

WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
Jefferson County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2023 AND 2022

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
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YEARS ENDED DECEMBER 31, 2023 AND 2022**

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
West Jefferson County Metropolitan District
Evergreen, Colorado

Opinion

We have audited the accompanying financial statements of the business-type activities of West Jefferson County Metropolitan District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise West Jefferson County Metropolitan District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of West Jefferson County Metropolitan District, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the West Jefferson County Metropolitan District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the West Jefferson County Metropolitan District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Jefferson County Metropolitan District's basic financial statements. The budgetary comparison schedules and other supplementary information as listed in the table of contents (collectively, the Supplementary Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited West Jefferson County Metropolitan District's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 17, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Watson Coon Ryan, LLC

CENTENNIAL, COLORADO
JULY 19, 2024

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

The management of West Jefferson County Metropolitan District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2023.

Financial Highlights

- Assets of the District exceeded its liabilities at the close of the fiscal year by \$13,191,940 (net position). Of this amount, \$1,757,497 (unrestricted net position) may be used to meet the government's ongoing obligations to its citizens and creditors.
- The District's total net position decreased by \$425,965 from the prior fiscal year.
- Compared to the prior year, the District's revenues increased \$147,068 (4.76%). Of this amount, \$93,251 is from operating revenues.
- The District's expenses, inclusive of depreciation expense, increased \$346,634 (10.41%).
- Total net operating loss of \$519,392 was a decrease of \$253,856 from last year. Excluding depreciation, net operating income was \$158,712.
- The District's total debt outstanding as of December 31, 2023 was \$2,803,033, which represents a 2021 loan from the Water Pollution Control Revolving Fund. See Note 5 (Long-Term Obligations) for additional detail of the loan.

Overview of the Financial Statements

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

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

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

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

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

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

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

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

The District's net position decreased \$425,965 in 2023, mainly resulting from the depreciation expense. As noted earlier, change in net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2023 and 2022, assets exceeded total liabilities by \$13,191,940 and \$13,617,905, respectively.

Statement of Net Position

Year Ending December 31,	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets	\$ 2,173,225	\$ 2,173,569
Capital Assets, Net	<u>13,943,276</u>	<u>14,480,462</u>
Total Assets	16,116,501	16,654,031
LIABILITIES		
Current Liabilities	216,856	243,093
Long-Term Liabilities	<u>2,707,705</u>	<u>2,793,033</u>
Total Liabilities	<u>2,924,561</u>	<u>3,036,126</u>
NET POSITION		
Net Position Invested in Capital Assets	11,140,243	11,592,576
Restricted Net Position	294,200	285,463
Unrestricted Net Position	<u>1,757,497</u>	<u>1,739,866</u>
Total Net Position	<u>\$ 13,191,940</u>	<u>\$ 13,617,905</u>

The largest portion of the District's net position reflects its investment in capital assets (e.g., disposal facilities, collection, transmission and distribution lines and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, this portion of net position is not available for future spending.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Operating revenue increased by \$93,251 and nonoperating revenue increased by \$53,817. Within the increase in operating revenue, \$4,520 was an decrease in water and \$97,771 was an increase in wastewater. Nonoperating revenue consists of proceeds from sale of assets, inclusion fees, available to serve fees, and interest income.

Operating expenses increased by \$171,459, primarily due to increase costs and inflation. General and administrative expenses increased by \$22,385 and nonoperating expenses decreased by \$473. Nonoperating expenses include loan interest and administrative fees.

