

**North Washington Street Water & Sanitation District**  
Annual Financial Statements and Auditors' Report

**For the years ended December 31, 2023 and December 31, 2022**




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## Independent Auditors' Report

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

### Opinions

We have audited the accompanying financial statements of the business-type activities of North Washington Street Water & Sanitation District (the "District") as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of North Washington Street Water & Sanitation District, as of December 31, 2023, and the respective changes in financial position and 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Washington Street Water & Sanitation District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Washington Street Water & Sanitation District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



## **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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

## **Report on Summarized Comparative Information**

We have previously audited North Washington Street Water & Sanitation District's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

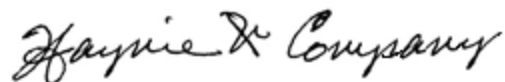
### *Required Supplementary Information*

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

### *Other Information*

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

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

A handwritten signature in cursive script that reads "Haynie & Company".

Littleton, Colorado  
July 18, 2024

## **Basic Financial Statements**

**North Washington Street Water & Sanitation District**  
**Statements of Net Position**  
**December 31, 2023 and 2022**

	<u>Water Fund</u>	<u>Sanitation Fund</u>	<u>General and Administrative Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 1,689,907	\$ 559,207	\$ 131,037	\$ 2,380,151	\$ 3,831,724
Investments	18,272,053	6,162,507	-	24,434,560	21,940,339
Accounts receivable:					
Customers	421,154	404,792	19,860	845,806	849,433
Taxes	-	-	422,395	422,395	420,191
Accrued interest	5,525	5,525	-	11,050	11,050
Unbilled receivables	87,695	85,983	250	173,928	137,720
Inventory	54,409	-	-	54,409	53,177
Other assets	-	-	265	265	265
Total Current Assets	<u>20,530,743</u>	<u>7,218,014</u>	<u>573,807</u>	<u>28,322,564</u>	<u>27,243,899</u>
<b>Capital Assets</b>					
Not Being Depreciated					
Land	105,508	22,470	-	127,978	127,978
Construction in progress	3,420,728	1,629,978	-	5,050,706	2,656,321
Total Capital Assets, Not Being Depreciated	<u>3,526,236</u>	<u>1,652,448</u>	<u>-</u>	<u>5,178,684</u>	<u>2,784,299</u>
Being Depreciated					
Buildings	-	-	1,750,407	1,750,407	1,628,285
Water system	20,047,372	-	-	20,047,372	18,514,229
Sewer system	-	11,693,287	-	11,693,287	10,647,719
Furniture and equipment	1,390,114	656,801	2,248,779	4,295,694	4,001,502
Total Capital Assets, Being Depreciated	21,437,486	12,350,088	3,999,186	37,786,760	34,791,735
Less accumulated depreciation	(5,134,940)	(3,697,516)	(2,635,423)	(11,467,879)	(10,808,064)
Net Capital Assets, Being Depreciated	16,302,546	8,652,572	1,363,763	26,318,881	23,983,671
Net Capital Assets	<u>19,828,782</u>	<u>10,305,020</u>	<u>1,363,763</u>	<u>31,497,565</u>	<u>26,767,970</u>
<b>Restricted Cash and Investments</b>					
Customer and other deposits-Restricted	66,961	66,961	-	133,922	126,757
Total Assets	<u>\$40,426,486</u>	<u>\$17,589,995</u>	<u>\$ 1,937,570</u>	<u>\$ 59,954,051</u>	<u>\$ 54,138,626</u>

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

**North Washington Street Water & Sanitation District**  
**Statements of Net Position**  
**December 31, 2023 and 2022**

	<u>Water Fund</u>	<u>Sanitation Fund</u>	<u>General and Administrative Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 1,130,295	\$ 442,418	\$ 151,382	\$ 1,724,095	\$ 541,312
Compensated absences payable	13,879	13,879	36,095	63,853	76,565
Accrued payroll	5,705	5,705	9,453	20,862	20,862
Total Current Liabilities	<u>1,149,878</u>	<u>462,002</u>	<u>196,930</u>	<u>1,808,810</u>	<u>638,739</u>
<b>Long-Term Liabilities</b>					
Long-term portion of compensated absences	60,395	60,395	72,069	192,858	155,545
Total Long-Term Liabilities	<u>60,395</u>	<u>60,395</u>	<u>72,069</u>	<u>192,858</u>	<u>155,545</u>
<b>Restricted Liabilities</b>					
Customer deposits	66,961	66,961	-	133,922	126,757
Total Restricted Liabilities	<u>66,961</u>	<u>66,961</u>	<u>-</u>	<u>133,922</u>	<u>126,757</u>
Total Liabilities	<u>1,277,234</u>	<u>589,357</u>	<u>268,999</u>	<u>2,135,590</u>	<u>921,041</u>
<b>Deferred Inflows of Resources</b>					
Deferred property tax revenue	-	-	422,395	422,395	420,191
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>422,395</u>	<u>422,395</u>	<u>420,191</u>
<b>Net Position</b>					
Net investment in capital assets	19,828,782	10,305,020	1,363,763	31,497,565	26,767,970
Unrestricted	19,320,470	6,695,618	(117,587)	25,898,501	26,029,424
Total Net Position	<u>39,149,252</u>	<u>17,000,638</u>	<u>1,246,176</u>	<u>57,396,066</u>	<u>52,797,394</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 40,426,486</u>	<u>\$ 17,589,995</u>	<u>\$ 1,937,570</u>	<u>\$ 59,954,051</u>	<u>\$ 54,138,626</u>

