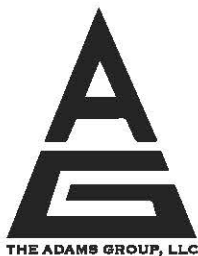


**ROXBOROUGH WATER AND
SANITATION DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Roxborough Water and Sanitation District
Littleton, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Roxborough Water & Sanitation District (District) as of and for the year ended December 31, 2022, 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the 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 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 the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The Adams Group, LLC

June 16, 2023
Denver, Colorado

Management's Discussion and Analysis

As management of the Roxborough Water & Sanitation District (the District), we offer 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 exceeded liabilities and deferred inflows of resources by \$116,079,882 at the close of the fiscal year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$9,876,097.
- Total net position increased by \$4,490,482.
- Total cash and investments increased by \$917,373 as compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,406,134 or 508.40% of total general fund expenditures.
- The district repaid \$1,324,362 of long term debt during the year ended December 31, 2022. The district anticipates repayment of an additional \$1,354,570 of long term debt in 2023.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the District that are principally to be supported by ad valorem taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include the financing, construction of, and maintenance of public infrastructure improvements constructed or acquired by the District. The business-type activities of the District include water and sewer facilities construction, maintenance and operations.

The government-wide financial statements can be found on pages 1-3 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories – Governmental Funds and Proprietary Funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The governmental funds use the modified accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds - general fund, debt service fund, capital projects fund, and plum valley heights fund - all of which are considered to be major funds except for the capital projects fund in 2022.

The basic governmental fund financial statements can be found on pages 4-6 of this report.

Proprietary Funds. The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its water and sewer operations. These services are reported as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, which are considered to be major funds of the District.

The proprietary fund financial statements can be found on pages 8-11 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 12-25 of this report.

Required Supplementary Information. The District adopts an annual appropriated budget for its general fund and the plum valley heights special revenue fund. The budgetary comparison statements for these funds have been provided as required supplementary information to demonstrate compliance with these budgets. The budget statements and notes are found on pages 26-28 of this report.

Other information. The report includes individual fund schedules. The budgetary comparison statement has been provided in this section for the debt service fund, the capital projects fund, the water fund, and the sewer fund to demonstrate compliance with these budgets. The budget statements are found on pages 29-34 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities and deferred inflows of resources by \$116,079,882 at the close of the most recent fiscal year.

Statement of Net Assets

	2022			2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	\$ 12,867,815	\$ 25,198,773	\$ 38,066,588	\$ 12,210,798	\$ 26,105,593	\$ 38,316,391
Capital Assets, net	5,137,584	106,592,741	111,730,325	5,303,718	103,002,683	108,306,401
Total Assets	18,005,399	131,791,514	149,796,913	17,514,516	129,108,276	146,622,792
Current Liabilities	440,699	5,802,143	6,242,842	1,600,196	5,667,956	7,268,152
Long-Term Obligations	24,584,507	110,724	24,695,231	24,617,953	69,038	24,686,991
Total Liabilities	25,025,206	5,912,867	30,938,073	26,218,149	5,736,994	31,955,143
Deferred Inflows of Resources						
Unavailable revenue - property taxes	2,778,958	0	2,778,958	3,078,249	0	3,078,249
Net Investment in Capital Assets	5,072,087	106,447,229	111,519,316	5,303,718	102,959,706	108,263,424
Restricted Net Position	7,214,732	0	7,214,732	6,648,646		6,648,646
Unrestricted Net Position	(22,085,584)	19,431,418	(2,654,166)	(23,734,246)	20,411,576	(3,322,670)
Total Net Position	\$ (9,798,765)	\$ 125,878,647	\$ 116,079,882	\$ (11,781,882)	\$ 123,371,282	\$ 111,589,400

			Statements of Activities				
		2022				2021	
	Governmental Activities	Business Type Activities	Total		Governmental Activities	Business Type Activities	Total
Revenue							
Program Revenue							
Charges for Services		\$ 7,948,623	\$ 7,948,623			\$ 8,487,824	\$ 8,487,824
Operating Grants		\$ 122,458	\$ 122,458			\$ 168,781	\$ 168,781
Contributions		\$ 3,702,245	\$ 3,702,245			\$ 3,811,822	\$ 3,811,822
<u>General Revenue</u>							
Property Taxes	\$ 3,085,613		\$ 3,085,613		\$ 2,644,182		\$ 2,644,182
Specific Ownership Taxes	\$ 254,044		\$ 254,044		\$ 245,788		\$ 245,788
Investment Income	\$ 49,573	\$ 299,334	\$ 348,907		\$ 1,168	\$ 5,934	\$ 7,102
Other	\$ (34)	\$ 34	\$ -		\$ 200,090		\$ 200,090
Total Revenue	\$ 3,389,196	\$ 12,072,694	\$ 15,461,890		\$ 3,091,228	\$ 12,474,361	\$ 15,565,589
Expenses							
General Government	\$ 635,907		\$ 635,907		\$ 695,448		\$ 695,448
Interest on Long-Term Debt	\$ 770,172		\$ 770,172		\$ 853,954		\$ 853,954
Water/Sewer Facilities		\$ 9,565,329	\$ 9,565,329			\$ 8,626,190	\$ 8,626,190
Total Expenses	\$ 1,406,079	\$ 9,565,329	\$ 10,971,408		\$ 1,549,402	\$ 8,626,190	\$ 10,175,592
Total Primary Government	\$ 1,983,117	\$ 2,507,365	\$ 4,490,482		\$ 1,541,826	\$ 3,848,171	\$ 5,389,997
Transfers					\$ 571,427	\$ (571,427)	\$ -
Change in Net Position	\$ 1,983,117	\$ 2,507,371	\$ 4,490,482		\$ 2,113,253	\$ 3,276,744	\$ 5,389,997
Net Position Beginning	\$ (11,781,882)	\$ 123,371,282	\$ 111,589,400		\$ (13,895,135)	\$ 120,094,538	\$ 106,199,403
Net Position Ending	\$ (9,798,765)	\$ 125,878,647	\$ 116,079,882		\$ (11,781,882)	\$ 123,371,282	\$ 111,589,400

Governmental activities. Governmental activities increased the District's net position by \$1,983,117, several highlights are as follows:

- Property taxes increased by \$441,431 or 16.69% over the prior year due to increased assessed valuations.
- Specific ownership taxes increased by \$8,256 or 3.36%.
- Investment Income increased by \$48,405 due to higher interest rates.

