13,792,304, respectively.

**Statement of Net Position**

<b>Year Ending December 31,</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>ASSETS</b>		
Current Assets	\$ 2,173,569	\$ 5,225,668
Capital Assets, Net	<u>14,480,462</u>	<u>12,158,305</u>
Total Assets	16,654,031	17,383,973
<b>LIABILITIES</b>		
Current Liabilities	243,093	885,091
Long-Term Liabilities	<u>2,793,033</u>	<u>2,706,578</u>
Total Liabilities	<u>3,036,126</u>	<u>3,591,669</u>
<b>NET POSITION</b>		
Net Position Invested in Capital Assets	11,592,576	9,357,347
Restricted Net Position	285,463	263,110
Unrestricted Net Position	<u>1,739,866</u>	<u>4,171,847</u>
Total Net Position	<u>\$ 13,617,905</u>	<u>\$ 13,792,304</u>

The largest portion of the District's net position reflects its investment in capital assets (e.g., disposal facilities, collection, transmission and distribution lines 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 portion of net position is not available for future spending.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Operating revenue increased by \$126,735 and nonoperating revenue increased by \$21,724. Within the increase in operating revenue, \$56,969 was an increase in water and \$69,766 was an increase in wastewater (due to the wastewater base rate increase from 2021 to 2022). Nonoperating revenue consists of proceeds from sale of assets, inclusion fees, available to serve fees, and interest income.

Operating expenses increased by \$75,140, primarily due to increase costs and inflation. General and administrative expenses increased by \$39,423 and nonoperating expenses increased by \$11,041. Nonoperating expenses include loan interest and administrative fees.

**Review of Change in Net Position**

<b>Year Ending December 31,</b>	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>REVENUES</b>		
Operating Revenue	\$ 3,048,623	\$ 2,921,888
Nonoperating Revenue	<u>42,902</u>	<u>21,178</u>
Total Revenues	3,091,525	2,943,066
<b>EXPENSES</b>		
Operating Expenses	2,507,255	2,432,115
General and Administrative	282,063	242,640
Depreciation	524,841	510,486
Non-Operating Expenses	<u>14,765</u>	<u>3,724</u>
Total Expenses	<u>3,328,924</u>	<u>3,188,965</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	(237,399)	(245,899)
CAPITAL CONTRIBUTIONS	63,000	100,000
<b>CHANGE IN NET POSITION</b>	(174,399)	(145,899)
Net Position - Beginning of Year	<u>13,792,304</u>	<u>13,938,203</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 13,617,905</u></u>	<u><u>\$ 13,792,304</u></u>

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Budgetary Highlights**

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of debt issuance, sale of assets and debt repayments, as well as capital outlay in addition to operations and nonoperating revenue and contributions. This budgetary accounting is required by state statutes.

For water, the District's actual revenue and offsetting expense were lower than the budgeted amounts by \$101,947 mainly due to lower water sales and system development fees.

For wastewater, actual revenue of the District was higher than the budgeted revenue by \$30,130 mainly due to interest income from increasing interest rates. Total actual expenditures was \$936,004 less than the appropriation, which includes a positive variance of \$806,419 for capital expenditures. This large variance is mainly due to the timing of the WWTP Upgrade for Aeration Basin, Thickener Replacement, Baldy Lift Station Pumps and Flow Meter projects.

**Capital Assets Activity**

The activity related to capital assets is as follows:

	<b>2022</b>	<b>2021</b>
Capital Assets:		
Land	\$ 62,631	\$ 62,631
Construction in Progress	7,066,822	4,548,692
Disposal Facilities	2,671,792	2,692,378
Infrastructure	4,571,774	4,695,491
Other Equipment and Buildings	79,765	131,435
Mapping	27,678	27,678
Total Capital Assets, Net	\$ 14,480,462	\$ 12,158,305

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

**Long-Term Debt**

All scheduled payments of principal and interest on the District's outstanding debt were paid as required during 2022.