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

**North Washington Street Water & Sanitation District**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended December 31, 2023 and 2022**

	<u>Water Fund</u>	<u>Sanitation Fund</u>	<u>General and Administrative Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
<b>Water Operations</b>					
Revenue					
Water sales	\$ 6,079,855	\$ -	\$ -	\$ 6,079,855	\$ 6,550,353
Turn on fees	29,064	-	-	29,064	47,965
Miscellaneous	37,713	-	-	37,713	(2,305)
Total Water Revenue	6,146,632	-	-	6,146,632	6,596,013
Direct Water Expenses	(3,910,301)	-	-	(3,910,301)	(4,302,250)
Income from Water Operations	2,236,331	-	-	2,236,331	2,293,763
<b>Sanitation Operations</b>					
Revenue					
Sewage treatment	-	5,306,496	-	5,306,496	5,041,551
Direct sanitation expenses	-	(2,964,643)	-	(2,964,643)	(2,701,149)
Total Sanitation Operations	-	2,341,853	-	2,341,853	2,340,402
<b>General and Administrative Expenses</b>	(936,991)	(907,731)	(244,619)	(2,089,341)	(1,966,464)
<b>Operating Income</b>	1,299,340	1,434,122	(244,619)	2,488,843	2,667,701
<b>Nonoperating Revenues (Expenses)</b>					
General property tax	-	-	461,337	461,337	457,674
Specific ownership tax	-	-	28,829	28,829	32,808
Net investment income	348,493	317,007	-	665,500	202,348
Unrealized gain (loss) on investment	391,303	131,972	-	523,275	(832,574)
Miscellaneous revenue (expense)	-	-	(39,956)	(39,956)	9,715
County treasurer's fees	-	-	(3,026)	(3,026)	(6,719)
Interfund transfers	245,083	245,083	(490,166)	-	-
Total Nonoperating Revenues (Expenses)	984,879	694,062	(42,982)	1,635,959	(136,748)
<b>Income Before Capital Contributions</b>	2,284,219	2,128,184	(287,601)	4,124,802	2,530,953
<b>Capital Contributions</b>					
Contributed lines and system development fees	227,880	245,990	-	473,870	30,000
Total Capital Contributions	227,880	245,990	-	473,870	30,000
<b>Change in Net Position</b>	2,512,099	2,374,174	(287,601)	4,598,672	2,560,953
<b>Net Position—Beginning of Year</b>	36,637,153	14,626,464	1,533,777	52,797,394	50,236,441
<b>Net Position—End of Year</b>	\$39,149,252	\$17,000,638	\$ 1,246,176	\$57,396,066	\$52,797,394

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

**North Washington Street Water & Sanitation District**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 11,418,343	\$ 11,757,601
Cash paid to suppliers for goods and services	(5,213,074)	(6,896,158)
Cash paid to employees for services	(1,255,827)	(1,220,511)
Cash paid on behalf of employees	(629,417)	(532,880)
Net Cash From Operating Activities	4,320,025	3,108,052
Cash Flows from Non-capital Financing Activities:		
Miscellaneous nonoperating revenue (expense)	(39,956)	9,715
Property and specific ownership taxes received, net	489,344	442,141
Net Cash From Non-capital Financing Activities	449,388	451,856
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(5,389,410)	(3,179,228)
Development fees received	473,870	30,000
Net Cash From Capital and Related Financing Activities	(4,915,540)	(3,149,228)
Cash Flows from Investing Activities:		
Investments purchased (sold), net	(1,970,946)	(675,264)
Net investment income received	665,500	202,348
Net Cash from Investing Activities	(1,305,446)	(472,916)
<b>Net Change in Cash and Cash Equivalents</b>	(1,451,573)	(62,236)
Cash and Cash Equivalents—Beginning of Year	3,831,724	3,893,960
Cash and Cash Equivalents—End of Year	\$ 2,380,151	\$ 3,831,724

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

**North Washington Street Water & Sanitation District**  
**Statements of Cash Flows (continued)**  
**For the Years Ended December 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Reconciliation of Net Operating Income to</b>		
<b>Net Cash From Operating Activities:</b>		
Net operating income	<u>\$2,488,843</u>	<u>\$2,667,701</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	659,815	583,969
Changes in assets and liabilities:		
Receivables—Customers	1,423	(33,908)
Receivables—Other	(36,208)	153,945
Inventory	(1,232)	(1,246)
Prepaid expenses	-	-
Accounts payable	1,182,783	(272,480)
Compensated absences payable	<u>24,601</u>	<u>10,071</u>
Total Adjustments	<u>1,831,182</u>	<u>440,351</u>
<b>Net Cash From Operating Activities</b>	<u><u>\$4,320,025</u></u>	<u><u>\$3,108,052</u></u>

The accompanying notes are an integral part of these statements.