Business-type activities. Business-type activities increased the District's net position by \$2,507,365. Some of the key elements of the change in net position are as follows:

- Service charges decreased from \$8,487,824 to \$7,948,623, a decrease of \$539,201 or 6.35%.
- Total operating expenses increased \$939,139 or 10.89% mainly due to increased personnel and operating costs.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$9,876,097 of which \$2,406,134 constitutes unassigned fund balance, which is available for spending at the government's discretion within the parameters established for each fund.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,406,134 out of a total fund balance of \$2,490,597. In compliance with an amendment to the State Constitution, Article X, Section 20, the district has established an emergency reserve representing 3% of qualifying expenditures. At December 31, 2022, the emergency reserve was \$58,255.

The debt service fund has a total fund balance of \$6,956,087 all of which is restricted for the repayment of long-term indebtedness. The long-term loans payable as of December 31, 2022 is \$24,577,561.

The capital projects fund has a total balance of \$1,084.

The Plum Valley Heights Fund has a total balance of \$428,329.

Proprietary funds. The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds at the end of the year amounted to \$19,431,418. The total net position of the District's proprietary funds as of December 31, 2022 are \$125,878,647. Other factors concerning the finances of this fund have already been addressed in the discussion of the District's business-type activities.

General Fund Budgetary Highlights

The District's total expenditures and transfers for 2022 did not exceed the final budgeted appropriation. The difference between the final budgeted revenue of \$1,912,187 and the actual revenue of \$1,941,826 was \$29,639. The difference between the final budgeted expenditures and transfers of \$1,281,000 and the actual expenditures of \$1,173,274 was \$107,726.

Capital Assets

The District has invested \$111,730,325 in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2022. This investment in capital assets includes water and sewer facilities, water rights and vehicles and equipment.

The capital assets are recorded at cost less estimated accumulated depreciation on the financial statement. The district believes the book value of these capital assets is substantially less than the actual replacement costs of these assets. The district uses an estimated replacement cost when calculating and setting their customer billing rates in an effort to provide reserves for future asset replacements. The district maintains a responsibility to provide water and sewer services to their customers and these reserves are necessary to be able to repair and replace these capital assets as needed. The District's engineering consultants estimate the replacement costs for the water system currently would be approximately \$285,000,000 and the estimated replacement costs for the sewer system currently would be \$275,000,000. Should these reserves be insufficient to provide these repairs or replacements, additional rate increases or borrowings would be required by the district.

Additional information on the District's capital assets can be found in note 4 beginning on page 19 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total outstanding governmental long-term debt of \$24,584,507 as follows:

- 1.\$15,181,911 was related to the Water Enterprise Fund acquisition of a permanent water supply from the City of Aurora. This loan is through the Colorado Water Conservation Board. Payments are annually through December 2044 at an interest rate of 3.25%
- 2.\$2,340,000 is related to the District's 2005 Clean Water Revenue Bonds through the Colorado Water Resources and Power Development Authority (2005 CWRPDA) which are due annually through 2026 and pay interest rates of 3.35% semi-annually on February 1 and August 1.
- 3.Accrued compensated absences accounts for \$6,946 of this amount.
- 4.\$3,596,271 was related to the 2015 CWRPDA Loan. This loan provided financing for the Plum Valley Heights Subdistrict and was used to secure financing for a pipeline to allow customers to discontinue their use of private wells and non-renewable water. This debt is repaid through mill levies assessed to property owners within the subdistrict. Payments are semi-annually through August 2036 at an interest rate of 2.07%.
- 5.\$1,999,415 was related to a CWCB Loan related to the purchase of renewable Raw Water for the Subdistrict. Payments are annually through February 2047 at an interest rate of 3.05%.
- 6.\$1,390,291 was related to a CWCB Loan related to the Ravenna Development Water Infrastructure. Payments are due annually through February 2047 at an interest rate of 3.15%.

The Business Type activities had long-term debt of \$110,724 related to compensated absences.

Additional information on the District's long-term debt can be found in note 5 beginning on page 21 of this report.

Next Year's Budgets and Rates

Government funds:

Property Taxes. The District's assessed value is projected to decrease slightly (1%) in 2023, which will result in a decrease in General Fund property tax revenues. The General Fund Mill Levy was maintained at the current 6.208, and revenues not needed for operations will be transferred to reserves. For 2022, the Debt Service Mill Levy will be reduced from 2.9 mills to 2.0 to avoid generating more revenue than necessary for debt service payments.

General Fund. The General Fund budget is projected to increase 33% from \$581,000 to \$773,500 for 2023, but the 2023 budget is 17% higher than 2022 actual expenses. While many general fund expenses will remain unchanged or be reduced slightly for 2023, several large increases in three areas are driving the overall increase. Payroll, taxes, and benefits will increase 18% reflecting the need to provide staff with cost-of-living salary increases. Capital Outlays will increase 84% over 2022 budget, but 2023 expenses are projected to be 50% less than 2022 actual expenses. The 2022 Capital Outlays budget was impacted by unplanned replacement costs for various equipment; for 2023 we have developed an inventory of equipment and a detailed plan for replacement. Finally, the Repairs and Maintenance budget is increasing 100% in 2023 driven by the need to upgrade computer hardware and cybersecurity systems.

Debt Service Fund. As stated previously, the debt service mill levy will be reduced.

Capital Projects Fund. The Capital Projects Fund will be used to track projects either partially or entirely funded by Dominion under the terms of the Wastewater Conveyance Agreement or the Water Treatment Agreement; the replacement of the Rampart Pump Station with Ravenna bond proceeds per the Ravenna Inclusion Agreement; and by the Valley View Christian Church for the water line needed to connect the church to the Subdistrict's system.

Proprietary funds:

Water Fund. Water Fund revenues are not projected to change in 2023 except for one-time capital contributions to the water fund from the Ravenna bond proceeds and Valley View Christian Church. Funds from Ravenna and the Church will be transferred from the Water Fund to the Capital Projects Fund for projects. Water Fund expenses are projected to decrease 2%, because the large capital projects planned will be accounted for in the Capital Projects budget. This is despite a 9.5% increase in payroll expenses, a 5.6% increase in utilities, and a 28% increase in water costs (4% Aurora rate increase + Aurora drought surcharge + increased use due to hotter, drier summers).

Sewer Fund. Sewer Fund revenues are projected to increase 21% in 2023 because of a 5% increase in Littleton treatment charges that required a 5% increase in sewer charges, and continued growth in Dominion wastewater conveyance fees. Sewer Fund expenses are expected to increase 11% for 2023 versus 2022 because of increased payroll expenses, increased engineering fees due to the number of projects planned, and increased service fees to Littleton.