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

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Economic Factors and Next Year's Budgets and Rates**

For 2023, the District has budgeted revenue for water and wastewater of \$2,567,300 and \$1,848,987, respectively, which are \$443,300 higher and \$206,617 higher compared with 2022 budgeted figures. Flat monthly rates for wastewater treatment have increased from \$37.50 to \$40.50 for customers in the West Jefferson boundaries and increased from \$53.50 to \$56.50 for customers in the El Rancho boundaries.

**Request for Information**

This 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 information should be addressed to:

West Jefferson County Metropolitan District  
30920 Stagecoach Blvd.,  
Evergreen, Colorado 80439

## **BASIC FINANCIAL STATEMENTS**

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
STATEMENTS OF NET POSITION  
DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,673,900	\$ 3,193,823
Cash and Cash Equivalents - Restricted	285,463	263,697
Certificates of Deposits	-	1,495,000
Accounts Receivable	193,164	212,459
Accrued Interest Receivable	-	5,144
Deposits	-	38,097
Prepaid Expenses	21,042	17,448
Total Current Assets	2,173,569	5,225,668
<b>CAPITAL ASSETS, NET</b>		
	14,480,462	12,158,305
Total Assets	\$ 16,654,031	\$ 17,383,973
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 142,849	\$ 775,988
Accrued Interest Payable	2,395	2,474
Developers' Funds	2,996	12,249
Loan Payable - Current Portion	94,853	94,380
Total Current Liabilities	243,093	885,091
<b>LONG-TERM OBLIGATIONS</b>		
Loan Payable	2,793,033	2,706,578
Total Long-Term Obligations	2,793,033	2,706,578
<b>NET POSITION</b>		
Net Investment in Capital Assets	11,592,576	9,357,347
Restricted	285,463	263,110
Unrestricted	1,739,866	4,171,847
Total Net Position	13,617,905	13,792,304
Total Liabilities and Net Position	\$ 16,654,031	\$ 17,383,973

See accompanying Notes to Basic Financial Statements.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>WATER OPERATIONS</b>		
Service Revenues	\$ 1,777,053	\$ 1,720,084
Direct Expenses	<u>(1,777,053)</u>	<u>(1,720,084)</u>
<b>GROSS PROFIT (LOSS) FROM WATER OPERATIONS</b>	-	-
<b>WASTEWATER OPERATIONS</b>		
Service Revenues	1,271,570	1,201,804
Direct Expenses	<u>(730,202)</u>	<u>(712,031)</u>
<b>GROSS PROFIT FROM WASTEWATER OPERATIONS</b>	541,368	489,773
<b>GROSS PROFIT FROM OPERATIONS</b>	541,368	489,773
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
General and Administrative	(282,063)	(242,640)
Depreciation	<u>(524,841)</u>	<u>(510,486)</u>
<b>NET LOSS FROM OPERATIONS</b>	(265,536)	(263,353)
<b>NONOPERATING REVENUES</b>	42,902	21,178
<b>NONOPERATING EXPENSES</b>	<u>(14,765)</u>	<u>(3,724)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	(237,399)	(245,899)
<b>CAPITAL CONTRIBUTIONS</b>	<u>63,000</u>	<u>100,000</u>
<b>CHANGE IN NET POSITION</b>	(174,399)	(145,899)
Net Position - Beginning of Year	<u>13,792,304</u>	<u>13,938,203</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 13,617,905</u>	<u>\$ 13,792,304</u>