Review of Change in Net Position

Year Ending December 31,	<u>2023</u>	<u>2022</u>
REVENUES		
Operating Revenue	\$ 3,141,874	\$ 3,048,623
Nonoperating Revenue	96,719	42,902
Total Revenues	<u>3,238,593</u>	<u>3,091,525</u>
EXPENSES		
Operating Expenses	2,678,714	2,507,255
General and Administrative	304,448	282,063
Depreciation	678,104	524,841
Non-Operating Expenses	14,292	14,765
Total Expenses	<u>3,675,558</u>	<u>3,328,924</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	(436,965)	(237,399)
CAPITAL CONTRIBUTIONS	11,000	63,000
CHANGE IN NET POSITION	(425,965)	(174,399)
Net Position - Beginning of Year	<u>13,617,905</u>	<u>13,792,304</u>
NET POSITION - END OF YEAR	<u><u>\$ 13,191,940</u></u>	<u><u>\$ 13,617,905</u></u>

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Budgetary Highlights

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

For wastewater, actual revenue of the District was lower than the budgeted revenue by \$358,177 mainly due to system development fees and inclusion fees. Total actual expenditures was \$452,205 less than the appropriation, which includes a positive variance of \$487,673 for capital expenditures. This large variance is mainly due to the timing of some of the budgeted capital projects include Sewer Line Replacement, Thickener Replacement, Headworks Slide Gates Replacement, Stainless Steel Gate Valves, Dewatering Facility, and Standard & Specs.

Budgeted Capital Revenue is an estimate which includes System Development Fees. This budget item is based upon future development, which is outside of the District's control. In 2023, notable developments that were included as Capital Revenue that did not connect include Nob Hill Condos (14 to 15 taps), the Observatory Property (about 60 taps), Red Moon development (24 taps), and 1212 Kerr Gulch Office Redevelopment (4 taps). These developments will either be budgeted for in future years and/or may never come to fruition.

Capital Assets Activity

The activity related to capital assets is as follows:

	2023	2022
Capital Assets:		
Land	\$ 62,631	\$ 62,631
Construction in Progress	-	7,066,822
Disposal Facilities	2,488,538	2,671,792
Treatment Facilities	6,926,841	-
Infrastructure	4,386,436	4,571,774
Other Equipment and Buildings	51,152	79,765
Mapping	27,678	27,678
Total Capital Assets, Net	\$ 13,943,276	\$ 14,480,462

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

Long-Term Debt

All scheduled payments of principal and interest on the District's outstanding debt were paid as required during 2023.

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

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Economic Factors and Next Year's Budgets and Rates

For 2024, the District has budgeted revenue for water and wastewater of \$2,699,160 and \$2,404,280, respectively, which are \$131,860 higher and \$555,293 higher compared with 2023 budgeted figures.

Request for Information

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

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

BASIC FINANCIAL STATEMENTS

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2023 AND 2022**

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,630,055	\$ 1,673,900
Cash and Cash Equivalents - Restricted	294,200	285,463
Accounts Receivable	248,970	193,164
Prepaid Expenses	-	21,042
Total Current Assets	2,173,225	2,173,569
CAPITAL ASSETS, NET		
	13,943,276	14,480,462
Total Assets	\$ 16,116,501	\$ 16,654,031
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 119,212	\$ 142,849
Accrued Interest Payable	2,316	2,395
Developers' Funds	-	2,996
Loan Payable - Current Portion	95,328	94,853
Total Current Liabilities	216,856	243,093
LONG-TERM OBLIGATIONS		
Loan Payable	2,707,705	2,793,033
Total Long-Term Obligations	2,707,705	2,793,033
NET POSITION		
Net Investment in Capital Assets	11,140,243	11,592,576
Restricted	294,200	285,463
Unrestricted	1,757,497	1,739,866
Total Net Position	13,191,940	13,617,905
Total Liabilities and Net Position	\$ 16,116,501	\$ 16,654,031