Plum Valley Heights Subdistrict of Roxborough Water and Sanitation District

The District develops a separate budget for the Subdistrict, but we are only using the Debt Service Fund to track the outstanding debt to the Colorado Water Resources and Power Development Authority and the Colorado Water Conservation Board, for NWDC Project construction costs, water, and miscellaneous expenses such as legal and engineering related only to the Subdistrict. All administrative and operating expenses for the Subdistrict are included in the District's budget.

We are limited to collecting no more than \$450,000 in property taxes to service the debt in the Subdistrict Debt Service Fund. The Assessed Value for the Subdistrict did not change significantly for 2023, so no adjustment to the Debt Service Mill Levy will be needed.

BASIC FINANCIAL STATEMENTS

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities	Business- Type Activities	Total
<u>Assets</u>			
Cash and investments	\$ 8,676,080	\$ 24,015,955	\$ 32,692,035
Restricted cash	1,386,569	0	1,386,569
Accounts receivable	0	1,104,194	1,104,194
Property taxes receivable	2,778,958	0	2,778,958
Prepaid expenses	26,208	78,624	104,832
Capital assets not being depreciated	18,440	37,106,442	37,124,882
Capital assets, net of accumulated depreciation	5,119,144	69,486,299	74,605,443
 Total Assets	 18,005,399	 131,791,514	 149,796,913
<u>Liabilities</u>			
Accounts payable	147,263	520,002	667,265
Unearned revenue	0	5,136,629	5,136,629
Accrued interest payable	227,939	0	227,939
Retainage payable	65,497	145,512	211,009
Noncurrent liabilities			
Due within one year	1,355,728	18,450	1,374,178
Due in more than one year	23,228,779	92,274	23,321,053
 Total Liabilities	 25,025,206	 5,912,867	 30,938,073
<u>Deferred Inflows of Resources</u>			
Unavailable revenue-property taxes	2,778,958	0	2,778,958
<u>Net Position</u>			
Net investment in capital assets	5,072,087	106,447,229	111,519,316
Restricted	7,214,732	0	7,214,732
Unrestricted	(22,085,584)	19,431,418	(2,654,166)
 Total Net Position (Deficit)	 \$ (9,798,765)	 \$ 125,878,647	 \$ 116,079,882

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

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<u>Function/Programs</u>				
Governmental Activities				
General Government	\$ 635,907	\$ 0	\$ 0	\$ 0
Interest on long-term debt	770,172	0	0	0
Total Governmental Activities	1,406,079	0	0	0
Business-Type Activities				
Water	6,509,033	5,538,701	92,060	2,576,479
Sewer	3,056,296	2,409,922	30,398	1,125,766
Total Business-Type Activities	9,565,329	7,948,623	122,458	3,702,245
Total Primary Government	\$ 10,971,408	\$ 7,948,623	\$ 122,458	\$ 3,702,245

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

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Net (Expense) Revenues and Changes in Net Position		
	Primary Government		
	Govern- mental Activities	Business- Type Activities	Total
<u>Function/Programs</u>			
Governmental Activities			
General Government	\$ (635,907)	\$ 0	\$ (635,907)
Interest on long-term debt	(770,172)	0	(770,172)
Total Governmental Activities	(1,406,079)	0	(1,406,079)
Business-Type Activities			
Water	0	1,698,207	1,698,207
Sewer	0	509,790	509,790
Total Business-Type Activities	0	2,207,997	2,207,997
Total Primary Government	(1,406,079)	2,207,997	801,918
General Revenues			
Property taxes	3,085,613	0	3,085,613
Specific ownership taxes	254,044	0	254,044
Investment income	49,573	299,334	348,907
Transfers	(34)	34	0
Total General Revenues and Transfers	3,389,196	299,368	3,688,564
Change in Net Position	1,983,117	2,507,365	4,490,482
Net Position (Deficit), Beginning	(11,781,882)	123,371,282	111,589,400
Net Position (Deficit), Ending	\$ (9,798,765)	\$ 125,878,647	\$ 116,079,882

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

ROXBOROUGH WATER AND SANITATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Debt Service	Plum Valley Heights	(Nonmajor) Capital Projects	Total
<u>Assets</u>					
Cash and investments	\$ 2,483,811	\$ 5,569,518	\$ 430,437	\$ 192,314	\$ 8,676,080
Restricted cash	0	1,386,569	0	0	1,386,569
Property taxes receivable	1,761,246	567,412	450,300	0	2,778,958
Prepaid items	26,208	0	0	0	26,208
Total Assets	<u>\$ 4,271,265</u>	<u>\$ 7,523,499</u>	<u>\$ 880,737</u>	<u>\$ 192,314</u>	<u>\$ 12,867,815</u>
<u>Liabilities</u>					
Accounts payable	\$ 19,422	\$ 0	\$ 2,108	\$ 125,733	\$ 147,263
Retainage payable	0	0	0	65,497	65,497
Total Liabilities	<u>19,422</u>	<u>0</u>	<u>2,108</u>	<u>191,230</u>	<u>212,760</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue- property taxes	<u>1,761,246</u>	<u>567,412</u>	<u>450,300</u>	<u>0</u>	<u>2,778,958</u>
<u>Fund Balances</u>					
Nonspendable:					
Prepaid items	26,208	0	0	0	26,208
Restricted for:					
Emergencies	58,255	0	0	0	58,255
Debt service	0	6,956,087	0	0	6,956,087
Special revenue fund	0	0	428,329	0	428,329
Assigned - capital projects	0	0	0	1,084	1,084
Unassigned	2,406,134	0	0	0	2,406,134
Total Fund Balances	<u>2,490,597</u>	<u>6,956,087</u>	<u>428,329</u>	<u>1,084</u>	<u>9,876,097</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,271,265</u>	<u>\$ 7,523,499</u>	<u>\$ 880,737</u>	<u>\$ 192,314</u>	<u>\$ 12,867,815</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances of governmental funds	\$ 9,876,097
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount is net of accumulated depreciation of \$1,139,156.	5,137,584
Accrued interest payable.	(227,939)
Long-term liabilities, including related items, including loans payable (\$24,507,618), loan premium (\$69,943) accrued compensated absences (\$6,946), are not due and payable in the current year and, therefore, are not reported in the funds.	<u>(24,584,507)</u>
Total Net Position (Deficit) of Governmental Activities	<u>\$ (9,798,765)</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General	Debt Service	Plum Valley Heights	(Nonmajor) Capital Projects	Total
<u>Revenues</u>					
Property taxes	\$ 1,764,610	\$ 869,798	\$ 451,205	\$ 0	\$ 3,085,613
Specific ownership taxes	142,651	70,314	41,079	0	254,044
Investment income	34,565	10,378	4,630	0	49,573
Total Revenues	1,941,826	950,490	496,914	0	3,389,230
<u>Expenditures</u>					
General government	473,274	13,041	20,357	0	506,672
Debt Service					
Principal	0	1,040,471	283,891	0	1,324,362
Interest and fiscal charges	0	644,558	135,471	0	780,029
Total Expenditures	473,274	1,698,070	439,719	0	2,611,063
Revenues Over (Under) Expenditures	1,468,552	(747,580)	57,195	0	778,167
<u>Other Financing Sources (Uses)</u>					
Transfers In	0	1,242,198	0	1,140,000	2,382,198
Transfers Out	(700,000)	0	0	(1,682,232)	(2,382,232)
Total Other Financing Sources (Uses)	(700,000)	1,242,198	0	(542,232)	(34)
Net Change in Fund Balances	768,552	494,618	57,195	(542,232)	778,133
Fund Balances, Beginning	1,722,045	6,461,469	371,134	543,316	9,097,964
Fund Balances, Ending	\$ 2,490,597	\$ 6,956,087	\$ 428,329	\$ 1,084	\$ 9,876,097