See accompanying Notes to Basic Financial Statements.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 3,077,248	\$ 2,981,184
Payments to Suppliers	<u>(3,426,051)</u>	<u>(2,314,788)</u>
Net Cash Provided (Used) by Operating Activities	(348,803)	666,396
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of Property, Plant, and Equipment	(2,872,081)	(3,570,675)
Loan Proceeds	181,308	2,808,692
Developers' Funds Received	6,500	28,000
System Development Fees Received	20,000	100,000
Inclusion Fees Received	3,500	1,000
Permit Deposit Received	38,097	-
Other Income Received	47,214	3,427
Loan Interest and Administrative Fees	(14,844)	(1,250)
Loan Principal Reduction	<u>(94,380)</u>	<u>(7,734)</u>
Net Cash Used by Capital and Related Financing Activities	(2,684,686)	(638,540)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Certificates of Deposits Matured	1,495,000	1,350,000
Certificates of Deposits Purchased	-	(750,000)
Net Investment Income Received	<u>40,332</u>	<u>18,003</u>
Net Cash Provided by Investing Activities	1,535,332	618,003
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,498,157)	645,859
 Cash and Cash Equivalents - Beginning of Year	<u>3,457,520</u>	<u>2,811,661</u>
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 1,959,363</u></u>	<u><u>\$ 3,457,520</u></u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Loss from Operations	\$ (265,536)	\$ (263,353)
Adjustments to Reconcile Loss from Operations to Net Cash Provided (Used) by Operating Activities:		
Depreciation	524,841	510,486
Decrease (Increase) in Prepaid Expenses	(3,594)	8,559
Decrease (Increase) in Accounts Receivable	28,625	59,296
Increase (Decrease) in Accounts Payable and Accrued Expenses	<u>(633,139)</u>	<u>351,408</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (348,803)</u></u>	<u><u>\$ 666,396</u></u>

See accompanying Notes to Basic Financial Statements.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

West Jefferson County Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by order and decree of the District Court for Jefferson County and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Section 1, Colorado Revised Statutes). The District provides water and sanitation services. As more fully described in Note 7 to the financial statements, the District purchases water, water management services, and sanitation management services from the Evergreen Metropolitan District (EMD). The District has an elected Board of Directors and has no employees; all operations and administration functions are contracted out.

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.

**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. Expenditures for capital assets are shown as increases in assets and redemption of bonds and loans is recorded as a reduction in liabilities. Tap fees and contributed assets from developers are recorded as capital contributions when received.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**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 change 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 capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

**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 and other financing uses 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 appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**Cash Equivalents**

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

**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 30 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, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

The District did not certify a mill levy for collection in 2022.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets, which include source of supply, land and right of way, plant and buildings, distribution and collection systems, and machinery and equipment, are reported by the District. Capital assets are defined by the District as assets within an initial, individual cost of more than \$2,500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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 of the assets as follows:

Water Lines and Wastewater Lines	50 Years
Disposal Facilities	50 Years
Operating and Office Equipment	3-20 Years

**System Development Fees**

System development fees represent amounts collected from customers and developers in order to develop or access the District' water and collection lines. System development fees are reflected as nonoperating revenue.

**Equity**

**Net Position**

For presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**Estimates**

The presentation of financial statements in conformity with generally accepted accounting principles require 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 from those estimates.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2022 and 2021 are classified in the accompanying financial statements as follows:

	2022	2021
Statement of Net Position:		
Cash and Cash Equivalents	\$ 1,673,900	\$ 3,193,823
Cash and Cash Equivalents - Restricted	285,463	263,697
Total Cash and Investments	\$ 1,959,363	\$ 3,457,520

Cash and cash equivalents as of December 31, 2022 and 2021 consist of the following:

	2022	2021
Deposits with Financial Institutions	\$ 166,751	\$ 274,042
Investments	1,792,612	3,183,478
Total Cash and Cash Equivalents	\$ 1,959,363	\$ 3,457,520

**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. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

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.

At December 31, 2022, the District had the following deposits with financial institutions:

	Bank Balance	Carrying Balance
Insured Deposits	\$ 197,837	\$ 166,751
Total Deposits with Financial Institutions	\$ 197,837	\$ 166,751

**Investments**

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, 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 for investments that are in the possession of another party.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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 which include:

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

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 899,225
Colorado Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	893,387
Total		<u>\$ 1,792,612</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (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 currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**COLOTRUST (Continued)**

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**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 State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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 records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the years ended December 31, 2022 and 2021 was as follows:

	Balance December 31, 2021	Additions	Retirements	Balance December 31, 2022
Capital Assets, Not Being Depreciated:				
Land	\$ 62,631	\$ -	\$ -	\$ 62,631
Construction in Progress	4,548,692	2,518,130	-	7,066,822
Total Capital Assets, Not Being Depreciated	4,611,323	2,518,130	-	7,129,453
Capital Assets, Being Depreciated:				
Disposal Facilities	6,442,247	172,887	-	6,615,134
Infrastructure	11,809,510	151,413	-	11,960,923
Other Equipment and Buildings	840,876	4,568	-	845,444
Mapping	27,678	-	-	27,678
Total Capital Assets, Being Depreciated	19,120,311	328,868	-	19,449,179
Less Accumulated Depreciation For:				
Disposal Facilities	(3,749,869)	(193,473)	-	(3,943,342)
Infrastructure	(7,114,019)	(275,130)	-	(7,389,149)
Other Equipment and Buildings	(709,441)	(56,238)	-	(765,679)
Mapping	-	-	-	-
Depreciation	(11,573,329)	(524,841)	-	(12,098,170)
Capital Assets, Net	<u>\$ 12,158,305</u>	<u>\$ 2,322,157</u>	<u>\$ -</u>	<u>\$ 14,480,462</u>

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

	Balance December 31, 2020	Additions	Retirements	Balance December 31, 2021
Capital Assets, Not Being Depreciated:				
Land	\$ 62,631	\$ -	\$ -	\$ 62,631
Construction in Progress	1,084,484	3,464,208	-	4,548,692
Total Capital Assets, Not Being Depreciated	1,147,115	3,464,208	-	4,611,323
Capital Assets, Being Depreciated:				
Disposal Facilities	6,417,853	24,394	-	6,442,247
Infrastructure	11,753,425	56,085	-	11,809,510
Other Equipment and Buildings	831,138	9,738	-	840,876
Mapping	27,678	-	-	27,678
Total Capital Assets, Being Depreciated	19,030,094	90,217	-	19,120,311
Less Accumulated Depreciation For:				
Disposal Facilities	(3,562,225)	(187,644)	-	(3,749,869)
Infrastructure	(6,837,668)	(276,351)	-	(7,114,019)
Other Equipment and Buildings	(662,950)	(46,491)	-	(709,441)
Mapping	-	-	-	-
Total Accumulated Depreciation	(11,062,843)	(510,486)	-	(11,573,329)
Capital Assets, Net	<u>\$ 9,114,366</u>	<u>\$ 3,043,939</u>	<u>\$ -</u>	<u>\$ 12,158,305</u>

Depreciation expense for the years ended December 31, 2022 and 2021 were \$524,841 and \$510,486, respectively.

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the years ended December 31, 2022 and 2021:

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Amounts Due Within One Year
Notes/Loans from Direct Borrowings and Placements:					
CWRPDA Loan (2021) - W21F446					
Water Pollution Control Revolving Fund	\$ 2,800,958	\$ 181,308	\$ 94,380	\$ 2,887,886	\$ 94,853
Total Long-Term Obligations	<u>\$ 2,800,958</u>	<u>\$ 181,308</u>	<u>\$ 94,380</u>	<u>\$ 2,887,886</u>	<u>\$ 94,853</u>

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

	Balance December 31, 2020	Additions	Reductions	Balance December 31, 2021	Amounts Due Within One Year
Notes/Loans from Direct Borrowings and Placements:					
CWRPDA Loan (2021) - W21F446					
Water Pollution Control Revolving Fund	\$ -	\$ 2,808,692	\$ 7,734	\$ 2,800,958	\$ 94,380
Total Long-Term Obligations	<u>\$ -</u>	<u>\$ 2,808,692</u>	<u>\$ 7,734</u>	<u>\$ 2,800,958</u>	<u>\$ 94,380</u>

The detail of the District's long-term obligations is as follows:

**Water Pollution Control Revolving Fund – 2021 Loan**

The District entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRDPA) on January 29, 2021 for the purpose of financing the wastewater treatment facility improvement project. The principal amount of the loan is \$3,000,000 and has an interest rate of 0.5% annually, if the finally constructed project is certified by the Water Quality Control Division (WQCD) as a Green Project; 2.5% if the finally constructed project is not certified by the WQCD as a Green Project. The loan is maturing in 30 year and is payable semi-annually on May 1 and November 1 of each year beginning November 1, 2021. Pursuant to the loan agreement, the District shall maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the wastewater fund's annual budget for the current fiscal year. As of December 31, 2022, the District is in compliance with this reserve requirement.

