

North Washington Street Water & Sanitation District
Annual Financial Statements and Auditor's Report

For the years ended December 31, 2022 and December 31, 2021




Table of Contents

	Page
Independent Auditor's Report	I-III
Basic Financial Statements	
Statements of Net Position	1-2
Statements of Revenue, Expenses and Changes in Net Position	3
Statements of Cash Flows	4-5
Notes to Financial Statements	6
Other Supplementary Information	
Schedule of Direct Water Operating Expenses	20
Schedule of Direct Sanitation Operating Expenses	21
Schedule of General and Administrative Expenses	22-23
Budget Comparison (Non-GAAP Basis) – Source of Funds – Water	24
Budget Comparison (Non-GAAP Basis) – Expenditures – Water	25-26
Budget Comparison (Non-GAAP Basis) – Source of Funds – Sanitation	27
Budget Comparison (Non-GAAP Basis) – Expenditures – Sanitation	28-29
Budget Comparison (Non-GAAP Basis) – Source of Funds and Expenditures – General and Administrative	30
Reconciliation of Budgetary Basis Actual to Statement of Revenue, Expenses and Changes in Net Position	31



1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120

 303-734-4800

 303-795-3356

 www.HaynieCPAs.com

Independent Auditor's Report

Members of the Board of Directors
North Washington Street Water & Sanitation District
Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the business-type activities of North Washington Street Water & Sanitation District (the "District") as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of North Washington Street Water & Sanitation District, as of December 31, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 North Washington Street Water & Sanitation 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 North Washington Street Water & Sanitation District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 North Washington Street Water & Sanitation 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 North Washington Street Water & Sanitation 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.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise North Washington Street Water & Sanitation District's financial statements as a whole. The other supplementary information sections are presented for purposes of additional analysis and are not a required part of the financial statements.

The other supplementary information as listed in the table of contents 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Haynie & Company

Littleton, Colorado
July 20, 2023

Basic Financial Statements

North Washington Street Water & Sanitation District
Statements of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,831,724	\$ 3,893,960
Investments	21,940,339	22,097,649
Accounts receivable:		
Customers	849,433	773,903
Taxes	420,191	461,813
Accrued interest	11,050	11,050
Unbilled receivables	137,720	291,665
Inventory	53,177	51,931
Other assets	265	265
Total Current Assets	27,243,899	27,582,236
Capital Assets		
Not Being Depreciated		
Land	127,978	127,978
Construction in progress	2,656,321	1,536,584
Total Capital Assets, Not Being Depreciated	2,784,299	1,664,562
Being Depreciated		
Buildings	1,628,285	1,478,292
Water system	18,514,229	18,348,859
Sewer system	10,647,719	9,122,979
Furniture and equipment	4,001,502	3,782,115
Total Capital Assets, Being Depreciated	34,791,735	32,732,245
Less accumulated depreciation	(10,808,064)	(10,224,096)
Net Capital Assets, Being Depreciated	23,983,671	22,508,149
Net Capital Assets	26,767,970	24,172,711
Restricted Cash and Investments		
Customer and other deposits-Restricted	126,757	127,472
Total Assets	\$54,138,626	\$51,882,419

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

North Washington Street Water & Sanitation District
Statements of Net Position
December 31, 2022 and 2021

	2022	2021
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 541,312	\$ 813,792
Compensated absences payable	76,565	100,112
Accrued payroll	20,862	20,862
Total Current Liabilities	638,739	934,766
Long-Term Liabilities		
Long-term portion of compensated absences payable	155,545	121,927
Total Long-Term Liabilities	155,545	121,927
Restricted Liabilities		
Customer deposits	126,757	127,472
Total Restricted Liabilities	126,757	127,472
Total Liabilities	921,041	1,184,165
Deferred Inflows of Resources		
Deferred property tax revenue	420,191	461,813
Total Deferred Inflows of Resources	420,191	461,813
Net Position		
Net investment in capital assets	26,767,970	24,172,711
Unrestricted	26,029,424	26,063,730
Total Net Position	52,797,394	50,236,441
Total Liabilities, Deferred Inflows and Net Position	\$54,138,626	\$51,882,419

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

North Washington Street Water & Sanitation District
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Water Operations		
Revenue		
Water sales	6,550,353	\$ 6,192,226
Turn on fees	47,965	58,800
Miscellaneous	<u>(2,305)</u>	<u>15,809</u>
Total Water Revenue	6,596,013	6,266,835
Direct Water Expenses	<u>(4,302,250)</u>	<u>(4,209,270)</u>
Income from Water Operations	<u>2,293,763</u>	<u>2,057,565</u>
 Sanitation Operations		
Revenue		
Sewage treatment	5,041,551	5,218,242
Direct sanitation expenses	<u>(2,701,149)</u>	<u>(2,783,570)</u>
Total Sanitation Operations	2,340,402	2,434,672
 General and Administrative Expenses	<u>(1,966,464)</u>	<u>(1,733,453)</u>
Operating Income	<u>2,667,701</u>	<u>2,758,784</u>
 Nonoperating Revenues (Expenses)		
General property tax	457,674	391,946
Specific ownership tax	32,808	31,582
Net investment income	202,348	93,014
Unrealized (loss) on investment	(832,574)	(168,919)
Miscellaneous revenue (expense)	9,715	(23,912)
County treasurer's fees	<u>(6,719)</u>	<u>(5,812)</u>
Total Nonoperating Revenues (Expenses)	<u>(136,748)</u>	<u>317,899</u>
 Income Before Capital Contributions	<u>2,530,953</u>	<u>3,076,683</u>
 Capital Contributions		
Contributed lines and system development fees	<u>30,000</u>	<u>16,944</u>
Total Capital Contributions	<u>30,000</u>	<u>16,944</u>
 Change in Net Position	2,560,953	3,093,627
Net Position—Beginning of Year	<u>50,236,441</u>	<u>47,142,814</u>
Net Position—End of Year	<u>\$52,797,394</u>	<u>\$50,236,441</u>