# North Washington Street Water & Sanitation District

## Notes to Financial Statements

### December 31, 2023 and 2022

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#### 1. Definition of Reporting Entity

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

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

#### 2. Summary of Significant Accounting Policies

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

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

##### **Basis of Accounting**

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

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2023 and December 31, 2022

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## 2. Summary of Significant Accounting Policies (continued)

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### Financial Reporting Entity

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

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

The District reports the following major proprietary funds:

The Water Fund accounts for water operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Sanitation Fund accounts for sanitation operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The General and Administrative Fund accounts for shared services that are in support of water and sanitation operations, where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through property taxes and user charges.

### Capital Assets

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

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2023 and December 31, 2022

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## 2. Summary of Significant Accounting Policies (continued)

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

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

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

### **Accounts Receivable**

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

### **Property Tax Revenue Recognition**

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

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

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

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

### **Budget and Budgetary Accounting**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end. Contributions of water and/or sewer lines are not reflected as a budgetary revenue or expenditure as they do not generate or require the use of funds available.

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2023 and December 31, 2022

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## 2. Summary of Significant Accounting Policies (continued)

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### Operations

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

### System Development Fees

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

### Contributed Lines

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

### Cash and Cash Equivalents

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

### Investments

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

### Inventories

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

### Net Position

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

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

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2023 and December 31, 2022

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## 2. Summary of Significant Accounting Policies (continued)

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### Management Estimates

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

### Reclassifications

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

### Property Taxes

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

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## 3. Cash, Cash Equivalents and Investments

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

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents (less restricted balances)	\$ 2,380,151	\$ 3,831,724
Investments	24,434,560	21,940,339
Restricted cash and investments:		
Customer deposits	133,922	126,757
Total	\$26,948,633	\$25,898,820

### Cash Deposits

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

**North Washington Street Water and Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023 and December 31, 2022**

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**3. Cash, Cash Equivalents and Investments (continued)**

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

At December 31, 2023 and 2022, the District's cash deposits had a bank balance and a carrying balance as follows:

	2023		2022	
	Carrying Balance	Bank Balance	Carrying Balance	Bank Balance
Deposits with financial institutions	\$2,513,073	\$4,246,604	\$3,957,481	\$4,076,036
Petty cash	1,000	1,000	1,000	1,000
	<u>\$2,514,073</u>	<u>\$4,247,604</u>	<u>\$3,958,481</u>	<u>\$4,077,036</u>

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

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

	2023	2022
Insured deposits	\$ 2,513,073	\$ 3,957,481
Category 1	1,000	1,000
Category 2	24,434,560	21,940,339
Total cash and investments	<u>\$26,948,633</u>	<u>\$25,898,820</u>

**Investments**

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

- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2023 and December 31, 2022

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### 3. Cash, Cash Equivalents and Investments (continued)

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- general obligation and revenue bonds of U.S. local government entities, bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- Participation with other local governments in pooled investment funds ("trusts"). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments. The Districts participates with Colorado Surplus Asset Fund Trust (CSAFE) pooled funds.

#### Credit Risk

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

#### Interest Rate Risk

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

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

As of December 31, 2023 and 2022, the District had the following investments:

<b><u>2023</u></b>		
<b><u>Type of Investment</u></b>	<b><u>Maturity</u></b>	<b><u>Reporting Basis</u></b>
		<b>Amortized Cost</b>
Colorado Surplus Asset Fund Trust (CSAFE)	Less than one year	\$ 8,884,077
		<b>Fair Value</b>
Bank deposit	Less than one year	\$ 148
Certificates of Deposit	Less than one year	1,200,111
Certificates of Deposit	Matures between 1 and 5 years	245,142
U.S Agencies	Callable, less than one year	7,498,932
U.S. Agencies	Callable, one to five years	6,606,150
Total Investments		<u>\$ 24,434,560</u>

**North Washington Street Water and Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023 and December 31, 2022**

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**3. Cash, Cash Equivalents and Investments (continued)**

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

**CSAFE**

At December 31, 2023 and 2022, the District had \$8,884,077 and \$6,559,135, respectively, in an investment vehicle established for local government entities in Colorado to pool surplus funds and is registered with the State Securities Commissioner. CSAFE is rated AAAM by Standard and Poor's. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. The portfolio may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**Fair Value Measurement and Application**

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

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

**North Washington Street Water and Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023 and December 31, 2022**

**4. Capital Assets**

An analysis of the changes in net capital asset for the years ended December 31, 2023 and 2022 follows:

	<b>Balance, December 31, 2022</b>	<b>Additions</b>	<b>Transfers</b>	<b>Balance, December 31, 2023</b>
<b>Capital Assets, not being Depreciated</b>				
Land	\$ 127,978	\$ -	\$ -	\$ 127,978
Construction in Progress	2,656,321	4,343,678	(1,949,293)	5,050,706
<b>Total Capital Assets, not being depreciated</b>	<u>2,784,299</u>	<u>4,343,678</u>	<u>(1,949,293)</u>	<u>5,178,684</u>
<b>Capital Assets, being depreciated</b>				
Building	1,628,285	122,122	-	1,750,407
Water System	18,514,229	497,270	1,035,873	20,047,372
Sewer System	10,647,719	173,858	871,710	11,693,287
Equipment	4,001,502	294,192	-	4,295,694
<b>Total capital assets, being depreciated</b>	<u>34,791,735</u>	<u>1,087,442</u>	<u>1,907,583</u>	<u>37,786,760</u>
<b>Less accumulated depreciation for:</b>				
Building	(873,840)	(35,600)	-	(909,440)
Water System	(3,575,769)	(229,644)	-	(3,805,413)
Sewer System	(3,045,870)	(201,629)	-	(3,247,499)
Equipment	(3,312,585)	(192,942)	-	(3,505,527)
<b>Total accumulated depreciation</b>	<u>(10,808,064)</u>	<u>(659,815)</u>	<u>-</u>	<u>(11,467,879)</u>
<b>Total capital assets, being depreciated, net</b>	<u>23,983,671</u>	<u>427,627</u>	<u>1,907,583</u>	<u>26,318,881</u>
<b>Capital Assets, net</b>	<u><b>\$ 26,767,970</b></u>	<u><b>\$ 4,771,305</b></u>	<u><b>\$ (41,710)</b></u>	<u><b>\$ 31,497,565</b></u>

**North Washington Street Water and Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023 and December 31, 2022**

**4. Capital Assets (continued)**

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

**5. Long-Term Liabilities**

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

Changes in the District's long-term liabilities for the years ended December 31, 2023 and 2022 are as follows:

**North Washington Street Water and Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023 and December 31, 2022**

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**5. Long-Term Liabilities (continued)**

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	<b>Balance at December 31 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance at December 31 2023</b>	<b>Due Within One Year</b>
Compensated absences	\$ 232,110	\$ 111,083	\$ (86,482)	\$ 256,711	\$ 63,853

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

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**6. Net Position**

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation. The District had no outstanding debt as of December 31, 2023 and 2022. As of December 31, 2023 and 2022, the District had net investment in capital assets of \$31,497,565 and \$26,797,970, respectively.

Restricted net position include amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had no restricted net position as of December 31, 2023 and 2022.

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

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

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2023 and December 31, 2022

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#### **7. Sanitation Service Fees**

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Sewer service fees paid to the Metro Water Recovery are based on estimates. The actual charge is not determined until all flow data has been received and laboratory analysis made of the sewage of all connecting members of the Metro Wastewater Reclamation District. According to the service contract, this actual charge is calculated by March following the end of the calendar year. Service charges for 2023 and 2022 have been adjusted to reflect the actual expense. Overpayments or underpayments arising from the difference between the original estimated charge and a revised estimated charge in August of each year is paid or credited in the next year. The difference between the revised estimated amount and the final adjusted amount is paid or credited in the second year following the adjustment. At December 31, 2023 and 2022, the District had a payable of \$442,418 of \$74,411, respectively, to Metro Water Recovery. These adjustments arise from differences between actual charges and revised estimated charges.

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#### **8. Related Party**

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One of the five members of the Board of Directors is a co-owner of Colorado Lighting Inc. Amounts paid to Colorado Lighting Inc. during 2023 and 2022 for services were \$41,134 and \$16,063, respectively.

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#### **9. Risk Management**

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

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#### **10. Employees' Retirement Plan**

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

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2023 and December 31, 2022

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#### 10. Employees' Retirement Plan (continued)

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

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

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

During 2023 and 2022, the District's contribution to the Plan was \$50,721 and \$44,452 respectively. At December 31, 2023 and 2022, there were no amounts due to the plan.

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#### 11. Deferred Compensation Plan

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

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#### 12. Tax, Spending and Debt Limitations

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

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

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions.

**North Washington Street Water and Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023 and December 31, 2022**

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**12. Tax, Spending and Debt Limitations (continued)**

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

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

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**13. Subsequent Events**

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The District has evaluated subsequent events through July 18, 2024, the date which the financial statements were available to be issued.

## **Supplementary Information**

**North Washington Street Water & Sanitation District**  
**Schedule of Direct Water Operating Expenses**  
**For the Years Ended December 31, 2023 and 2022**

<b>Water Operating Expenses</b>	<b>2023</b>	<b>2022</b>
<b>Source of Supply:</b>		
Purchased water	\$ 2,857,872	\$ 3,487,976
Repairs and maintenance	4,794	4,440
Telephone	570	487
Total Source of Supply	<u>2,863,236</u>	<u>3,492,903</u>
 <b>Transmission and Collection:</b>		
Power for pumping	13,907	30,939
Operating supplies	52,671	38,646
Repairs and maintenance	378,183	196,398
Salaries and wages	317,139	312,229
Employee benefits	119,085	88,323
Payroll taxes	28,936	22,843
Worker's compensation insurance	6,384	4,640
Gasoline	5,426	5,351
Training	1,255	362
Tests and analysis	-	288
Total Transmission and Collection	<u>922,986</u>	<u>700,019</u>
 <b>Water meter reading:</b>		
Operating supplies	2,931	1,379
Salaries and wages	74,213	71,882
Employee benefits	28,420	21,195
Payroll taxes	7,142	5,587
Worker's compensation insurance	5,412	3,934
Gasoline	5,961	5,351
Total Water Meter Reading	<u>124,079</u>	<u>109,328</u>
 Total Water Operating Expenses	<u>\$ 3,910,301</u>	<u>\$ 4,302,250</u>