The District's 2021 Loan principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 94,853	\$ 14,371	\$ 109,224
2024	95,328	13,896	109,224
2025	95,805	13,419	109,224
2026	96,284	12,939	109,223
2027	96,766	12,457	109,223
2028-2032	491,148	54,972	546,120
2033-2037	503,566	42,553	546,119
2038-2042	516,297	29,821	546,118
2043-2047	529,350	16,768	546,118
2048-2051	378,489	3,795	382,284
Total	<u>\$ 2,897,886</u>	<u>\$ 214,991</u>	<u>\$ 3,112,877</u>

Note: The 2021 Loan schedule assumes that all of the \$3,000,000 available loan proceeds are drawn.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 6 NET POSITION**

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

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022 and 2021, the District had the following net investment in capital assets, calculated as follows:

	2022	2021
Net Investment in Capital Assets:		
Capital Assets, Net	\$ 14,480,462	\$ 12,158,305
Current Portion of Long-Term Obligations	(94,853)	(94,380)
Noncurrent Portion of Long-Term Obligations	(2,793,033)	(2,706,578)
Total	\$ 11,592,576	\$ 9,357,347

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 had a restricted net position of \$285,463 as of December 31, 2022 for the operation and maintenance reserve as required by the 2021 loan from the Water Pollution Control Revolving Fund.

The unrestricted net position as of December 31, 2022 and 2021 were \$1,739,866 and \$4,171,847, respectively.

**NOTE 7 AGREEMENTS**

**Water Distribution and Wastewater Service Agreements**

The District has entered into a water distribution and service agreement with Evergreen Metropolitan District (EMD) to provide water and water service based on an agreed upon fee schedule. Under the terms of the agreement, the EMD provides complete management of the water system for the District, including maintenance, administrative services, collection of revenue and the issuance of water taps. The District does not derive any revenues in excess of expenditures from the water system because the fees charged to District customers equals the fees charged by EMD for services rendered.

The cost of the water transmission lines and the related depreciation is not reflected in these financial statements since ownership of the lines remains with EMD upon termination of the agreement or dissolution of the District.

The District has a contract with EMD whereby EMD provides management and administrative services to the District. These services include operating, pretreatment, locates, billing, collection, accounting, general management, administrative functions, and administrative operating expenses.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 7 AGREEMENTS (CONTINUED)**

**Water Distribution and Wastewater Service Agreements (Continued)**

The District is party to several agreements with EMD and various developers of property within the District's boundaries through which the District has agreed to bill and collect water system development fees to be used to fund the construction of water main extensions, a pumping station, a treated-water storage reservoir, and related facilities. The District transfers all of the fees collected to the EMD.

**El Rancho Prepaid Water Taps**

As part of the merger between the District and El Rancho Metropolitan District (ERMD) effective January 1, 2014, the District administers the sale and resulting reimbursement to the Developer for 121 prepaid water taps. For each of the taps sold, the Developer receives \$13,500 and the District retains the remainder. As of December 31, 2021, the District has reimbursed the Developer for 46 taps. As of December 1, 2020 the District was no longer required to share revenue for these taps.

**Intergovernmental Agreement for Shared Use Facility**

The District entered into an intergovernmental agreement for shared-use facility as of April 25, 2007 with EMD where by EMD has constructed a garage and maintenance facility on the District property. Use of the facility will be shared by both districts. EMD will pay all the necessary expenses associated with the construction, operation and maintenance of the facility. EMD will also provide all necessary in house laboratory analysis required for the operation of the District wastewater treatment plant at no charge to the District. The agreement terminates on December 31, 2037, but provides for automatic renewal for up to 45 one-year terms subsequent to December 31, 2037.

The District entered into an intergovernmental agreement for shared-use facility (Grit Classifier and Disposal System) as of May 18, 2017 with EMD and the Kittredge Sanitation and Water District (KSWD) where by the District has constructed and installed a grit classifier and disposal system on a portion of the District's facility. The three districts have agreed to share the costs of use, operation, maintenance and repair for their common benefit. The agreement terminates on December 31, 2030, but provides for automatic renewal on an annual basis after the end of the initial term.