See accompanying Notes to Basic Financial Statements.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
WATER OPERATIONS		
Service Revenues	\$ 1,772,533	\$ 1,777,053
Direct Expenses	<u>(1,772,533)</u>	<u>(1,777,053)</u>
GROSS PROFIT (LOSS) FROM WATER OPERATIONS	-	-
WASTEWATER OPERATIONS		
Service Revenues	1,369,341	1,271,570
Direct Expenses	<u>(906,181)</u>	<u>(730,202)</u>
GROSS PROFIT FROM WASTEWATER OPERATIONS	463,160	541,368
GROSS PROFIT FROM OPERATIONS	463,160	541,368
GENERAL AND ADMINISTRATIVE EXPENSES		
General and Administrative	(304,448)	(282,063)
Depreciation	<u>(678,104)</u>	<u>(524,841)</u>
NET LOSS FROM OPERATIONS	(519,392)	(265,536)
NONOPERATING REVENUES	96,719	42,902
NONOPERATING EXPENSES	<u>(14,292)</u>	<u>(14,765)</u>
LOSS BEFORE CONTRIBUTIONS	(436,965)	(237,399)
CAPITAL CONTRIBUTIONS	<u>11,000</u>	<u>63,000</u>
CHANGE IN NET POSITION	(425,965)	(174,399)
Net Position - Beginning of Year	<u>13,617,905</u>	<u>13,792,304</u>
NET POSITION - END OF YEAR	<u>\$ 13,191,940</u>	<u>\$ 13,617,905</u>

See accompanying Notes to Basic Financial Statements.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 3,086,068	\$ 3,077,248
Payments to Suppliers	(2,985,757)	(3,426,051)
Net Cash Provided (Used) by Operating Activities	100,311	(348,803)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Property, Plant, and Equipment	(148,309)	(2,872,081)
Loan Proceeds	10,000	181,308
Developers' Funds Received	2,111	6,500
System Development Fees Received	11,000	20,000
Inclusion Fees Received	-	3,500
Permit Deposit Received	-	38,097
Other Income Received	3,372	47,214
Loan Interest and Administrative Fees	(14,371)	(14,844)
Loan Principal Reduction	(94,853)	(94,380)
Net Cash Used by Capital and Related Financing Activities	(231,050)	(2,684,686)
CASH FLOWS FROM INVESTING ACTIVITIES		
Certificates of Deposits Matured	-	1,495,000
Net Investment Income Received	95,631	40,332
Net Cash Provided by Investing Activities	95,631	1,535,332
NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(35,108)	(1,498,157)
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	1,959,363	3,457,520
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	\$ 1,924,255	\$ 1,959,363
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Loss from Operations	\$ (519,392)	\$ (265,536)
Adjustments to Reconcile Loss from Operations to Net Cash Provided (Used) by Operating Activities:		
Depreciation	678,104	524,841
Decrease (Increase) in Prepaid Expenses	21,042	(3,594)
Decrease (Increase) in Accounts Receivable	(55,806)	28,625
Increase (Decrease) in Accounts Payable and Accrued Expenses	(23,637)	(633,139)
Net Cash Provided (Used) by Operating Activities	\$ 100,311	\$ (348,803)

See accompanying Notes to Basic Financial Statements.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and loans is recorded as a reduction in liabilities. Tap fees and contributed assets from developers are recorded as capital contributions when received.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

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

Budgets

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

Cash Equivalents

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

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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

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

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

System Development Fees

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

Equity

Net Position

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

Estimates

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

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 and 2022 are classified in the accompanying financial statements as follows:

	2023	2022
Statement of Net Position:		
Cash and Cash Equivalents	\$ 1,630,055	\$ 1,673,900
Cash and Cash Equivalents - Restricted	294,200	285,463
Total Cash and Investments	\$ 1,924,255	\$ 1,959,363

Cash and cash equivalents as of December 31, 2023 and 2022 consist of the following:

	2023	2022
Deposits with Financial Institutions	\$ 126,139	\$ 166,751
Investments	1,798,116	1,792,612
Total Cash and Cash Equivalents	\$ 1,924,255	\$ 1,959,363

Deposits with Financial Institutions

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

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District had the following deposits with financial institutions:

	Bank Balance	Carrying Balance
Insured Deposits	\$ 142,370	\$ 126,139
Total Deposits with Financial Institutions	\$ 142,370	\$ 126,139

Investments

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements for investments that are in the possession of another party.