**North Washington Street Water & Sanitation District**  
**Schedule of Direct Sanitation Operating Expenses**  
**For the Years Ended December 31, 2023 and 2022**

<b>Sanitation Operating Expenses</b>	<b>2023</b>	<b>2022</b>
<b>Sanitation Treatment</b>		
Outside services—Treatment	<u>\$ 2,417,834</u>	<u>\$ 2,198,478</u>
<b>Transmission and Collection</b>		
Training	1,983	7,063
Operating supplies	39,364	35,866
Repairs and maintenance	27,412	25,854
Salaries and wages	317,139	312,229
Employee benefits	119,084	88,324
Payroll taxes	28,936	22,843
Worker's compensation insurance	6,386	4,642
Gasoline	<u>6,505</u>	<u>5,850</u>
Total Transmission and Collection	<u>546,809</u>	<u>502,671</u>
Total Operating Expenses	<u><u>\$ 2,964,643</u></u>	<u><u>\$ 2,701,149</u></u>

**North Washington Street Water & Sanitation District**  
**Schedule of General and Administrative Expenses**  
**For the Years Ended December 31, 2023 and 2022**

<b>General and Administrative Expenses</b>	<b>2023</b>	<b>2022</b>
Administration and management:		
Directors' fees and expenses	\$ 87,777	\$ 39,520
Office supplies	2,927	3,060
Repairs and maintenance	14,452	134
Salaries and wages	250,436	231,126
Employee benefits	83,445	79,170
Payroll taxes	24,246	20,611
Worker's compensation insurance	2,973	2,161
Gasoline	12,844	13,432
Postage	2,853	2,854
Training	0	1,045
Publications/memberships	598	2,751
Total administration and management	<u>482,551</u>	<u>395,864</u>
Billings and collection:		
Office supplies	5,854	6,119
Repairs and maintenance	60,828	132,762
Equipment lease	-	128
Salaries and wages	128,490	120,617
Employee benefits	60,475	60,818
Payroll taxes	9,873	9,243
Worker's compensation insurance	686	498
Postage	27,044	26,862
Total billings and collection	<u>\$ 293,250</u>	<u>\$ 357,047</u>

**North Washington Street Water & Sanitation District**  
**Schedule of General and Administrative Expenses**  
**For the Years Ended December 31, 2023 and 2022**  
**(continued)**

	<u>2023</u>	<u>2022</u>
Accounting and finance:		
Accounting services	\$ 12,751	\$ 1,299
Auditing	9,199	12,001
Office supplies	5,854	6,120
Equipment lease	-	128
Repairs and maintenance	35,820	19,736
Salaries and wages	192,626	183,046
Employee benefits	82,760	82,926
Payroll taxes	14,662	13,892
Postage	2,377	2,378
Worker's compensation insurance	1,030	748
Service charges	6,172	10,760
Total accounting and finance	<u>363,251</u>	<u>333,034</u>
<b>General and Administrative Expenses</b>		
General:		
Insurance	45,247	37,762
Legal	52,352	51,188
Miscellaneous	37,374	36,909
Repairs and maintenance	92,980	116,860
Telephone	33,066	29,373
Utilities	29,528	24,458
Total general	<u>290,547</u>	<u>296,550</u>
Depreciation expense	<u>659,742</u>	<u>583,969</u>
Total General and Administrative Expenses	<u>\$ 2,089,341</u>	<u>\$ 1,966,464</u>

**North Washington Street Water & Sanitation District**  
**Budget Comparison (Non-GAAP Basis) - Source of Funds - Water**  
**For the Year Ended December 31, 2023**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2023 Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating Revenue:</b>				
Fees for service:				
Residential	\$ 3,343,577	\$ 3,343,577	\$ 3,372,104	\$ 28,527
Commercial	2,113,776	2,113,776	2,222,613	108,837
Industrial	411,236	411,236	484,358	73,122
Nonmetered Fees	74,852	74,852	38,493	(36,359)
Turn on fees	38,634	38,634	29,064	(9,570)
Miscellaneous income (expense)	<u>2,567</u>	<u>2,567</u>	<u>-</u>	<u>(2,567)</u>
Total operating revenue	<u>5,984,642</u>	<u>5,984,642</u>	<u>6,146,632</u>	<u>161,990</u>
<b>Non Operating Revenue:</b>				
Transfer of revenue - General Fund	8,383	8,383	-	(8,383)
Net Investment Income (Loss)	34,549	34,549	739,796	705,247
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating revenue	<u>42,932</u>	<u>42,932</u>	<u>739,796</u>	<u>696,864</u>
<b>Capital Contributions</b>				
Contributed lines	50,000	50,000	59,650	9,650
Impressed accounts	100,000	100,000	-	(100,000)
System development fees	<u>250,000</u>	<u>250,000</u>	<u>168,230</u>	<u>(81,770)</u>
Total capital contributions	<u>400,000</u>	<u>400,000</u>	<u>227,880</u>	<u>(172,120)</u>
<b>Total source of funds</b>	<u>\$ 6,427,574</u>	<u>\$ 6,427,574</u>	<u>\$ 7,114,308</u>	<u>\$ 686,734</u>