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

North Washington Street Water & Sanitation District
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities:		
Cash received from customers	\$ 11,757,601	\$ 11,491,466
Cash paid to suppliers for goods and services	(6,896,158)	(6,353,850)
Cash paid to employees for services	(1,220,511)	(1,136,418)
Cash paid on behalf of employees	(532,880)	(477,551)
Net Cash From Operating Activities	3,108,052	3,523,647
Cash Flows from Non-capital Financing Activities:		
Miscellaneous nonoperating revenue (expense)	9,715	(23,912)
Property and specific ownership taxes received, net	442,141	480,558
Net Cash From Non-capital Financing Activities	451,856	456,646
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(3,179,228)	(2,043,078)
Development fees received	30,000	16,944
Net Cash From Capital and Related Financing Activities	(3,149,228)	(2,026,134)
Cash Flows from Investing Activities:		
Investments purchased (sold), net	(675,264)	(1,503,460)
Net investment income received	202,348	93,014
Net Cash from Investing Activities	(472,916)	(1,410,446)
Net Change in Cash and Cash Equivalents	(62,236)	543,713
Cash and Cash Equivalents—Beginning of Year	3,893,960	3,350,247
Cash and Cash Equivalents—End of Year	\$ 3,831,724	\$ 3,893,960

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

North Washington Street Water & Sanitation District
Statements of Cash Flows (continued)
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Reconciliation of Net Operating Income to		
Net Cash From Operating Activities:		
Net operating income	\$2,667,701	\$2,758,784
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	583,969	555,348
Changes in assets and liabilities:		
Receivables—Customers	(33,908)	14,217
Receivables—Other	153,945	(7,828)
Inventory	(1,246)	939
Prepaid expenses	-	(161)
Accounts payable	(272,480)	215,598
Compensated absences payable	10,071	(13,250)
Total Adjustments	<u>440,351</u>	<u>764,863</u>
Net Cash From Operating Activities	<u>\$3,108,052</u>	<u>\$3,523,647</u>

The accompanying notes are an integral part of these statements.

North Washington Street Water & Sanitation District

Notes to Financial Statements

December 31, 2022 and 2021

1. Definition of Reporting Entity

North Washington Street Water & Sanitation District, (District) is a special district created under the laws of the State of Colorado to provide water and sanitation services to its customers. The District's service area is located in Adams County and the City and County of Denver. The District is an independent entity with its own taxing power. The District buys all of its water from the Denver Board of Water Commissioners. The District's sewage is transported to and treated by Metro Wastewater Reclamation District. Since the major part of its income is derived from user charges, the District is classified and accounted for as an "Enterprise Fund". Because of the self-supporting nature of the District, its accounting is on the accrual basis much like a private, profit-making business. However, unlike a private business, the District is not subject to federal and state income taxes.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

2. Summary of Significant Accounting Policies

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

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

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets. System development fees and contributed lines received are recorded as capital contributions when received.

North Washington Street Water and Sanitation District

Notes to Financial Statements (continued)

December 31, 2022 and December 31, 2021

2. Summary of Significant Accounting Policies (continued)

Financial Reporting Entity

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 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.

Capital Assets

The District's property and equipment are carried at cost in the case of outright purchases or construction. In the case of property contributed by sub-dividers or customers, such as water and sewer lines, the asset is recorded at an estimated fair market value at the date of contribution as determined by the District's consulting engineers.

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

Water system lines and accessories	50-100 years
Sewer system lines and accessories	50 years
Building	40 years
Equipment	5-20 years

Interest costs incurred during the construction phase are capitalized as incurred.

Accounts Receivable

The District does not provide a reserve for estimated uncollectible accounts for water and sewer services since such accounts are negligible. The District policy regarding delinquent accounts is to place a lien against the real estate and not provide water or sewer services until back charges are paid. A security deposit from customers also helps to ensure collection.

Property Tax Revenue Recognition

Annual property taxes are levied on January 1 based on assessed valuations certified by the County Assessor's office by December 15 of the current year. A taxpayer has the option of paying all their taxes by the end of April or paying their taxes in two installments. If the taxpayer elects to pay in two installments, one half of their taxes are due by the end of February of the current year and the second half of their taxes are due by June 15 of the current year.

North Washington Street Water and Sanitation District

Notes to Financial Statements (continued)

December 31, 2022 and December 31, 2021

2. Summary of Significant Accounting Policies (continued)

Taxes are considered to be delinquent if unpaid by the respective due dates. The County Treasurer collects the property taxes and remits the collections on a monthly basis to the District.

The District recognizes a receivable for property taxes when the mill levy is certified. Deferred revenue is recorded in the same amount since the taxes are not available at the year-end to fund expenditures of the current year.

Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses.

Budget and Budgetary Accounting

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 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. The appropriation is at the total fund expenditures level and lapses at year end. Contributions of water and/or sewer lines are not reflected as a budgetary revenue or expenditure as they do not generate or require the use of funds available.

Operations

The District distinguishes between operating revenues and expenses and nonoperating items in the Statements of Revenue, 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 services provided. Operating expenses include the cost of service, administrative expenses and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

System Development Fees

System development revenue represents tap fees. These fees are recorded as contributions and combined with contributed lines (see below) on the Statements of Revenue, Expenses and Changes in Net Position.

Contributed Lines

Contributed lines represent contributions for plant and equipment acquired by the District primarily through donations by customers, developers and sub-dividers. These contributions are in the form of water and sewer lines installed and paid for by others and deeded over to the District and meter package charges paid by customers of the District.