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

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

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

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 856,668
Colorado Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	941,448
Total		<u>\$ 1,798,116</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

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

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

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

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

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

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAmmf by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the years ended December 31, 2023 and 2022 was as follows:

	Balance December 31, 2022	Additions	Retirements	Balance December 31, 2023
Capital Assets, Not Being Depreciated:				
Land	\$ 62,631	\$ -	\$ -	\$ 62,631
Construction in Progress	7,066,822	1,383	7,068,205	-
Total Capital Assets, Not Being Depreciated	7,129,453	1,383	7,068,205	62,631
Capital Assets, Being Depreciated:				
Disposal Facilities	6,615,134	7,824	-	6,622,958
Treatment Facility	-	7,068,205	-	7,068,205
Infrastructure	11,960,923	97,312	-	12,058,235
Other Equipment and Buildings	845,444	34,399	-	879,843
Mapping	27,678	-	-	27,678
Total Capital Assets, Being Depreciated	19,449,179	7,207,740	-	26,656,919
Less Accumulated Depreciation For:				
Disposal Facilities	(3,943,342)	(191,078)	-	(4,134,420)
Treatment Facility	-	(141,364)	-	(141,364)
Infrastructure	(7,389,149)	(282,650)	-	(7,671,799)
Other Equipment and Buildings	(765,679)	(63,012)	-	(828,691)
Depreciation	(12,098,170)	(678,104)	-	(12,776,274)
Capital Assets, Net	<u>\$ 14,480,462</u>	<u>\$ 6,531,019</u>	<u>\$ 7,068,205</u>	<u>\$ 13,943,276</u>

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

Depreciation expense for the years ended December 31, 2023 and 2022 were \$678,104 and \$524,841, respectively.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the years ended December 31, 2023 and 2022:

	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023	Amounts Due Within One Year
Notes/Loans from Direct Borrowings and Placements:					
CWRPDA Loan (2021) - W21F446					
Water Pollution Control Revolving Fund	\$ 2,887,886	\$ 10,000	\$ 94,853	\$ 2,803,033	\$ 95,328
Total Long-Term Obligations	<u>\$ 2,887,886</u>	<u>\$ 10,000</u>	<u>\$ 94,853</u>	<u>\$ 2,803,033</u>	<u>\$ 95,328</u>

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

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

Water Pollution Control Revolving Fund – 2021 Loan

The District entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRDPA) on January 29, 2021 for the purpose of financing the wastewater treatment facility improvement project. The principal amount of the loan is \$3,000,000 and has an interest rate of 0.5% annually, if the finally constructed project is certified by the Water Quality Control Division (WQCD) as a Green Project; 2.5% if the finally constructed project is not certified by the WQCD as a Green Project. The loan is maturing in 30 year and is payable semi-annually on May 1 and November 1 of each year beginning November 1, 2021. Pursuant to the loan agreement, the District shall maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the wastewater fund's annual budget for the current fiscal year. As of December 31, 2023, the District is in compliance with this reserve requirement.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 95,328	\$ 13,896	\$ 109,224
2025	95,805	13,419	109,224
2026	96,284	12,939	109,223
2027	96,766	12,457	109,223
2028	97,251	11,973	109,224
2029-2033	493,607	52,513	546,120
2034-2038	506,087	40,032	546,119
2039-2043	518,881	27,236	546,117
2044-2048	532,000	14,118	546,118
2049-2051	271,024	2,037	273,061
Total	<u>\$ 2,803,033</u>	<u>\$ 200,620</u>	<u>\$ 3,003,653</u>

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6 NET POSITION

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

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023 and 2022, the District had the following net investment in capital assets, calculated as follows:

	2023	2022
Net Investment in Capital Assets:		
Capital Assets, Net	\$ 13,943,276	\$ 14,480,462
Current Portion of Long-Term Obligations	(95,328)	(94,853)
Noncurrent Portion of Long-Term Obligations	(2,707,705)	(2,793,033)
Total	\$ 11,140,243	\$ 11,592,576

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position of \$294,200 as of December 31, 2023 for the operation and maintenance reserve as required by the 2021 loan from the Water Pollution Control Revolving Fund. This restricted net position amount represents three months of operation and maintenance expenses, excluding depreciation, of the wastewater fund’s annual budget for the current fiscal year.