**NOTE 8 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 (the Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

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

**NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS**

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

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

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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 qualifications as an Enterprise will require judicial interpretation.

**SUPPLEMENTARY INFORMATION**

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>WATER OPERATIONS</b>		
Revenues:		
Water Sales	\$ 1,740,817	\$ 1,710,813
Service Charges	7,076	9,271
Connections and Inspections	5,060	-
Tap Transfer Fee	2,100	-
System Development Fees	22,000	-
Total Revenues	1,777,053	1,720,084
Direct Expenses:		
Water Purchases	1,740,817	1,710,813
Service Charges	7,076	9,271
Connections and Inspections	5,060	-
Tap Transfer Fee	2,100	-
System Development Fees	22,000	-
Total Direct Expenses	1,777,053	1,720,084
<b>GROSS PROFIT FROM WATER OPERATIONS</b>	-	-
<b>WASTEWATER OPERATIONS</b>		
Revenues:		
Wastewater Treatment Charges	1,269,434	1,201,304
Availability to Serve	1,500	-
Connections and Inspections	636	500
Total Revenues	1,271,570	1,201,804
Direct Expenses:		
Pretreatment	46,717	44,323
Collection System:	146,670	164,509
Treatment Plant:	536,815	503,199
Total Direct Expenses	730,202	712,031
<b>GROSS PROFIT FROM WASTEWATER OPERATIONS</b>	541,368	489,773

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION (CONTINUED)  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>GROSS PROFIT FROM OPERATIONS</b>	\$ 541,368	\$ 489,773
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Depreciation	524,841	510,486
Accounting	29,674	-
Audit	11,500	6,400
Election	321	-
Insurance	17,248	17,300
Legal	30,792	30,905
Office Supplies	581	2,166
Billing Expense	23,946	20,320
Labor and Operating	156,294	143,134
Directors' Fees	5,600	6,200
Directors' Payroll Taxes and Other	428	474
Miscellaneous	5,679	15,741
Total General and Administrative Expenses	806,904	753,126
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	(265,536)	(263,353)
<b>NONOPERATING REVENUES</b>		
Inclusions	3,500	1,000
Grants	1,322	-
Interest Income	35,188	16,751
Other Income	2,892	3,427
Total Nonoperating Revenues	42,902	21,178
<b>NONOPERATING EXPENSES</b>		
Loan Interest and Administrative Fees	14,765	3,724
Total Nonoperating Expenses	14,765	3,724
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	(237,399)	(245,899)
<b>CAPITAL CONTRIBUTIONS</b>		
System Development Fees - Wastewater	20,000	100,000
Tap Transfer Fee - Wastewater	8,000	-
Other Contribution	35,000	-
Total Capital Contributions	63,000	100,000
<b>CHANGE IN NET POSITION</b>	\$ (174,399)	\$ (145,899)