North Washington Street Water and Sanitation District

Notes to Financial Statements (continued)

December 31, 2022 and December 31, 2021

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The District considers cash deposits and highly liquid investments with an intended maturity of three months or less to be cash equivalents.

Investments

The District's policy is to account for investments at fair market value in accordance with GASB. Gains or losses on the sale of investments are recognized when the investment is sold.

Inventories

Inventory is stated at the lower of cost or net realizable value, using the first-in, first-out method, and consists of expendable supplies.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The net position amount is also adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments. All other net positions are reported as unrestricted.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Management Estimates

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

Reclassifications

Certain prior year amounts have been adjusted to conform to the current year presentation. These reclassifications did not have an impact on the District's change in net position.

Property Taxes

The District collects property tax from property owners within the district based on assessed values at December 31 of the prior year. Property owners are to pay these assessments either in full by April 30th or in halves by February 28/29th and June 15th. These taxes are collected by the respective Counties and are remitted to the district on the 10th day of the month following collection.

North Washington Street Water and Sanitation District
Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

3. Cash, Cash Equivalents and Investments

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

	2022	2021
Cash and cash equivalents (less restricted balances)	\$ 3,831,724	\$ 3,893,960
Investments	21,940,339	22,097,649
Restricted cash and investments:		
Customer deposits	126,757	127,472
Total	\$25,898,820	\$26,119,081

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool 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 the aggregate uninsured deposits.

The State Regulatory Commissions for banks and financial institutions 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 and 2021, the District's cash deposits had a bank balance and a carrying balance as follows:

	2022		2021	
	Carrying Balance	Bank Balance	Carrying Balance	Bank Balance
Deposits with financial institutions	\$3,957,481	\$4,076,036	\$4,020,432	\$4,046,538
Petty cash	1,000	1,000	1,000	1,000
	\$3,958,481	\$4,077,036	\$4,021,432	\$4,047,538

North Washington Street Water and Sanitation District
Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

3. Cash, Cash Equivalents and Investments (continued)

For deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. Deposits that are exposed to custodial credit risk are collateralized with securities held by the pledging financial institution through PDPA.

The District's cash deposits are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes deposits not covered by depository insurance and uncollateralized. Category 2 includes deposits not covered by depository insurance and collateralized with securities held by the pledging financial institution. Category 3 includes deposits not covered by depository insurance and collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

	2022	2021
Insured deposits	\$ 3,957,481	\$ 4,020,432
Category 1	1,000	1,000
Category 2	21,940,339	22,097,649
Total cash and investments	\$25,898,820	\$26,119,081

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- 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, and
- Participation with other local governments in pooled investment funds ("trusts"). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments. The Districts participates with Colorado Surplus Asset Fund Trust (CSAFE) pooled funds.

North Washington Street Water and Sanitation District
Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

3. Cash, Cash Equivalents and Investments (continued)

Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

Interest Rate Risk

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

Revenue bonds of U.S. local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to three years or less.

As of December 31, 2022 and 2021, the District had the following investments:

<u>2022</u>		
<u>Type of Investment</u>	<u>Maturity</u>	<u>Reporting Basis</u>
		Amortized Cost
Colorado Surplus Asset Fund Trust (CSAFE)	Less than one year	\$ 6,559,135
		Fair Value
Bank deposit	Less than one year	\$ 86,630
Certificates of Deposit	Less than one year	710,158
U.S Agencies	Callable, less than one year	1,454,198
U.S. Agencies	Callable, one to five years	<u>13,130,218</u>
Total Investments		<u>\$ 21,940,339</u>

North Washington Street Water and Sanitation District
Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

3. Cash, Cash Equivalents and Investments (continued)

<u>2021</u>		
<u>Type of Investment</u>	<u>Maturity</u>	<u>Reporting Basis</u>
		<u>Amortized Cost</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Less than one year	\$ 5,986,558
		<u>Fair Value</u>
Money Market	Less than one year	\$ 4,252,946
Certificates of Deposit	Less than one year	1,658,027
U.S Agencies	Callable, less than one year	9,951,277
Certificates of Deposit	One to five years	248,841
Total Investments		<u>\$ 22,097,649</u>

CSAFE

At December 31, 2022 and 2021, the District had \$6,559,135 and \$5,986,558, respectively, in an investment vehicle established for local government entities in Colorado to pool surplus funds and is registered with the State Securities Commissioner. CSAFE is rated AAAM by Standard and Poor's. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. The portfolio 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 portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. 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.

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 money market funds, bank insured deposits (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized cost.

The District has also invested in U.S agency securities, which are reported at fair value using Level 1 inputs.

North Washington Street Water and Sanitation District
Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

4. Capital Assets

An analysis of the changes in net capital asset for the years ended December 31, 2022 and 2021 follows:

	Balance, December 31, 2021	Additions	Transfers	Balance, December 31, 2022
Capital Assets, not being Depreciated				
Land	\$ 127,978	\$ -	\$ -	\$ 127,978
Construction in Progress	1,536,586	1,325,042	(205,307)	2,656,321
Total Capital Assets, not being depreciated	1,664,564	1,325,042	(205,307)	2,784,299
Capital Assets, being depreciated				
Building	1,478,292	149,993	-	1,628,285
Water System	18,348,859	32,310	133,060	18,248,109
Sewer System	9,122,979	1,456,737	68,003	10,511,713
Equipment	3,782,114	219,388	-	4,001,502
Total capital assets, being depreciated	32,732,244	1,858,428	201,063	34,791,735
Less accumulated depreciation for:				
Building	(841,084)	(32,756)	-	(873,840)
Water System	(3,354,927)	(220,842)	-	(3,575,769)
Sewer System	(2,882,380)	(163,490)	-	(3,045,870)
Equipment	(3,145,705)	(166,880)	-	(3,312,585)
Total accumulated depreciation	(10,224,096)	(583,968)	-	(10,808,064)
Total capital assets, being depreciated, net	22,508,148	1,274,460	201,063	23,983,671
Capital Assets, net	\$ 24,172,712	\$ 2,599,502	\$ (4,244)	\$ 26,767,970