The unrestricted net position as of December 31, 2023 and 2022 were \$1,757,497 and \$1,739,866 , respectively.

NOTE 7 AGREEMENTS

Water Distribution and Wastewater Service Agreements

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

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

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 7 AGREEMENTS (CONTINUED)

Water Distribution and Wastewater Service Agreements (Continued)

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

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

Intergovernmental Agreement for Shared Use Facility

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

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

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2023. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

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

On May 2, 2000, the District's voters authorized the District to collect, retain and spend each year all revenue from all sources without regard to any limitations under TABOR and any other law.

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

SUPPLEMENTARY INFORMATION

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
WATER OPERATIONS		
Revenues:		
Water Sales	\$ 1,733,204	\$ 1,740,817
Service Charges	8,819	7,076
Connections and Inspections	1,510	5,060
Tap Transfer Fee	-	2,100
System Development Fees	29,000	22,000
Total Revenues	1,772,533	1,777,053
Direct Expenses:		
Water Purchases	1,733,204	1,740,817
Service Charges	8,819	7,076
Connections and Inspections	1,510	5,060
Tap Transfer Fee	-	2,100
System Development Fees	29,000	22,000
Total Direct Expenses	1,772,533	1,777,053
GROSS PROFIT FROM WATER OPERATIONS	-	-
WASTEWATER OPERATIONS		
Revenues:		
Wastewater Treatment Charges	1,366,825	1,269,434
Availability to Serve	1,680	1,500
Connections and Inspections	836	636
Total Revenues	1,369,341	1,271,570
Direct Expenses:		
Pretreatment	46,780	46,717
Collection System:	206,124	146,670
Treatment Plant:	653,277	536,815
Total Direct Expenses	906,181	730,202
GROSS PROFIT FROM WASTEWATER OPERATIONS	463,160	541,368

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION (CONTINUED)
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
GROSS PROFIT FROM WASTEWATER OPERATIONS	\$ 463,160	\$ 541,368
GENERAL AND ADMINISTRATIVE EXPENSES		
Depreciation	678,104	524,841
Accounting	20,473	29,674
Audit	7,000	11,500
Election	554	321
Insurance	24,027	17,248
Legal	22,203	30,792
Office Supplies	2,809	581
Billing Expense	27,042	23,946
Labor and Operating	178,104	156,294
Directors' Fees	6,136	6,028
Miscellaneous	16,100	5,679
Total General and Administrative Expenses	982,552	806,904
NET LOSS FROM OPERATIONS	(519,392)	(265,536)
NONOPERATING REVENUES		
Inclusions	-	3,500
Grants	-	1,322
Interest Income	95,631	35,188
Other Income	1,088	2,892
Total Nonoperating Revenues	96,719	42,902
NONOPERATING EXPENSES		
Loan Interest and Administrative Fees	14,292	14,765
Total Nonoperating Expenses	14,292	14,765
LOSS BEFORE CONTRIBUTIONS	(436,965)	(237,399)
CAPITAL CONTRIBUTIONS		
System Development Fees - Wastewater	11,000	20,000
Tap Transfer Fee	-	8,000
Other Contribution	-	35,000
Total Capital Contributions	11,000	63,000
CHANGE IN NET POSITION	\$ (425,965)	\$ (174,399)