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

ROXBOROUGH WATER AND SANITATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Amounts reported for governmental activities in the statements of activities are different because:

Net change in fund balances, total governmental funds	\$ 778,133
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This amount represents depreciation expense in excess of capital outlay in the current year.	(166,134)
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This amount is the net effect of these differences in the treatment of long-term debt and related items: amortization of loan premium \$23,133, change in accrued interest payable \$9,857, and change in compensated absences \$13,766.	46,756
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Payments of principal are expenditures in the governmental funds, but they change long-term liabilities in the statement of net position and do not affect the statement of activities.	1,324,362
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Change in Net Position of Governmental Activities	\$ 1,983,117
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The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Assets</u>			
Current Assets			
Cash and investments	\$ 11,409,895	\$ 12,606,060	\$ 24,015,955
Accounts receivable	626,268	477,926	1,104,194
Prepaid expenses	52,416	26,208	78,624
	<u>12,088,579</u>	<u>13,110,194</u>	<u>25,198,773</u>
Total Current Assets			
Noncurrent Assets			
Capital assets not being depreciated	31,820,446	5,285,996	37,106,442
Capital assets, net	56,801,748	12,684,551	69,486,299
	<u>88,622,194</u>	<u>17,970,547</u>	<u>106,592,741</u>
Total Noncurrent Assets			
Total Assets	<u>100,710,773</u>	<u>31,080,741</u>	<u>131,791,514</u>
<u>Liabilities</u>			
Current liabilities			
Accounts payable	402,497	117,505	520,002
Unearned revenue	3,211,597	1,925,032	5,136,629
Retainage payable	145,512	0	145,512
	<u>3,759,606</u>	<u>2,042,537</u>	<u>5,802,143</u>
Total Current Liabilities			
Noncurrent Liabilities			
Compensated absences - current	12,398	6,052	18,450
Compensated absences - long-term	62,017	30,257	92,274
	<u>74,415</u>	<u>36,309</u>	<u>110,724</u>
Total Noncurrent Liabilities			
Total Liabilities	<u>3,834,021</u>	<u>2,078,846</u>	<u>5,912,867</u>
<u>Net Position</u>			
Net investment in capital assets	88,476,682	17,970,547	106,447,229
Unrestricted	8,400,070	11,031,348	19,431,418
	<u>\$ 96,876,752</u>	<u>\$ 29,001,895</u>	<u>\$ 125,878,647</u>
Total Net Position			

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

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Operating Revenues</u>			
Charges for services	\$ 4,833,993	\$ 2,234,945	\$ 7,068,938
Dominion capital lease O-line	0	200,000	200,000
Permit fees	23,925	23,925	47,850
Outside treatment	553,928	0	553,928
Inclusion fees	68,557	0	68,557
Miscellaneous income (loss)	58,298	(48,948)	9,350
	<u>5,538,701</u>	<u>2,409,922</u>	<u>7,948,623</u>
<u>Operating Expenses</u>			
Personnel services	992,619	438,297	1,430,916
Operations	3,661,903	1,803,127	5,465,030
Depreciation	1,854,511	814,872	2,669,383
	<u>6,509,033</u>	<u>3,056,296</u>	<u>9,565,329</u>
Operating Income (Loss)	<u>(970,332)</u>	<u>(646,374)</u>	<u>(1,616,706)</u>
<u>Nonoperating Revenues</u>			
Investment Income	150,539	148,795	299,334
Availability Charges	92,060	30,398	122,458
	<u>242,599</u>	<u>179,193</u>	<u>421,792</u>
Net Income (Loss) Before Transfers and Capital Contributions	(727,733)	(467,181)	(1,194,914)
Transfer in	5,632,977	202,905	5,835,882
Transfer out	(5,805,260)	(30,588)	(5,835,848)
Capital contributions	2,576,479	1,125,766	3,702,245
	<u>1,676,463</u>	<u>830,902</u>	<u>2,507,365</u>
Change in Net Position			
Net Position, beginning	<u>95,200,289</u>	<u>28,170,993</u>	<u>123,371,282</u>
Net Position, ending	<u>\$ 96,876,752</u>	<u>\$ 29,001,895</u>	<u>\$ 125,878,647</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Cash Flows from Operating Activities</u>			
Cash received from customers	\$ 5,830,172	\$ 3,117,350	\$ 8,947,522
Cash payments to suppliers	(3,506,107)	(1,749,386)	(5,255,493)
Cash payments to employees	(974,126)	(428,914)	(1,403,040)
Other cash received (paid)	58,298	(48,948)	9,350
	<u>1,408,237</u>	<u>890,102</u>	<u>2,298,339</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers from other funds	5,632,977	202,905	5,835,882
Transfers to other funds	(5,805,260)	(30,588)	(5,835,848)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(172,283)</u>	<u>172,317</u>	<u>34</u>
<u>Cash Flows from Capital and Related Financing Activities</u>			
Acquisition and construction of capital assets	(5,686,072)	(573,369)	(6,259,441)
Capital charges received	2,576,479	1,050,798	3,627,277
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,109,593)</u>	<u>477,429</u>	<u>(2,632,164)</u>
<u>Cash Flows from Investing Activities</u>			
Investment income	150,539	148,795	299,334
Net Cash Provided by Investing Activities	<u>150,539</u>	<u>148,795</u>	<u>299,334</u>
Net increase in cash and investments	(1,723,100)	1,688,643	(34,457)
Cash and investments, beginning	<u>13,132,995</u>	<u>10,917,417</u>	<u>24,050,412</u>
Cash and investments, ending	<u>\$ 11,409,895</u>	<u>\$ 12,606,060</u>	<u>\$ 24,015,955</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities			
Operating gain (loss)	\$ (970,332)	\$ (646,374)	\$ (1,616,706)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	1,854,511	814,872	2,669,383
Receipt of system availability charges	92,060	30,398	122,458
Changes in assets and liabilities			
Accounts receivable	257,709	628,082	885,791
Prepaid Expenses	(8,956)	(4,472)	(13,428)
Accounts payable	164,752	58,213	222,965
Accrued compensated absences	18,493	9,383	27,876
Net Cash Provided by Operating Activities	<u>\$ 1,408,237</u>	<u>\$ 890,102</u>	<u>\$ 2,298,339</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Roxborough Water and Sanitation District (the “District”), previously the Roxborough Park Metropolitan District, was formed on January 12, 1972, to provide water, sewer and fire protection services within its boundaries. Effective July 1, 1999, the District’s fire protection services were merged into the West Metro Fire Protection District (the “WMFP”). By intergovernmental agreement, the District conveyed ownership of the fire station and all fire equipment to the WMFP, along with property tax revenues related to these services. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the District conform to generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are reported as part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District.