North Washington Street Water and Sanitation District
Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

4. Capital Assets (continued)

	Balance, December 31, 2020	Additions	Transfers	Balance, December 31, 2021
Capital Assets, not being Depreciated				
Land	\$ 127,978	\$ -	\$ -	\$ 127,978
Construction in Progress	199,627	1,480,157	(143,199)	1,536,586
Total Capital Assets, not being depreciated	327,605	1,480,157	(143,199)	1,664,564
Capital Assets, being depreciated				
Building	1,273,848	204,444	-	1,478,292
Water System	18,224,278	124,581	-	18,348,859
Sewer System	9,067,079	55,900	-	9,122,979
Equipment	3,460,919	321,196	-	3,782,115
Total capital assets, being depreciated	32,026,124	706,121	-	32,732,245
Less accumulated depreciation for:				
Building	(811,720)	(29,364)	-	(841,084)
Water System	(3,130,548)	(224,379)	-	(3,354,927)
Sewer System	(2,723,829)	(158,551)	-	(2,882,380)
Equipment	(3,002,651)	(143,054)	-	(3,145,705)
Total accumulated depreciation	(9,668,748)	(555,348)	-	(10,224,096)
Total capital assets, being depreciated, net	22,357,376	150,773	-	22,508,149
Capital Assets, net	\$ 22,684,981	\$ 1,630,930	\$ (143,199)	\$ 24,172,713

5. Long-Term Liabilities

The District's vacation policy states employees can carry forward unused vacation not to exceed the amount of vacation normally earned by an employee in one year. The District's sick leave policy states employees will be paid for accumulated sick leave up to 90 days after 10 years or more of services has been obtained and upon separation from the District.

Changes in the District's long-term liabilities for the years ended December 31, 2022 and 2021 are as follows:

North Washington Street Water and Sanitation District
Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

5. Long-Term Liabilities (continued)

	Balance at December 31 2021	Additions	Reductions	Balance at December 31 2022	Due Within One Year
Compensated absences	\$ 222,039	\$ 156,707	\$ (146,636)	\$ 232,110	\$ 76,565

	Balance at December 31 2020	Additions	Reductions	Balance at December 31 2021	Due Within One Year
Compensated absences	\$ 235,289	\$ 76,390	\$ (89,640)	\$ 222,039	\$ 100,112

6. Net Position

The District has net position consisting of two components — net investment in capital assets and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation. The District had no outstanding debt as of December 31, 2022 and 2021. As of December 31, 2022 and 2021, the District had net investment in capital assets of \$26,797,970 and \$24,172,711, respectively.

Restricted net position include amounts 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 no restricted net position as of December 31, 2022 and 2021.

Unrestricted net position consists of net position that does not meet the definition of invested in capital assets or restricted.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are considered expended.

North Washington Street Water and Sanitation District

Notes to Financial Statements (continued)

December 31, 2022 and December 31, 2021

7. Sanitation Service Fees

Sewer service fees paid to the Metro Water Recovery are based on estimates. The actual charge is not determined until all flow data has been received and laboratory analysis made of the sewage of all connecting members of the Metro Wastewater Reclamation District. According to the service contract, this actual charge is calculated by March following the end of the calendar year. Service charges for 2022 and 2021 have been adjusted to reflect the actual expense. Overpayments or underpayments arising from the difference between the original estimated charge and a revised estimated charge in August of each year is paid or credited in the next year. The difference between the revised estimated amount and the final adjusted amount is paid or credited in the second year following the adjustment. At December 31, 2022 and 2021, the District had a payable of \$74,411 and a receivable of \$97,891, respectively, to Metro Water Recovery. These adjustments arise from differences between actual charges and revised estimated charges.

8. Related Party

One of the five members of the Board of Directors is a co-owner of Colorado Lighting Inc. Amounts paid to Colorado Lighting Inc. during 2022 and 2021 for services were \$16,063 and \$2,150, respectively.

9. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded commercial coverage in any of the past three years.

10. Employees' Retirement Plan

The District participates in a retirement plan administered by the Colorado Counties Officials and Employees Retirement Association (Association). The Association established a defined contribution plan called the Colorado County Officials and Employees Retirement Plan (Plan) through which contributions of the District are combined with contributions of employees and invested in income earning instruments for the benefit of Plan participants. Any county, municipality, or special district of the State of Colorado may, with the consent of the Association, become a member of the Association and participate in the Plan by adopting it for its officers and employees. Employees of the District are required to participate in the Plan

North Washington Street Water and Sanitation District

Notes to Financial Statements (continued)

December 31, 2022 and December 31, 2021

10. Employees' Retirement Plan (continued)

after the completion of one year of service, but participation is optional for all elected officers. The District matches contributions equal to 6% of the eligible employees' salaries. Employees may make additional voluntary contributions not to exceed 10% of their salary. Participants vest in employer contributions at the rate of 10% per year, and are immediately vested 100% in their own contributions and earnings on those contributions.

Any employee contributions forfeited by a participant due to termination of employment before becoming fully vested are returned to the District and netted against the pension expense on the District's financial statements.

The District may at any time elect to terminate the Plan. In the event of such termination or withdrawal from the Plan by the District, each participant becomes 100% vested.

During 2022 and 2021, the District's contribution to the Plan was \$44,452 and \$41,248 respectively. At December 31, 2022 and 2021, there were no amounts due to the plan.

11. Deferred Compensation Plan

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is also administered by the District. Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years.

12. 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 the 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.

North Washington Street Water and Sanitation District
Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

12. Tax, Spending and Debt Limitations (continued)

Revenue in excess of the Fiscal Year spending limit must be refunded unless the voters approve retention of such revenue.