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE – BUDGET  
AND ACTUAL (BUDGETARY BASIS) - WATER  
YEAR ENDED DECEMBER 31, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>WATER OPERATING REVENUE</b>			
Water Sales	\$ 1,831,000	\$ 1,740,817	\$ (90,183)
Service Charges	10,000	7,076	(2,924)
Connections and Inspections	2,000	5,060	3,060
Tap Transfer Fee	-	2,100	2,100
System Development Fees	36,000	22,000	(14,000)
Total Water Operating Revenue	<u>1,879,000</u>	<u>1,777,053</u>	<u>(101,947)</u>
<b>WATER OPERATING EXPENSES</b>			
Water Purchases	1,831,000	1,740,817	90,183
Service Charges	10,000	7,076	2,924
Connections and Inspections	2,000	5,060	(3,060)
Tap Transfer Fee	-	2,100	(2,100)
System Development Fees	36,000	22,000	14,000
Total Water Operating Expenses	<u>1,879,000</u>	<u>1,777,053</u>	<u>101,947</u>
<b>GROSS PROFIT FROM WATER OPERATIONS</b>	-	-	-
<b>WATER CAPITAL REVENUE</b>			
Special Developments	245,000	-	(245,000)
Total Water Capital Revenue	<u>245,000</u>	<u>-</u>	<u>(245,000)</u>
<b>WATER CAPITAL OUTLAY</b>			
Special Developments	245,000	-	245,000
Total Water Capital Outlay	<u>245,000</u>	<u>-</u>	<u>245,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	-
Funds Available - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUNDS AVAILABLE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL (BUDGETARY BASIS) - WASTEWATER  
YEAR ENDED DECEMBER 31, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>WASTEWATER OPERATING REVENUE</b>			
Wastewater Treatment Charges	\$ 1,266,600	\$ 1,269,434	\$ 2,834
Availability to Serve	1,920	1,500	(420)
Connections and Inspections	500	636	136
Interest Income	12,000	35,188	23,188
Other Income	1,500	5,892	4,392
Total Wastewater Operating Revenue	<u>1,282,520</u>	<u>1,312,650</u>	<u>30,130</u>
<b>WASTEWATER OPERATING EXPENSES</b>			
Pretreatment	45,700	46,717	(1,017)
Collection System:			
Repairs and Maintenance - Mains	105,000	62,989	42,011
Repairs and Maintenance - Lift Stations	67,000	50,510	16,490
Inspection and Connection	600	636	(36)
Utilities - Lift Stations	30,000	32,535	(2,535)
Treatment Plant:			
Chemicals	54,000	29,553	24,447
Supervision and Labor	207,000	181,493	25,507
Repairs, Maintenance and Supplies	55,000	42,724	12,276
Utilities	140,000	149,519	(9,519)
Truck Expense	1,000	1,090	(90)
Sludge Disposal/Landfill	111,000	115,631	(4,631)
Permits	5,000	4,630	370
Lab Analysis, Supplies and Maintenance	3,500	1,154	2,346
Safety and Training	650	831	(181)
Bear Creek Watershed Dues	11,200	10,190	1,010
Total Wastewater Operating Expenses	<u>836,650</u>	<u>730,202</u>	<u>106,448</u>
<b>GROSS PROFIT FROM WATER OPERATIONS</b>	445,870	582,448	136,578
<b>WASTEWATER CAPITAL REVENUE</b>			
System Development Fees	40,000	20,000	(20,000)
Tap Transfer Fee	-	8,000	8,000
CWRPDA Loan Proceeds	-	181,308	181,308
Proceeds from Sale of Assets	1,000	-	(1,000)
Special Developments	300,000	-	(300,000)
Development Review	-	3,500	3,500
Miscellaneous	-	35,000	35,000
Inclusions	18,000	3,500	(14,500)
Grants	850	1,322	472
Total Wastewater Capital Revenue	<u>359,850</u>	<u>252,630</u>	<u>(107,220)</u>

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL (BUDGETARY BASIS) – WASTEWATER (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual	Variance
<b>WASTEWATER NONOPERATING EXPENSES</b>			
Accounting	\$ 52,000	\$ 29,674	\$ 22,326
Audit	12,500	11,500	1,000
Election	20,000	321	19,679
Insurance	17,700	17,248	452
Legal	30,000	30,792	(792)
Office Supplies	1,300	581	719
Billing Expense	22,000	23,946	(1,946)
Labor and Operating	130,000	156,294	(26,294)
Directors' Fees	9,000	5,600	3,400
Directors' Payroll Taxes and Other	700	428	272
Miscellaneous	10,000	5,679	4,321
Total Wastewater Nonoperating Expenses	<u>305,200</u>	<u>282,063</u>	<u>23,137</u>
<b>WATER DEBT SERVICE</b>			
CWRPDA Loan Payment	109,224	109,224	-
Total Water Debt Service	<u>109,224</u>	<u>109,224</u>	<u>-</u>
<b>WASTEWATER CAPITAL OUTLAY</b>			
Special Developments	300,000	-	300,000
Sewer Line Replacement	50,000	12,243	37,757
WWTP Engineering for WW Treatment Facility Design	73,000	118,747	(45,747)
WWTP Upgrade Standards Aeration Basin	2,600,000	2,399,382	200,618
Thickener Replacement	227,500	-	227,500
Headworks Slide Gates Replacement	23,000	-	23,000
Baldy Lift Station Pumps and Flow Meter	205,000	128,162	76,838
Filter Repair	150,000	168,916	(18,916)
Development Review	-	25,083	(25,083)
Miscellaneous	50,000	19,548	30,452
Total Wastewater Capital Outlay	<u>3,678,500</u>	<u>2,872,081</u>	<u>806,419</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(3,287,204)	(2,428,290)	858,914
Funds Available - Beginning of Year	<u>4,612,612</u>	<u>4,228,825</u>	<u>(383,787)</u>
<b>FUNDS AVAILABLE - END OF YEAR</b>	<u><u>\$ 1,325,408</u></u>	<u><u>\$ 1,800,535</u></u>	<u><u>\$ 475,127</u></u>