**North Washington Street Water & Sanitation District**  
**Budget Comparison (Non-GAAP Basis) - Expenditures - Water**  
**For the Year Ended December 31, 2023**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2023 Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating Expenditures:</b>				
Water source of supply:				
Purchased water	\$ 3,915,302	\$ 3,915,302	\$ 2,857,872	\$ 1,057,430
Repairs and maintenance	37,500	37,500	4,794	32,706
Telephone	774	774	570	204
Total Water source of supply	<u>\$ 3,953,576</u>	<u>\$ 3,953,576</u>	<u>\$ 2,863,236</u>	<u>\$ 1,090,340</u>
Transmission and distribution:				
Power for pumping	\$ 40,630	\$ 40,630	\$ 13,907	\$ 26,723
Operating supplies	43,798	43,798	52,671	(8,873)
Repairs and maintenance	160,433	160,433	378,183	(217,750)
Salaries and wages	349,853	349,853	317,139	32,714
Employee benefits	97,538	97,538	119,085	(21,547)
Payroll taxes	28,688	28,688	28,936	(248)
Workmen's compensation insurance	6,461	6,461	6,384	77
Gasoline	3,641	3,641	5,426	(1,785)
Training	575	575	1,255	(680)
Tests and analysis	458	458	-	458
Total transmission and distribution	<u>\$ 732,074</u>	<u>\$ 732,074</u>	<u>\$ 922,986</u>	<u>\$ (190,912)</u>
Accounting and finance:				
Accounting services	\$ 689	\$ 689	\$ 4,250	\$ (3,561)
Auditing	6,359	6,359	3,066	3,293
Office supplies	3,606	3,606	2,927	679
Equipment lease	103	103	-	103
Service charges	6,434	6,434	-	6,434
Repairs and maintenance	13,169	13,169	17,910	(4,741)
Salaries and wages	94,224	94,224	96,315	(2,091)
Employee benefits	39,798	39,798	41,380	(1,582)
Payroll taxes	7,726	7,726	7,331	395
Postage	960	960	1,254	(294)
Worker's compensation insurance	520	520	515	5
Total accounting and finance	<u>\$ 173,590</u>	<u>\$ 173,590</u>	<u>\$ 179,034</u>	<u>\$ (5,444)</u>
Administration and management:				
Directors' fees and expenses	\$ 18,128	\$ 18,128	\$ 29,256	\$ (11,128)
Office supplies	3,606	3,606	2,927	679
Repairs and maintenance	107	107	12,640	(12,533)
Salaries and wages	110,357	110,357	83,460	26,897
Employee benefits	33,754	33,754	27,971	5,783
Payroll taxes	9,049	9,049	8,352	697
Worker's compensation insurance	1,003	1,003	991	12
Gasoline	7,596	7,596	6,689	907
Postage	960	960	1,189	(229)
Training	1,662	1,662	0	1,662
Publications/memberships	429	429	48	381
Total administration and management	<u>\$ 186,652</u>	<u>\$ 186,652</u>	<u>\$ 173,523</u>	<u>\$ 13,129</u>

**North Washington Street Water & Sanitation District**  
**Budget Comparison (Non-GAAP Basis) - Expenditures - Water**  
**For the Year Ended December 31, 2023**  
**(continued)**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2023 Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Billings and collection:</b>				
Office supplies	\$ 3,606	\$ 3,606	\$ 2,927	\$ 679
Repairs and maintenance	19,524	19,524	40,880	(21,356)
Equipment lease	103	103	-	103
Salaries and wages	35,227	35,227	64,245	(29,018)
Employee benefits	19,248	19,248	30,238	(10,990)
Payroll taxes	2,889	2,889	4,937	(2,048)
Worker's compensation insurance	348	348	343	5
Postage	12,622	12,622	15,443	(2,821)
Total billings and collection	<u>\$ 93,567</u>	<u>\$ 93,567</u>	<u>159,013</u>	<u>\$ (65,446)</u>
<b>Water meter reading:</b>				
Operating supplies	\$ 2,047	\$ 2,047	\$ 2,931	\$ (884)
Repairs and maintenance	-	-	74,213	(74,213)
Salaries and wages	83,147	83,147	28,420	54,727
Employee benefits	23,136	23,136	7,142	15,994
Payroll taxes	6,818	6,818	5,412	1,406
Workmen's compensation insurance	5,477	5,477	-	5,477
Gasoline	3,641	3,641	5,961	(2,320)
Total water meter reading	<u>\$ 124,266</u>	<u>\$ 124,266</u>	<u>\$ 124,079</u>	<u>\$ 187</u>
<b>General:</b>				
Insurance	\$ 19,912	\$ 19,912	\$ 15,081	\$ 4,831
Legal	12,058	12,058	17,449	(5,391)
Repairs and maintenance	40,689	40,689	34,373	6,316
Telephone	11,971	11,971	11,021	950
Utilities	13,899	13,899	14,764	(865)
Other expenses	1,968	1,968	2,826	(858)
Total general	<u>\$ 100,496</u>	<u>\$ 100,496</u>	<u>\$ 95,514</u>	<u>\$ 4,983</u>
Total operating expenditures	<u>\$ 5,364,222</u>	<u>\$ 5,364,222</u>	<u>\$ 4,517,385</u>	<u>\$ 846,837</u>
<b>Nonoperating Expenditures:</b>				
Capital improvements from District funds	\$ 3,872,256	\$ 3,872,256	\$ 3,640,691	\$ 231,565
Contingencies	25,000	25,000	-	25,000
<b>Total Expenditures Water</b>	<u>\$ 9,261,478</u>	<u>\$ 9,261,478</u>	<u>\$ 8,158,075</u>	<u>\$ 1,103,402</u>