Based upon the application of this criteria, the District reports Plum Valley Heights as a blended component unit. Colorado State Statutes allow for the formation of subdistricts. Under the statute, subdistricts are independent quasi-municipal corporations, for whom the District’s Board of Directors constitutes the Plum Valley Heights Board of Directors. In addition, management of the District is also management of the subdistrict. Plum Valley Heights does not prepare separate financial statements.

As a result of an election in November 2016, the water activities of Ravenna Metropolitan District were absorbed by the District. This has resulted in additional properties and customers receiving water services from the District.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Separate financial statements are provided for governmental and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

In the fund financial statements, the District reports the following major governmental funds.

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for resources accumulated for, and payments made on, long-term obligations of the District.

The *Plum Valley Heights Fund* accounts for the activity in the subdistrict of Plum Valley Heights. This fund is reported as a special revenue fund, as the revenues derived from this subdistrict are used to support its operations.

Additionally, the District reports the following major proprietary funds.

The *Water Fund* accounts for the activities associated with the provision of water services.

The *Sewer Fund* accounts for the activities associated with the provision of sewer services.

Cash and Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents are defined as investments with original maturities of three months or less. Pooled cash and investments are categorized as cash equivalents.

Receivables – All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2022, the District expects to collect all accounts receivable balances.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and for the proprietary funds in the fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated 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 asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Collection and Distribution Systems	30-60 years
Vehicles and Equipment	3-15 years

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Accordingly, the item, *unavailable revenue*, is reported for property taxes levied in the current year but collected for use in the next fiscal period.

Compensated Absences – Employees of the District are allowed to accumulate unused vacation and sick time. Employees are limited to 960 hours of accrued sick time and are not allowed to carry more than 100 hours of accrued vacation to the following year. Upon termination of employment from the District, an employee will be compensated for all accrued vacation time and 50% of accrued sick time. Accrued sick time in excess of 960 hours at year end is paid out at 50%. A liability for these compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements.

Long-Term Debt – In the government-wide financial statements, and for the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize debt premiums and discounts during the current year. The face amount of debt issued is reported as other financing sources.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes, determined by a formal action of the Board of Directors. The Board of Directors is the highest level of decision-making body for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board of Directors may assign fund balances for specific purposes.

Unassigned – All other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance is available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

Net Position

Net position in the government-wide Statement of Net Position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments. At December 31, 2022, the net position of the governmental activities is a deficit of \$9,978,765. This is the result of the governmental funds being responsible for the repayment of loans that were used to finance construction of capital assets which were then transferred to the enterprise funds. As revenues are collected for debt service payments management believes the net position will become positive.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits them to the District on a monthly basis.

Current Year GASB Pronouncement

For the year ended December 31, 2022, the District adopted the provision of GASB Statement No. 87, *Leases*, which is effective for periods beginning after June 15, 2021. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that the leases are refinancings of the right to use the underlying asset. For the year ended December 31, 2022, the implementation of the new standard had no material impact on the District.

NOTE 2 - CASH AND INVESTMENTS

At December 31, 2022, cash and investments consisted of the following:

Deposits	\$ 13,314,582
Restricted cash	1,386,569
Investments	19,377,453
Total	<u>\$ 34,078,604</u>

Restricted cash is comprised of debt service reserves required by the lender.

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 regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2022, the District had bank deposits, with a book balance of \$14,701,151, comprised of \$250,000 which was covered by FDIC insurance and the remaining covered by PDPA.

Investments

The District is required to comply with State statutes which specify instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

The District's investment policy follows State statutes and allows the following investments.

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

Interest Rate Risk – State statutes limit investments in U.S. Agency securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

The District has interest rate risk related only to the investment in the Colorado Local Government Liquid Asset Trust (COLOTRUST). At December 31, 2022, COLOTRUST'S Plus+ portfolio had a weighted average maturity of 44 days to reset and 71 days to maturity.

Credit Risk – State statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

Local Government Investment Pools – At December 31, 2022, the District had \$19,377,453 invested in COLOTRUST, an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating COLOTRUST. COLOTRUST operate similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST are limited to those allowed by State statutes.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. COLOTRUST are rated AAAM by Standard and Poor's and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 3 - INTERFUND BALANCES AND TRANSACTIONS

<u>Transfer out</u>	<u>Amount</u>	<u>Transfer in</u>	<u>Amount</u>
General Fund	\$ 700,000	Debt Service Fund	\$ 1,242,198
Capital Projects Fund	1,682,232	Capital Projects Fund	1,140,000
Water Fund	5,805,260	Water Fund	5,632,977
Sewer Fund	30,588	Sewer Fund	202,905
	<u>\$ 8,218,080</u>		<u>\$ 8,218,080</u>

Availability charges collected by the Water and Sewer Funds are required by State statute to be used for debt service and are transferred to the Debt Service Fund. The transfers from the General Fund to the Water and Sewer Funds were determined during the budget process. Transfers from the Debt Service Fund to Plum Valley Heights relate to debt service payments.