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT  
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES,  
EXPENSES, AND CHANGE IN NET POSITION  
YEAR ENDED DECEMBER 31, 2022**

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Revenues (Budgetary Basis)	\$ 1,777,053	\$ 1,565,280	\$ 3,342,333
Loan Proceeds	-	(181,308)	(181,308)
Development Review	-	(6,500)	(6,500)
Total Revenues per Statement of Revenues, Expenses, and Change in Net Position	<u>1,777,053</u>	<u>1,377,472</u>	<u>3,154,525</u>
Expenditures (Budgetary Basis)	1,777,053	3,993,570	5,770,623
Depreciation	-	524,841	524,841
Change in Accrued Interest Expense	-	(79)	(79)
Capital Outlay	-	(2,872,081)	(2,872,081)
Loan Principal	-	(94,380)	(94,380)
Total Expenses per Statement of Revenues, Expenses, and Change in Net Position	<u>1,777,053</u>	<u>1,551,871</u>	<u>3,328,924</u>
Change in Net Position per Statement of Revenues, Expenses, and Change in Net Position	<u>\$ -</u>	<u>\$ (174,399)</u>	<u>\$ (174,399)</u>

**OTHER SUPPLEMENTARY INFORMATION**

**WEST JEFFERSON COUNTY METRO DISTRICT  
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES,  
EXPENSES, AND CHANGE IN NET POSITION  
YEAR ENDED DECEMBER 31, 2022**

Loan No. W21F446  
Colorado Water Resources and  
Power Development Authority  
Water Pollution Control Revolving Fund  
Green Project Reserve Direct Loan  
Rate of 0.50%  
Principal and Interest Payable  
May 1 and November 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 94,853	\$ 14,371	\$ 109,224
2024	95,328	13,896	109,224
2025	95,805	13,419	109,224
2026	96,284	12,939	109,223
2027	96,766	12,457	109,223
2028	97,251	11,973	109,224
2029	97,738	11,486	109,224
2030	98,227	10,997	109,224
2031	98,719	10,505	109,224
2032	99,213	10,011	109,224
2033	99,710	9,514	109,224
2034	100,209	9,015	109,224
2035	100,711	8,513	109,224
2036	101,215	8,009	109,224
2037	101,721	7,502	109,223
2038	102,231	6,993	109,224
2039	102,742	6,481	109,223
2040	103,257	5,967	109,224
2041	103,774	5,450	109,224
2042	104,293	4,930	109,223
2043	104,815	4,408	109,223
2044	105,340	3,884	109,224
2045	105,867	3,356	109,223
2046	106,398	2,826	109,224
2047	106,930	2,294	109,224
2048	107,465	1,758	109,223
2049	108,003	1,220	109,223
2050	108,544	680	109,224
2051	54,477	137	54,614
Total	<u>\$ 2,897,886</u>	<u>\$ 214,991</u>	<u>\$ 3,112,877</u>

NOTE: The Series 2021 Water Pollution Control Revolving Fund Loan schedule assumes that all of the \$3,000,000 available loan proceeds are drawn.