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.

13. Subsequent Events

The District has evaluated subsequent events through July 20, 2023, the date which the financial statements were available to be issued.

Supplementary Information

North Washington Street Water & Sanitation District
Schedule of Direct Water Operating Expenses
For the Years Ended December 31, 2022 and 2021

Water Operating Expenses	2022	2021
Source of Supply:		
Purchased water	\$ 3,487,976	\$ 3,244,070
Repairs and maintenance	4,440	7,716
Telephone	487	883
Total Source of Supply	<u>3,492,903</u>	<u>3,252,669</u>
 Transmission and Collection:		
Power for pumping	30,939	39,225
Operating supplies	38,646	25,304
Repairs and maintenance	196,398	404,255
Salaries and wages	312,229	287,101
Employee benefits	88,323	70,458
Payroll taxes	22,843	20,659
Worker's compensation insurance	4,640	5,328
Gasoline	5,351	4,976
Training	362	2,017
Tests and analysis	288	-
Total Transmission and Collection	<u>700,019</u>	<u>859,323</u>
 Water meter reading:		
Operating supplies	1,379	1,903
Salaries and wages	71,882	63,800
Employee benefits	21,195	17,071
Payroll taxes	5,587	5,011
Worker's compensation insurance	3,934	4,517
Gasoline	5,351	4,976
Total Water Meter Reading	<u>109,328</u>	<u>97,278</u>
 Total Water Operating Expenses	<u>\$ 4,302,250</u>	<u>\$ 4,209,270</u>

North Washington Street Water & Sanitation District
Schedule of Direct Sanitation Operating Expenses
For the Years Ended December 31, 2022 and 2021

Sanitation Operating Expenses	2022	2021
Sanitation Treatment		
Outside services—Treatment	<u>\$ 2,198,478</u>	<u>\$ 2,289,550</u>
Transmission and Collection		
Training	7,063	1,792
Operating supplies	35,866	21,082
Repairs and maintenance	25,854	82,770
Salaries and wages	312,229	287,101
Employee benefits	88,324	70,458
Payroll taxes	22,843	20,659
Worker's compensation insurance	4,642	5,329
Gasoline	<u>5,850</u>	<u>4,829</u>
Total Transmission and Collection	<u>502,671</u>	<u>494,020</u>
Total Operating Expenses	<u>\$ 2,701,149</u>	<u>\$ 2,783,570</u>

North Washington Street Water & Sanitation District
Schedule of General and Administrative Expenses
For the Years Ended December 31, 2022 and 2021

General and Administrative Expenses	2022	2021
	<u> </u>	<u> </u>
Administration and management:		
Directors' fees and expenses	\$ 39,520	\$ 25,047
Office supplies	3,060	2,724
Repairs and maintenance	134	2,059
Salaries and wages	231,126	173,840
Employee benefits	79,170	80,283
Payroll taxes	20,611	16,681
Worker's compensation insurance	2,161	2,481
Gasoline	13,432	13,324
Postage	2,854	2,585
Training	1,045	-
Publications/memberships	2,751	2,931
Total administration and management	<u>395,864</u>	<u>321,955</u>
 Billings and collection:		
Office supplies	6,119	5,448
Repairs and maintenance	132,762	37,982
Equipment lease	128	210
Salaries and wages	120,617	125,451
Employee benefits	60,818	55,915
Payroll taxes	9,243	9,619
Worker's compensation insurance	498	572
Postage	26,862	23,102
Total billings and collection	<u>357,047</u>	<u>258,299</u>

North Washington Street Water & Sanitation District
Schedule of General and Administrative Expenses
For the Years Ended December 31, 2022 and 2021
(continued)

	2022	2021
Accounting and finance:		
Accounting services	1,299	2,199
Auditing	12,001	10,900
Office supplies	6,120	5,448
Equipment lease	128	210
Repairs and maintenance	19,736	29,062
Salaries and wages	183,046	185,306
Employee benefits	82,926	78,208
Payroll taxes	13,892	14,076
Postage	2,378	2,154
Worker's compensation insurance	748	860
Service charges	10,760	16,895
Total accounting and finance	333,034	345,318
 General and Administrative Expenses		
General:		
Insurance	37,762	32,982
Legal	51,188	(4,896)
Miscellaneous	36,909	81,798
Repairs and maintenance	116,860	89,899
Telephone	29,373	30,348
Utilities	24,458	22,402
Total general	296,550	252,533
Depreciation expense	583,969	555,348
Total General and Administrative Expenses	\$ 1,966,464	\$ 1,733,453

North Washington Street Water & Sanitation District
Budget Comparison (Non-GAAP Basis) - Source of Funds - Water
For the Year Ended December 31, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	2022 Actual	Variance with Final Budget Positive (Negative)
Operating Revenue:				
Fees for service:				
Residential	\$ 3,296,763	\$ 3,296,763	\$ 3,668,853	\$ 372,090
Commercial	2,168,265	2,168,265	2,410,083	241,818
Industrial	442,211	442,211	471,417	29,206
Nonmetered Fees	97,074	97,074	(2,939)	(100,013)
Turn on fees	53,175	53,175	47,965	(5,210)
Miscellaneous income (expense)	<u>5,357</u>	<u>5,357</u>	<u>634</u>	<u>(4,723)</u>
Total operating revenue	<u>6,062,845</u>	<u>6,062,845</u>	<u>6,596,013</u>	<u>533,168</u>
Non Operating Revenue:				
Transfer of revenue - General Fund	14,224	14,224	-	(14,224)
Investment Income	46,034	46,034	100,100	54,066
Miscellaneous	<u>11,484</u>	<u>11,484</u>	<u>-</u>	<u>(11,484)</u>
Total nonoperating revenue	<u>71,742</u>	<u>71,742</u>	<u>100,100</u>	<u>28,358</u>
Capital Contributions				
Contributed lines	50,000	50,000	15,000	(35,000)
System development fees	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total capital contributions	<u>250,000</u>	<u>250,000</u>	<u>15,000</u>	<u>(235,000)</u>
Total source of funds	<u>\$ 6,384,587</u>	<u>\$ 6,384,587</u>	<u>\$ 6,711,113</u>	<u>\$ 326,526</u>