NOTE 4 - CAPITAL ASSETS

	<u>Balance 12/31/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/22</u>
<u>Governmental-Type Activities</u>				
Capital assets, not being depreciated:				
Easements	\$ 18,440	\$ 0	\$ 0	\$ 18,440
Capital assets, being depreciated:				
Infrastructure	6,074,963	0	0	6,074,963
Furniture and equipment	131,432	51,905	0	183,337
Total being depreciated	6,206,395	51,905	0	6,258,300
Less accumulated depreciation:	(921,117)	(218,039)	0	(1,139,156)
Total being depreciated, net	5,285,278	(166,134)	0	5,119,144
Governmental-Type Activities				
Capital Assets, Net	<u>\$ 5,303,718</u>	<u>\$ (166,134)</u>	<u>\$ 0</u>	<u>\$ 5,137,584</u>

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
<u>Business-Type Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 204,511	\$ 0	\$ 0	\$ 204,511
Tap fees	29,883,804	0	0	29,883,804
Water rights	4,252,360	0	0	4,252,360
Construction in progress	0	2,765,767	0	2,765,767
Total not being depreciated	<u>34,340,675</u>	<u>2,765,767</u>	<u>0</u>	<u>37,106,442</u>
Capital assets, being depreciated:				
Land improvements	5,514	0	0	5,514
Collections and distribution	100,126,202	3,386,047	0	103,512,249
Vehicles and equipment	696,730	107,627	0	804,357
Total being depreciated	<u>100,828,446</u>	<u>3,493,674</u>	<u>0</u>	<u>104,322,120</u>
Less accumulated depreciation:				
Land improvements	(5,514)	0	0	(5,514)
Collections and distribution	(31,521,462)	(2,627,451)	0	(34,148,913)
Vehicles and equipment	(639,462)	(41,932)	0	(681,394)
Total accumulated depreciation	<u>(32,166,438)</u>	<u>(2,669,383)</u>	<u>0</u>	<u>(34,835,821)</u>
Total capital assets, being depreciated, net	<u>68,662,008</u>	<u>824,291</u>	<u>0</u>	<u>69,486,299</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 103,002,683</u>	<u>\$ 3,590,058</u>	<u>\$ 0</u>	<u>\$ 106,592,741</u>

Depreciation expense was charged to programs of the District as follows during the year ended December 31, 2022:

Governmental activities	
General Government	<u>\$ 218,039</u>
Business-type activities	
Water	\$ 1,854,511
Sewer	814,872
Total	<u>\$ 2,669,383</u>

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2022:

	Balance 12/31/21	Additions	Payments	Balance 12/31/22	Due Within One Year
Governmental-Type Activities:					
2005 CWRPDA Loan	\$ 2,875,000	\$ 0	\$ 535,000	\$ 2,340,000	\$ 545,000
Loan Premium	93,076	0	23,133	69,943	0
2014 CWCB Loan	15,649,931	0	468,020	15,181,911	483,231
2015 CWCB-Raw Water Loan	2,052,005	0	52,860	1,999,145	54,473
2015 CWRPDA Loan	3,827,302	0	231,031	3,596,271	233,235
2019 CWCB Loan	1,427,742	0	37,451	1,390,291	38,631
Compensated absences	20,712	5,616	19,382	6,946	1,158
Total	<u>\$25,945,768</u>	<u>\$ 5,616</u>	<u>\$ 1,366,877</u>	<u>\$24,584,507</u>	<u>\$1,355,728</u>

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

2005 Clean Water Revenue Bonds were issued by the Colorado Water Resources and Power Development Authority and proceeds were loaned to the District to finance a sewer pipeline and two pump stations. Principal and interest payments are due semi-annually on February 1 and August 1, through 2026. Interest accrues at the rate of 3.35% per annum.

2014 Colorado Water Conservation Board Note was entered into in November 2014. The loan proceeds were used to purchase a permanent water supply from the City of Aurora by the enterprise funds. Principal and interest payments are due annually on December 1 through 2044. Interest accrues at the rate of 3.25% per annum.

During 2015, the District entered into a loan agreement with the Colorado Water Conservation Board for the Raw Water Supply Project to obtain a renewable subdistrict water supply and allow customers to discontinue their current use of private wells and non-renewable water. The total loan amount is \$2,248,260 payable over 30 years at an interest rate of 3.05%. Interest and loan fees are due when the project is completed. The loan matures February 2047.

2015 Clean Water Revenue Bonds were issued by the Colorado Water Resources and Power Development Authority and proceeds were loaned to the District to finance the Plum Valley Heights water pipeline. Principal and interest payments are due semi-annually on February 1 and August 1, through 2036. Interest accrues at the rate of 2.07% per annum.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 - LONG-TERM DEBT (CONTINUED)

2019 Colorado Water Conservation Board Note was entered into in January 2019. The loan proceeds received were used for the Ravenna development interconnect. Principal and interest payments are due annually on February 1 through 2047. Interest accrues at the rate of 3.15% per annum.

Future payments for the outstanding debt, which has a maturity schedule, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,354,570	\$ 811,127	\$ 2,165,697
2024	1,391,092	716,811	2,107,903
2025	1,448,217	720,276	2,168,493
2026	1,510,953	653,396	2,164,349
2027	895,802	584,810	1,480,612
2028-2032	4,869,465	2,536,357	7,405,822
2033-2037	5,363,557	1,726,182	7,089,739
2038-2042	4,947,697	924,877	5,872,574
2043-2047	2,726,265	170,146	2,896,411
Total	<u>\$ 24,507,618</u>	<u>\$ 8,843,982</u>	<u>\$ 33,351,600</u>

Business-Type Activities

Following are the long-term debt transactions of the business-type activities for the year ended December 31, 2022:

	<u>Balance</u> <u>12/31/21</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/22</u>	<u>Due Within</u> <u>One Year</u>
<u>Business-Type Activities</u>					
Accrued compensated absences	<u>\$ 82,848</u>	<u>\$ 77,830</u>	<u>\$ 49,954</u>	<u>\$ 110,724</u>	<u>\$ 18,450</u>

NOTE 6 - PUBLIC ENTITY RISK POOL

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. For these risks of loss, the District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 - PUBLIC ENTITY RISK POOL (CONTINUED)

In the event aggregated losses incurred by the Pool exceeded 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.