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE – BUDGET
AND ACTUAL (BUDGETARY BASIS) - WATER
YEAR ENDED DECEMBER 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
WATER OPERATING REVENUE			
Water Sales	\$ 1,728,000	\$ 1,733,204	\$ 5,204
Service Charges	9,000	8,819	(181)
Connections and Inspections	5,000	1,510	(3,490)
Total Water Operating Revenue	<u>1,742,000</u>	<u>1,743,533</u>	<u>1,533</u>
WATER OPERATING EXPENSES			
Water Purchases	1,728,000	1,733,204	(5,204)
Service Charges	9,000	8,819	181
Connections and Inspections	5,000	1,510	3,490
Total Water Operating Expenses	<u>1,742,000</u>	<u>1,743,533</u>	<u>(1,533)</u>
GROSS PROFIT FROM WATER OPERATIONS	-	-	-
WATER CAPITAL REVENUE			
System Development Fees	402,000	29,000	(373,000)
Inclusion Fees	417,000	-	(417,000)
Tap Transfer Fees	6,300	-	(6,300)
Total Water Capital Revenue	<u>825,300</u>	<u>29,000</u>	<u>(796,300)</u>
WATER CAPITAL OUTLAY			
System Development Fees	402,000	29,000	373,000
Inclusion Fees	417,000	-	417,000
Tap Transfer Fees	6,300	-	6,300
Total Water Capital Outlay	<u>825,300</u>	<u>29,000</u>	<u>796,300</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
Funds Available - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS) - WASTEWATER
YEAR ENDED DECEMBER 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
WASTEWATER OPERATING REVENUE			
Wastewater Treatment Charges	\$ 1,365,700	\$ 1,366,825	\$ 1,125
Availability to Serve	1,500	1,680	180
Connections and Inspections	4,500	836	(3,664)
Interest Income	50,000	95,631	45,631
Other Income	4,000	1,088	(2,912)
Total Wastewater Operating Revenue	<u>1,425,700</u>	<u>1,466,060</u>	<u>40,360</u>
WASTEWATER OPERATING EXPENSES			
Pretreatment	45,000	46,780	(1,780)
Collection System:			
Repairs and Maintenance - Mains	97,000	99,389	(2,389)
Repairs and Maintenance - Lift Stations	74,000	60,944	13,056
Utilities - Lift Stations	33,000	45,791	(12,791)
Treatment Plant:			
Chemicals	54,000	62,895	(8,895)
Supervision and Labor	189,000	233,133	(44,133)
Repairs, Maintenance and Supplies	55,000	71,971	(16,971)
Utilities	158,000	147,175	10,825
Truck Expense	2,000	1,319	681
Sludge Disposal/Landfill	132,000	118,146	13,854
Permits	5,000	4,630	370
Lab Analysis, Supplies and Maintenance	3,000	2,593	407
Safety and Training	1,000	450	550
Bear Creek Watershed Dues	11,000	10,965	35
Total Wastewater Operating Expenses	<u>859,000</u>	<u>906,181</u>	<u>(47,181)</u>
GROSS PROFIT FROM WATER OPERATIONS	566,700	559,879	(6,821)
WASTEWATER CAPITAL REVENUE			
System Development Fees	289,300	11,000	(278,300)
Tap Transfer Fee	6,000	-	(6,000)
CWRPDA Loan Proceeds	-	10,000	10,000
Development Review	5,000	3,750	(1,250)
Miscellaneous	50,000	-	(50,000)
Inclusions	72,000	-	(72,000)
Grants	987	-	(987)
Total Wastewater Capital Revenue	<u>423,287</u>	<u>24,750</u>	<u>(398,537)</u>