**North Washington Street Water & Sanitation District**  
**Budget Comparison (Non-GAAP Basis)**  
**Source of Funds - Sanitation**  
**For the Year Ended December 31, 2023**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2023 Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating Revenue:</b>				
Fees for service:				
Residential	\$ 2,388,390	\$ 2,388,390	\$ 2,645,782	\$ 257,392
Commercial	983,703	983,703	1,145,324	161,621
Industrial	1,227,897	1,227,897	1,515,390	287,493
Miscellaneous income	9,559	9,559	-	(9,559)
Total operating revenue	<u>4,609,549</u>	<u>4,609,549</u>	<u>5,306,496</u>	<u>696,947</u>
<b>Non Operating Revenue:</b>				
Net Investment Income (Loss)	89,190	89,190	448,979	359,789
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating revenue	<u>89,190</u>	<u>89,190</u>	<u>448,979</u>	<u>359,789</u>
<b>Capital Contributions</b>				
Contributed lines	50,000	50,000	59,650	9,650
System development fees	<u>-</u>	<u>-</u>	<u>186,340</u>	<u>186,340</u>
<b>Total source of funds</b>	<u>4,748,740</u>	<u>4,748,740</u>	<u>6,001,465</u>	<u>1,252,726</u>
<b>Total available resources</b>	<u>\$ 4,748,739</u>	<u>\$ 4,748,739</u>	<u>\$ 6,001,465</u>	<u>\$ 1,252,726</u>

**North Washington Street Water & Sanitation District**  
**Budget Comparison (Non-GAAP Basis) - Expenditures - Sanitation**  
**For the Year Ended December 31, 2023**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2023 Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating Expenditures</b>				
Sanitation Treatment:				
Outside services - Treatment	\$ 2,399,039	\$ 2,399,039	\$ 2,417,834	\$ (18,795)
Test and analysis	-	-	-	-
Total sanitation treatment	<u>\$ 2,399,039</u>	<u>\$ 2,399,039</u>	<u>\$ 2,417,834</u>	<u>\$ (18,795)</u>
Collection and transmission:				
Training	\$ 10,729	\$ 10,729	\$ 1,983	\$ 8,746
Operating supplies	39,378	39,378	39,364	14
Repairs and maintenance	137,500	137,500	27,412	110,088
Salaries and wages	349,853	349,853	317,139	32,714
Employee benefits	97,538	97,538	119,084	(21,546)
Payroll taxes	28,688	28,688	28,936	(248)
Workmen's compensation insurance	6,463	6,463	6,386	77
Gasoline	4,435	4,435	6,505	(2,070)
Total transmission and collection	<u>\$ 674,584</u>	<u>\$ 674,584</u>	<u>\$ 546,809</u>	<u>\$ 127,775</u>
Accounting and finance:				
Accounting services	\$ 689	\$ 689	\$ 4,250	\$ (3,561)
Auditing	6,359	6,359	3,066	3,293
Service charges	6,434	6,434	2,086	4,348
Office supplies	3,606	3,606	2,927	679
Equipment lease	103	103	38	65
Repairs and maintenance	13,169	13,169	17,872	(4,703)
Salaries and wages	94,224	94,224	96,311	(2,087)
Employee benefits	39,798	39,798	41,380	(1,582)
Payroll taxes	7,726	7,726	7,331	395
Postage	960	960	1,123	(163)
Worker's compensation insurance	520	520	515	5
Total accounting and finance	<u>\$ 173,590</u>	<u>\$ 173,590</u>	<u>\$ 176,899</u>	<u>\$ (3,309)</u>
Administration and management:				
Directors' fees and expenses	\$ 18,128	\$ 18,128	\$ 29,256	\$ (11,128)
Repairs and maintenance	107	107	1,812	(1,705)
Salaries and wages	98,202	98,202	83,473	14,729
Employee benefits	30,467	30,467	27,483	2,984
Payroll taxes	8,053	8,053	8,353	(300)
Worker's compensation insurance	1,003	1,003	991	12
Gasoline	7,038	7,038	6,155	883
Postage	1,004	1,004	1,189	(185)
Training	0	-	0	0
Publications/memberships	429	429	275	154
Total administration and mgmt	<u>\$ 164,431</u>	<u>\$ 164,431</u>	<u>\$ 158,987</u>	<u>\$ 5,444</u>