The purposes of the Pool are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to property and to persons or property which might result in claims being made against members of the Pool, their employees and officers.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability of loss, to the limit of the financial resources of the Pool.

It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members. The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the Pool. Settled claims have not exceeded coverage in any of the past three fiscal years.

NOTE 7 - RETIREMENT COMMITMENTS

Profit Sharing Plan

The District has established a profit sharing pension plan on behalf of all District employees. The contribution requirements of plan participants and the District are established and may be amended by the Board of Directors. All employees are eligible to participate in the plan upon employment, and become fully vested after five years of service. Forfeitures are used to offset current contributions. There were no forfeitures during 2022.

The District may contribute up to 15% of each participating employee's compensation. During the year ended December 31, 2022, the District contributed \$148,137 to the Plan. All contributions are deposited to the individual employee's self-directed accounts and the District has no further fiduciary responsibility for the plan assets.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 - RETIREMENT COMMITMENTS (CONTINUED)

Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all District employees and permits them to defer a portion of their salary until future years. All plan investments are held in trust for the exclusive benefit of the employees. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the “Amendment”) which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

In November 2001, the District electors allowed the District to spend the full proceeds of any taxes, fees, charges, grants, rates, tolls or any other revenues collected in fiscal year 2000 and in all subsequent fiscal years without regard to any limitation contained in the Amendment. In November 2014, the Subdistrict electors also allowed Plum Valley Heights to spend the full proceeds of any taxes, fees, charges, grants, rates, tolls or any other revenues collected in fiscal year 2014 and in all subsequent fiscal years without regard to any limitation contained in the Amendment.

The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2022, the emergency reserve of \$58,255 was reported as a restriction of fund balances and in the government wide statements.

Other Commitments and Contingencies

The District has entered into a contract to purchase sewer treatment services from the City of Littleton, Colorado. This City is treating all wastewater of the District. The contract is irrevocable by the District as long as bonds to finance the City’s treatment plant are still outstanding.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Other Commitments and Contingencies (continued)

During 2020, the District entered into an intergovernmental agreement (IGA) with Dominion Water and Sanitation District (Dominion) for the temporary use of and acquisition of capacity in the District's wastewater conveyance system. Pursuant to the IGA, Dominion is required to pay the District (1) an annual payment of \$150,000 and up to \$400,000 dependent on the number of Dominion equivalent residential unit (EQR) connections, (2) an operations fee of twenty dollars per month per EQR connection, and (3) an annual capital improvements fee of \$1,000,000 through the year ended December 31, 2021 and an additional \$1,000,000 depending on the number of EQR connections, up to a total of \$5,000,000. During the year ended December 31, 2022, Dominion paid the District \$1,000,000 in capital improvements fees. Total capital improvement payments received since inception of the IGA through December 31, 2022 was \$2,000,000 and is included in unearned revenue until the District incurs construction costs pursuant to the IGA. During the year ended December 31, 2022, the District recognized Dominion revenue of \$200,000, which is included in accounts receivable as of December 31, 2022. The IGA is effective until December 31, 2028.

NOTE 9 - SUBSEQUENT EVENT

Effective in March 2023, the District entered into an agreement with Castle Rock Water Enterprise for the sale of easement, water rights, storage capacity, and other infrastructure for a purchase price of \$2,273,000.

REQUIRED SUPPLEMENTARY INFORMATION

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 1,790,437	\$ 1,764,610	\$ (25,827)
Specific ownership taxes	120,000	142,651	22,651
Investment income	750	34,565	33,815
Miscellaneous income	1,000	0	(1,000)
Total Revenues	<u>1,912,187</u>	<u>1,941,826</u>	<u>29,639</u>
<u>Expenditures</u>			
Salaries and benefits	110,000	113,118	(3,118)
Accounting and audit	60,000	59,982	18
Contract labor	20,000	5,310	14,690
Director fees	8,000	8,000	0
Election Expense	30,000	27,303	2,697
Education	30,000	12,301	17,699
Engineering	50,000	32,839	17,161
Insurance	30,000	24,104	5,896
Legal fees	30,000	20,727	9,273
Miscellaneous	20,000	12,808	7,192
Office expense	40,000	42,259	(2,259)
Permits, dues and subscriptions	5,000	25,775	(20,775)
Rent	5,000	2,694	2,306
Repairs and maintenance	100,000	2,259	97,741
Treasurer fees	20,000	26,457	(6,457)
Utilities	5,000	1,756	3,244
Vehicle expense	6,000	2,149	3,851
Bank Charges	0	1,528	(1,528)
Capital outlay	12,000	51,905	(39,905)
Total Expenditures	<u>581,000</u>	<u>473,274</u>	<u>107,726</u>
Excess of Revenues Over Expenditures	1,331,187	1,468,552	137,365
Other Financing Sources (Uses)			
Transfers out	<u>(700,000)</u>	<u>(700,000)</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ 631,187</u>	768,552	<u>\$ 137,365</u>
Fund Balances, Beginning		1,722,045	
Fund Balances, Ending		<u>\$ 2,490,597</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
PLUM VALLEY HEIGHTS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Property taxes	\$ 451,429	\$ 451,205	\$ (224)
Specific ownership taxes	50,000	41,079	(8,921)
Investment income	85	4,630	4,545
	<u>501,514</u>	<u>496,914</u>	<u>(4,600)</u>
Total Revenues			
<u>Expenditures</u>			
Accounting and audit	12,000	12,000	0
Bank service charges	0	300	(300)
Education	1,000	0	1,000
Engineering	2,500	0	2,500
Legal fees	1,000	1,296	(296)
Treasurer fees	9,000	6,761	2,239
Debt Service			
Principal	283,891	283,891	0
Interest	135,473	135,471	2
	<u>444,864</u>	<u>439,719</u>	<u>5,145</u>
Total Expenditures			
Excess of Revenues Over (Under)			
Expenditures	<u>56,650</u>	<u>57,195</u>	<u>545</u>
Net Change in Fund Balances	<u>\$ 56,650</u>	57,195	<u>\$ 545</u>
Fund Balances, Beginning		<u>371,134</u>	
Fund Balances, Ending		<u>\$ 428,329</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