North Washington Street Water & Sanitation District
Budget Comparison (Non-GAAP Basis) - Expenditures - Water
For the Year Ended December 31, 2022

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2022 Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating Expenditures:				
Water source of supply:				
Purchased water	\$ 3,081,312	\$ 3,081,312	\$ 3,487,976	\$ (406,664)
Repairs and maintenance	37,500	37,500	4,440	33,060
Telephone	768	768	487	281
Total Water source of supply	<u>\$ 3,119,580</u>	<u>\$ 3,119,580</u>	<u>\$ 3,492,903</u>	<u>\$ (373,323)</u>
Transmission and distribution:				
Power for pumping	\$ 41,147	\$ 41,147	\$ 30,939	\$ 10,208
Operating supplies	31,697	31,697	38,646	(6,949)
Repairs and maintenance	483,931	483,931	196,398	287,533
Salaries and wages	251,402	251,402	312,229	(60,827)
Employee benefits	76,918	76,918	88,323	(11,405)
Payroll taxes	20,615	20,615	22,843	(2,228)
Workmen's compensation insurance	6,590	6,590	4,640	1,950
Gasoline	5,043	5,043	5,351	(308)
Training	1,238	1,238	362	876
Tests and analysis	-	-	288	(288)
Total transmission and distribution	<u>\$ 918,582</u>	<u>\$ 918,582</u>	<u>\$ 700,019</u>	<u>\$ 218,563</u>
Accounting and finance:				
Accounting services	\$ 1,470	\$ 1,470	\$ 433	\$ 1,037
Auditing	5,723	5,723	4,000	1,723
Office supplies	2,741	2,741	3,060	(319)
Equipment lease	166	166	64	102
Service charges	163	163	-	163
Repairs and maintenance	18,900	18,900	9,868	9,032
Salaries and wages	88,534	88,534	91,523	(2,989)
Employee benefits	40,906	40,906	41,463	(557)
Payroll taxes	7,260	7,260	6,946	314
Postage	1,114	1,114	1,189	(75)
Worker's compensation insurance	531	531	374	157
Total accounting and finance	<u>\$ 167,506</u>	<u>\$ 167,506</u>	<u>\$ 164,300</u>	<u>\$ 3,206</u>
Administration and management:				
Directors' fees and expenses	\$ 6,589	\$ 6,589	\$ 13,172	\$ (6,583)
Office supplies	2,741	2,741	3,060	(319)
Repairs and maintenance	1,155	1,155	67	1,088
Salaries and wages	104,081	104,081	77,025	27,056
Employee benefits	34,311	34,311	26,336	7,975
Payroll taxes	8,535	8,535	7,041	1,494
Worker's compensation insurance	1,023	1,023	720	303
Gasoline	6,382	6,382	6,891	(509)
Postage	1,114	1,114	1,189	(75)
Training	-	-	1,045	(1,045)
Publications/memberships	296	296	917	(621)
Total administration and management	<u>\$ 166,225</u>	<u>\$ 166,225</u>	<u>\$ 137,463</u>	<u>\$ 28,762</u>

North Washington Street Water & Sanitation District
Budget Comparison (Non-GAAP Basis) - Expenditures - Water
For the Year Ended December 31, 2022
(continued)

	Original Budgeted Amounts	Final Budgeted Amounts	2022 Actual	Variance with Final Budget Positive (Negative)
Billings and collection:				
Office supplies	\$ 2,741	\$ 2,741	\$ 3,060	\$ (319)
Repairs and maintenance	26,809	26,809	18,765	8,044
Equipment lease	271	271	64	207
Salaries and wages	32,452	32,452	60,309	(27,857)
Employee benefits	19,771	19,771	30,409	(10,638)
Payroll taxes	2,661	2,661	4,622	(1,961)
Worker's compensation insurance	355	355	249	106
Postage	12,621	12,621	13,451	(830)
Total billings and collection	<u>\$ 97,680</u>	<u>\$ 97,680</u>	<u>130,929</u>	<u>\$ (33,249)</u>
Water meter reading:				
Operating supplies	\$ 1,743	\$ 1,743	\$ 1,379	\$ 364
Repairs and maintenance	-	-	71,882	(71,882)
Salaries and wages	60,674	60,674	21,195	39,479
Employee benefits	18,556	18,556	5,587	12,969
Payroll taxes	4,975	4,975	3,934	1,041
Workmen's compensation insurance	5,587	5,587	-	5,587
Gasoline	5,043	5,043	5,351	(308)
Total water meter reading	<u>\$ 96,578</u>	<u>\$ 96,578</u>	<u>\$ 109,328</u>	<u>\$ (12,750)</u>
General:				
Insurance	\$ 11,543	\$ 11,543	\$ 12,586	\$ (1,043)
Legal	6,617	6,617	9,957	(3,340)
Miscellaneous	29,471	29,471	-	29,471
Election fees	16,667	16,667	-	16,667
Repairs and maintenance	21,076	21,076	47,711	(26,635)
Supplies	-	-	-	-
Telephone	10,164	10,164	9,790	374
Utilities	11,205	11,205	12,229	(1,024)
Other expenses	2,303	2,303	2,638	(335)
Total general	<u>\$ 109,046</u>	<u>\$ 109,046</u>	<u>\$ 94,911</u>	<u>\$ 14,135</u>
Total operating expenditures	<u>\$ 4,675,197</u>	<u>\$ 4,675,197</u>	<u>\$ 4,829,853</u>	<u>\$ (154,656)</u>
Nonoperating Expenditures:				
Capital improvements from District funds	\$ 2,885,000	\$ 2,885,000	\$ 966,878	\$ 1,918,122
Contingencies	25,000	25,000	-	25,000
Total Expenditures Water	<u><u>\$ 7,585,196</u></u>	<u><u>\$ 7,585,196</u></u>	<u><u>\$ 5,796,730</u></u>	<u><u>\$ 1,788,466</u></u>