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS) – WASTEWATER (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance
WASTEWATER NONOPERATING EXPENSES			
Accounting	\$ 30,000	\$ 20,473	\$ 9,527
Audit	7,000	7,000	-
Election	20,000	554	19,446
Insurance	19,500	24,027	(4,527)
Legal	33,000	22,203	10,797
Office Supplies	18,000	2,809	15,191
Billing Expense	27,000	27,042	(42)
Labor and Operating	144,800	178,104	(33,304)
Directors' Fees	6,500	6,136	364
Miscellaneous	12,000	17,739	(5,739)
Total Wastewater Nonoperating Expenses	<u>317,800</u>	<u>306,087</u>	<u>11,713</u>
WATER DEBT SERVICE			
CWRPDA Loan Payment	<u>109,224</u>	<u>109,224</u>	-
Total Water Debt Service	<u>109,224</u>	<u>109,224</u>	-
WASTEWATER CAPITAL OUTLAY			
Sewer Line Replacement	90,000	-	90,000
WWTP Engineering for WW Treatment Facility Design	-	1,383	(1,383)
Thickener Replacement	227,500	-	227,500
Headworks Slide Gates Replacement	25,000	-	25,000
Baldy Lift Station Pumps and Flow Meter	92,082	90,532	1,550
Stainless Steel Gate Valves	45,000	-	45,000
Dewatering Facility	58,000	-	58,000
Process Control	25,000	6,780	18,220
Standard and Specs	18,400	-	18,400
Biosolids Dewatering	-	7,824	(7,824)
Development Review	5,000	7,391	(2,391)
Miscellaneous	50,000	34,399	15,601
Total Wastewater Capital Outlay	<u>635,982</u>	<u>148,309</u>	<u>487,673</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(73,019)	21,009	94,028
Funds Available - Beginning of Year	<u>1,527,524</u>	<u>1,800,535</u>	<u>273,011</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 1,454,505</u>	<u>\$ 1,821,544</u>	<u>\$ 367,039</u>

**WEST JEFFERSON COUNTY METROPOLITAN DISTRICT
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES,
EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDED DECEMBER 31, 2023**

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Revenues (Budgetary Basis)	\$ 1,743,533	\$ 1,490,810	\$ 3,234,343
Loan Proceeds	-	(10,000)	(10,000)
Development Review	-	(2,111)	(2,111)
Total Revenues per Statement of Revenues, Expenses, and Change in Net Position	<u>1,743,533</u>	<u>1,478,699</u>	<u>3,222,232</u>
Expenditures (Budgetary Basis)	1,743,533	1,469,801	3,213,334
Depreciation	-	678,104	678,104
Change in Accrued Interest Expense	-	(79)	(79)
Capital Outlay	-	(148,309)	(148,309)
Loan Principal	-	(94,853)	(94,853)
Total Expenses per Statement of Revenues, Expenses, and Change in Net Position	<u>1,743,533</u>	<u>1,904,664</u>	<u>3,648,197</u>
Change in Net Position per Statement of Revenues, Expenses, and Change in Net Position	<u>\$ -</u>	<u>\$ (425,965)</u>	<u>\$ (425,965)</u>

OTHER SUPPLEMENTARY INFORMATION

**WEST JEFFERSON COUNTY METRO DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2023**

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 95,328	\$ 13,896	\$ 109,224
2025	95,805	13,419	109,224
2026	96,284	12,939	109,223
2027	96,766	12,457	109,223
2028	97,251	11,973	109,224
2029	97,738	11,486	109,224
2030	98,227	10,997	109,224
2031	98,719	10,505	109,224
2032	99,213	10,011	109,224
2033	99,710	9,514	109,224
2034	100,209	9,015	109,224
2035	100,711	8,513	109,224
2036	101,215	8,009	109,224
2037	101,721	7,502	109,223
2038	102,231	6,993	109,224
2039	102,742	6,481	109,223
2040	103,257	5,967	109,224
2041	103,774	5,450	109,224
2042	104,293	4,930	109,223
2043	104,815	4,408	109,223
2044	105,340	3,884	109,224
2045	105,867	3,356	109,223
2046	106,398	2,826	109,224
2047	106,930	2,294	109,224
2048	107,465	1,758	109,223
2049	108,003	1,220	109,223
2050	108,544	680	109,224
2051	54,477	137	54,614
Total	<u>\$ 2,803,033</u>	<u>\$ 200,620</u>	<u>\$ 3,003,653</u>