NOTE 1 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

Budgets are legally adopted for all funds of the District. Budgets for the General and Debt Service Funds, Capital Projects, and Plum Valley Heights are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures, and depreciation is not budgeted.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- In October, District management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted in November to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
System capacity improvements	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<u>Expenditures</u>			
Capital Outlay	2,360,000	0	2,360,000
Total Expenditures	<u>2,360,000</u>	<u>0</u>	<u>2,360,000</u>
Excess of Revenues Over Expenditures	<u>(2,360,000)</u>	<u>0</u>	<u>2,360,000</u>
Other Financing Sources (Uses)			
Transfers in	2,360,000	1,140,000	(1,220,000)
Transfers out	<u>0</u>	<u>(1,682,232)</u>	<u>(1,682,232)</u>
Total other financing sources	2,360,000	(542,232)	(2,902,232)
Net Change in Fund Balances	<u>\$ 0</u>	(542,232)	<u>\$ (542,232)</u>
Fund Balances, Beginning		<u>543,316</u>	
Fund Balances, Ending		<u>\$ 1,084</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 836,383	\$ 869,798	\$ 33,415
Specific ownership taxes	80,000	70,314	(9,686)
Investment income	30,000	10,378	(19,622)
	<u>946,383</u>	<u>950,490</u>	<u>4,107</u>
<u>Expenditures</u>			
Treasurers fees	15,000	13,041	1,959
Debt Service			
Principal	949,973	1,040,471	(90,498)
Interest	795,678	644,558	151,120
	<u>1,760,651</u>	<u>1,698,070</u>	<u>62,581</u>
Excess of Revenues Over (Under) Expenditures	(814,268)	(747,580)	66,688
Other Financing Sources (Uses)			
Transfers in	1,252,000	1,242,198	(9,802)
	<u>1,252,000</u>	<u>1,242,198</u>	<u>(9,802)</u>
Net Change in Fund Balances	<u>\$ 437,732</u>	494,618	<u>\$ 56,886</u>
Fund Balances, Beginning		<u>6,461,469</u>	
Fund Balances, Ending		<u>\$ 6,956,087</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 3,200,000	\$ 4,833,993	\$ 1,633,993
Permit fees	1,200	23,925	22,725
Other water sales	330,000	553,928	223,928
Miscellaneous	77,200	58,298	(18,902)
Capital charges	1,116,808	1,261,830	145,022
Dominion distribution operations	600,000	806,148	206,148
Inclusion fees	100,000	68,557	(31,443)
Reimbursements	20,000	86,756	66,756
System development charges	525,000	421,745	(103,255)
Investment income	50,000	150,539	100,539
Availability charges	120,000	92,060	(27,940)
Transfers in	500,000	5,632,977	5,132,977
Total Revenues	<u>6,640,208</u>	<u>13,990,756</u>	<u>7,350,548</u>
<u>Expenditures</u>			
Accounting and audit	65,000	59,371	5,629
Permits, dues and subscriptions	8,000	10,559	(2,559)
Contract labor	55,000	37,501	17,499
Education	30,000	18,639	11,361
Engineering	250,000	260,238	(10,238)
GPS/GIS	25,000	25,048	(48)
Insurance	40,000	48,208	(8,208)
Lab and test fees	29,000	14,074	14,926
Legal fees	75,000	33,462	41,538
Meter expense	125,000	225,841	(100,841)
Miscellaneous	20,000	7,661	12,339
Office expense	40,000	24,201	15,799
Operating supplies	124,000	153,873	(29,873)
Payroll, taxes and benefits	990,000	992,619	(2,619)
Repairs and maintenance	450,000	420,128	29,872
Safety Equipment	7,000	0	7,000
Utilities	265,000	342,809	(77,809)
Vehicle expense	22,000	6,409	15,591
Dominion	80,000	0	80,000
Water cost	1,630,000	1,968,038	(338,038)
Capital outlay	5,685,000	5,670,531	14,469
Conservation rebates	2,500	1,225	1,275
Water rights capital	100,000	4,618	95,382
Transfers out	2,956,808	5,805,260	(2,848,452)
Total Expenditures	<u>13,074,308</u>	<u>16,130,313</u>	<u>(3,056,005)</u>
Change in Net Position, Budgetary Basis	<u>\$ (6,434,100)</u>	<u>(2,139,557)</u>	<u>\$ 10,406,553</u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS
WATER FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

Reconciliation to GAAP Basis	
Capital outlay	\$ 5,670,531
Depreciation	<u>(1,854,511)</u>
Change in net position, GAAP Basis	1,676,463
Net position, beginning	<u>95,200,289</u>
Net position, ending	<u><u>\$ 96,876,752</u></u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 1,600,000	\$ 1,891,619	\$ 291,619
Charges for services-Lockheed			
Martin Agreement	300,000	343,326	43,326
Dominion capital lease O-line	200,000	200,000	-
Dominion sewer conveyance	0	387,940	387,940
Permit fees	5,000	23,925	18,925
Miscellaneous income (loss)	30,000	(48,948)	(78,948)
Investment income	50,000	148,795	98,795
Availability charges	40,000	30,398	(9,602)
System development charges	50,000	334,873	284,873
Dominion sewer services	290,000	245,237	(44,763)
Capital - surcharges	100,000	157,716	57,716
Transfer in	200,000	202,905	2,905
Total Revenues	2,865,000	3,917,786	1,052,786
<u>Expenditures</u>			
Accounting and audit	30,000	30,875	(875)
Contract labor	40,000	36,523	3,477
Dominion expense	50,000	0	50,000
Education	30,000	18,280	11,720
Engineering	100,000	86,354	13,646
GPS/GIS	50,000	19,660	30,340
Insurance	28,000	24,110	3,890
Lab and test fees	1,000	918	82
Legal fees	35,000	11,969	23,031
Miscellaneous	8,000	5,853	2,147
Littleton service fees	950,000	1,062,878	(112,878)
Office expense	20,000	13,673	6,327
Operating supplies	80,000	129,452	(49,452)
Permits, dues and subscriptions	3,000	2,763	237
Payroll, taxes and benefits	325,000	438,297	(113,297)
Repairs and maintenance	200,000	252,249	(52,249)
Safety Equipment	2,000	0	2,000
Utilities	110,000	104,530	5,470
Vehicle expense	8,000	3,040	4,960
Capital outlay	2,000,000	573,369	1,426,631
Transfer out	600,000	30,588	569,412
Total Expenditures	4,670,000	2,845,381	1,824,619
Change in Net Position, Budgetary Basis	\$ (1,805,000)	1,072,405	\$ 2,877,405

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS
SEWER FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

Reconciliation to GAAP Basis	
Capital outlay	\$ 573,369
Depreciation	<u>(814,872)</u>
Change in net position, GAAP Basis	830,902
Net position, beginning	<u>28,170,993</u>
Net position, ending	<u>\$ 29,001,895</u>

See the accompanying Independent Auditors' Report.