North Washington Street Water & Sanitation District
Budget Comparison (Non-GAAP Basis)
Source of Funds - Sanitation
For the Year Ended December 31, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	2022 Actual	Variance with Final Budget Positive (Negative)
Operating Revenue:				
Fees for service:				
Residential	\$ 2,499,751	\$ 2,499,751	\$ 2,479,822	\$ (19,929)
Commercial	1,044,835	1,044,835	1,059,187	14,352
Industrial	1,573,227	1,573,227	1,502,542	(70,685)
Miscellaneous income	23,566	23,566	-	(23,566)
Total operating revenue	<u>5,141,379</u>	<u>5,141,379</u>	<u>5,041,551</u>	<u>(99,828)</u>
Non Operating Revenue:				
Investment Income	52,503	52,503	(730,326)	(782,829)
Miscellaneous	56,059	56,059	9,715	(46,344)
Total nonoperating revenue	<u>108,562</u>	<u>108,562</u>	<u>(720,611)</u>	<u>(829,173)</u>
Capital Contributions				
Contributed lines	50,000	50,000	15,000	(35,000)
System development fees	200,000	200,000	-	(200,000)
Total source of funds	<u>5,499,942</u>	<u>5,499,942</u>	<u>4,335,940</u>	<u>(1,164,001)</u>
Total available resources	<u>\$ 5,499,942</u>	<u>\$ 5,499,942</u>	<u>\$ 4,335,940</u>	<u>\$ (1,164,001)</u>

North Washington Street Water & Sanitation District
Budget Comparison (Non-GAAP Basis) - Expenditures - Sanitation
For the Year Ended December 31, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	2022 Actual	Variance with Final Budget Positive (Negative)
Operating Expenditures				
Sanitation Treatment:				
Outside services - Treatment	\$ 3,086,557	\$ 3,086,557	\$ 2,198,478	\$ 888,079
Test and analysis	-	-	-	-
Total sanitation treatment	<u>\$ 3,086,557</u>	<u>\$ 3,086,557</u>	<u>\$ 2,198,478</u>	<u>\$ 888,079</u>
Collection and transmission:				
Training	\$ 1,238	\$ 1,238	\$ 7,063	\$ (5,825)
Operating supplies	25,046	25,046	35,866	(10,820)
Repairs and maintenance	137,500	137,500	25,854	111,646
Salaries and wages	251,402	251,402	312,229	(60,827)
Employee benefits	76,918	76,918	88,324	(11,406)
Payroll taxes	20,615	20,615	22,843	(2,228)
Workmen's compensation insurance	6,592	6,592	4,642	1,950
Gasoline	5,043	5,043	5,850	(807)
Total transmission and collection	<u>\$ 524,354</u>	<u>\$ 524,354</u>	<u>\$ 502,671</u>	<u>\$ 21,683</u>
Accounting and finance:				
Accounting services	\$ 1,470	\$ 1,470	\$ 433	\$ 1,037
Auditing	5,723	5,723	4,000	1,723
Service charges	151	151	5,380	(5,229)
Office supplies	2,741	2,741	3,060	(319)
Equipment lease	166	166	102	64
Repairs and maintenance	18,900	18,900	9,830	9,070
Salaries and wages	88,534	88,534	91,523	(2,989)
Employee benefits	40,906	40,906	41,463	(557)
Payroll taxes	7,260	7,260	6,946	314
Postage	1,114	1,114	1,189	(75)
Worker's compensation insurance	531	531	374	157
Total accounting and finance	<u>\$ 167,495</u>	<u>\$ 167,495</u>	<u>\$ 164,300</u>	<u>\$ 3,195</u>
Administration and management:				
Directors' fees and expenses	\$ 6,589	\$ 6,589	\$ 13,172	\$ (6,583)
Repairs and maintenance	1,155	1,155	67	1,088
Salaries and wages	93,266	93,266	77,038	16,228
Employee benefits	31,020	31,020	26,478	4,542
Payroll taxes	7,648	7,648	7,042	606
Worker's compensation insurance	1,024	1,024	721	303
Gasoline	6,375	6,375	6,541	(166)
Postage	1,114	1,114	1,217	(103)
Training	0	-	0	0
Publications/memberships	296	296	917	(621)
Total administration and mgmt	<u>\$ 148,485</u>	<u>\$ 148,485</u>	<u>\$ 133,193</u>	<u>\$ 15,292</u>

North Washington Street Water & Sanitation District
Budget Comparison (Non-GAAP Basis) - Expenditures - Sanitation
For the Year Ended December 31, 2022
(continued)

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2022 Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Billings and collection:				
Office supplies	\$ 2,741	\$ 2,741	\$ 3,059	\$ (318)
Repairs and maintenance	18,900	18,900	113,997	(95,097)
Equipment lease	166	166	64	102
Salaries and wages	32,452	32,452	60,308	(27,856)
Employee benefits	19,771	19,771	30,409	(10,638)
Payroll taxes	2,661	2,661	4,621	(1,960)
Worker's compensation insurance	355	355	249	106
Postage	12,567	12,567	13,411	(844)
Total billings and collection	<u>\$ 89,612</u>	<u>\$ 89,612</u>	<u>\$ 226,118</u>	<u>\$ (136,506)</u>
General:				
Insurance	\$ 11,570	\$ 11,570	\$ 12,586	\$ (1,016)
Legal	26,472	26,472	20,614	5,858
Election	16,667	16,667	-	16,667
Miscellaneous	43,379	43,379	8,966	34,413
Engineering fees	-	-	-	-
Repairs and maintenance	33,181	33,181	37,020	(3,839)
Telephone	10,164	10,164	9,790	374
Payroll Processing	2,303	2,303	2,638	(335)
Utilities	11,205	11,205	12,229	(1,024)
Total general	<u>\$ 154,938</u>	<u>\$ 154,938</u>	<u>\$ 103,843</u>	<u>\$ 51,095</u>
Total operating expenditures	<u>\$ 4,171,441</u>	<u>\$ 4,171,441</u>	<u>\$ 3,328,603</u>	<u>\$ 842,838</u>
Nonoperating Expenditures:				
Capital impvmts from District funds	\$ 2,970,000	\$ 2,970,000	\$ 2,128,107	\$ 841,893
Contingencies	25,000	25,000	-	25,000
Total nonoperating expenditures	<u>\$ 2,995,000</u>	<u>\$ 2,995,000</u>	<u>\$ 2,128,107</u>	<u>\$ 866,893</u>
Total Expenditures Sanitation	<u>\$ 7,166,442</u>	<u>\$ 7,166,442</u>	<u>\$ 5,456,710</u>	<u>\$ 1,709,731</u>

North Washington Street Water & Sanitation District
Budget Comparison (Non-GAAP Basis)
Source of Funds and Expenditures - General and Administrative
For the Year Ended December 31, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	2022 Actual	Variance with Final Budget Positive (Negative)
Nonoperating Revenue				
Property taxes	\$ 458,727	\$ 458,727	\$ 457,674	\$ (1,053)
Specific ownership tax	34,920	34,920	32,808	(2,112)
Total nonoperating revenue	<u>493,647</u>	<u>493,647</u>	<u>490,482</u>	<u>(3,165)</u>
Net source of funds	<u>\$ 493,647</u>	<u>\$ 493,647</u>	<u>\$ 490,482</u>	<u>\$ (3,165)</u>
Operating Expenditures				
Accounting and finance:				
Accounting services	\$ 1,401	\$ 1,401	\$ 433	\$ 968
Auditing	5,724	5,724	4,001	1,723
Total accounting and finance	<u>\$ 7,124</u>	<u>\$ 7,124</u>	<u>\$ 4,434</u>	<u>\$ 2,690</u>
Administration and management:				
Directors' fees and expenses	\$ 17,000	\$ 17,000	\$ 13,176	\$ 3,824
Salaries and wages	104,081	104,081	77,063	27,018
Employee benefits	34,311	34,311	26,356	7,955
Payroll taxes	8,535	8,535	6,528	2,007
Workmen's compensation insurance	1,024	1,024	720	304
Postage	446	446	448	(2)
Publications/memberships	296	296	917	(621)
Total administration and management	<u>\$ 165,692</u>	<u>\$ 165,692</u>	<u>\$ 125,208</u>	<u>\$ 40,484</u>
General:				
Insurance	\$ 17,319	\$ 17,319	\$ 12,590	\$ 4,729
Legal	26,473	26,473	20,614	5,859
Election	16,667	16,667	-	16,667
Miscellaneous	46,046	46,046	22,667	23,379
Repairs and maintenance	16,172	16,172	32,129	(15,957)
Telephone	10,167	10,167	9,793	374
Total general	<u>\$ 132,844</u>	<u>\$ 132,844</u>	<u>\$ 97,793</u>	<u>\$ 35,051</u>
Total operating expenditures	<u>\$ 305,660</u>	<u>\$ 305,660</u>	<u>\$ 227,435</u>	<u>\$ 78,225</u>
Nonoperating Expenditures:				
Capital improvements from District funds	\$ 112,000	\$ 112,000	\$ 84,242	\$ 27,758
County Treasurer's collection fees	8,990	8,990	6,719	2,271
Total nonoperating expenditures	<u>\$ 120,990</u>	<u>\$ 120,990</u>	<u>\$ 90,961</u>	<u>\$ 30,029</u>
Contingencies	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Expenditures	<u>\$ 451,650</u>	<u>\$ 451,650</u>	<u>\$ 318,396</u>	<u>\$ 133,254</u>

North Washington Street Water & Sanitation District
Reconciliation of Budgetary Basis Actual to
Statement of Revenue, Expenses and Changes in Net Position
For the Year Ended December 31, 2022

	Water	Sanitation	General and Administration	Total
Revenue				
Revenue budget basis (Non-GAAP basis)	\$ 6,711,113	\$ 4,335,940	\$ 490,482	\$11,537,535
Plus:				
Transfers	245,241	245,241	-	490,482
Less:				
Transfers	-	-	(490,482)	(490,482)
Revenue (GAAP basis)	\$ 6,956,354	\$ 4,581,181	\$ -	\$11,537,535
Water operating revenue				\$ 6,596,013
Sewer operating revenue				5,041,551
Nonoperating revenue				(100,029)
Total Revenue				\$11,537,535
Expenses				
Expenses budget basis (Non-GAAP basis)	\$ 5,796,730	\$ 5,456,710	\$ 318,396	\$11,571,836
Plus:				
Depreciation	291,984	291,985	-	583,969
Less:				
Capital improvements	(966,874)	(2,128,107)	(84,242)	(3,179,223)
Expenses (GAAP basis)	\$ 5,121,840	\$ 3,620,588	\$ 234,154	\$ 8,976,582
Direct water expenses				\$ 4,302,250
Direct sewer expenses				2,701,149
General and administrative expenses				1,966,464
Nonoperating expenses				6,719
Total Expenses				\$ 8,976,582