**North Washington Street Water & Sanitation District**  
**Budget Comparison (Non-GAAP Basis) - Expenditures - Sanitation**  
**For the Year Ended December 31, 2023**  
**(continued)**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2023 Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Billings and collection:</b>				
Office supplies	\$ 3,606	\$ 3,606	\$ 2,927	\$ 679
Repairs and maintenance	178,734	178,734	19,948	158,786
Equipment lease	103	103	-	103
Salaries and wages	35,227	35,227	64,245	(29,018)
Employee benefits	19,248	19,248	30,237	(10,989)
Payroll taxes	2,889	2,889	4,936	(2,047)
Worker's compensation insurance	348	348	343	5
Postage	12,559	12,559	11,601	958
Total billings and collection	<u>\$ 252,713</u>	<u>\$ 252,713</u>	<u>\$ 134,237</u>	<u>\$ 118,476</u>
<b>General:</b>				
Insurance	\$ 19,912	\$ 19,912	\$ 15,081	\$ 4,831
Legal	29,004	29,004	17,449	11,555
Election	-	-	-	-
Miscellaneous	6,980	6,980	14,746	(7,766)
Engineering fees	-	-	-	-
Repairs and maintenance	40,053	40,053	31,813	8,240
Telephone	11,971	11,971	11,021	950
Payroll Processing	1,968	1,968	2,826	(858)
Utilities	13,898	13,898	14,764	(866)
Total general	<u>\$ 123,786</u>	<u>\$ 123,786</u>	<u>\$ 107,700</u>	<u>\$ 16,086</u>
Total operating expenditures	<u>\$ 3,788,143</u>	<u>\$ 3,788,143</u>	<u>\$ 3,542,466</u>	<u>\$ 245,677</u>
<b>Nonoperating Expenditures:</b>				
Capital impvmts from District funds	\$ 2,245,852	\$ 2,245,852	\$ 1,556,645	\$ 689,207
Contingencies	25,000	25,000	-	25,000
Total nonoperating expenditures	<u>\$ 2,270,852</u>	<u>\$ 2,270,852</u>	<u>\$ 1,556,645</u>	<u>\$ 714,207</u>
<b>Total Expenditures Sanitation</b>	<u><u>\$ 6,058,994</u></u>	<u><u>\$ 6,058,994</u></u>	<u><u>\$ 5,099,111</u></u>	<u><u>\$ 959,884</u></u>

**North Washington Street Water & Sanitation District**  
**Budget Comparison (Non-GAAP Basis)**  
**Source of Funds and Expenditures - General and Administrative**  
**For the Year Ended December 31, 2023**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2023 Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Nonoperating Revenue</b>				
Property taxes	\$ 458,270	\$ 458,270	\$ 461,337	\$ 3,067
Specific ownership tax	36,926	36,926	28,829	(8,097)
Total nonoperating revenue	<u>495,196</u>	<u>495,196</u>	<u>490,166</u>	<u>(5,030)</u>
Net source of funds	<u>\$ 495,196</u>	<u>\$ 495,196</u>	<u>\$ 490,166</u>	<u>\$ (5,030)</u>
<b>Operating Expenditures</b>				
Accounting and finance:				
Accounting services	\$ 689	\$ 689	\$ 4,251	\$ (3,562)
Auditing	6,362	6,362	3,067	3,295
Total accounting and finance	<u>\$ 7,050</u>	<u>\$ 7,050</u>	<u>\$ 7,318</u>	<u>\$ (268)</u>
Administration and management:				
Directors' fees and expenses	\$ 18,133	\$ 18,133	\$ 29,265	\$ (11,132)
Salaries and wages	110,357	110,357	83,503	26,854
Employee benefits	33,754	33,754	27,991	5,763
Payroll taxes	9,049	9,049	7,541	1,508
Workmen's compensation insurance	1,003	1,003	991	12
Postage	339	339	475	(136)
Publications/memberships	428	428	275	153
Total administration and management	<u>\$ 173,064</u>	<u>\$ 173,064</u>	<u>\$ 150,041</u>	<u>\$ 23,023</u>
General:				
Insurance	\$ 19,918	\$ 19,918	\$ 15,085	\$ 4,833
Legal	29,006	29,006	17,451	11,555
Election	-	-	-	-
Miscellaneous	23,822	23,822	16,976	6,846
Repairs and maintenance	34,301	34,301	26,721	7,580
Telephone	11,975	11,975	11,024	951
Total general	<u>\$ 119,022</u>	<u>\$ 119,022</u>	<u>\$ 87,257</u>	<u>\$ 31,765</u>
Total operating expenditures	<u>\$ 299,136</u>	<u>\$ 299,136</u>	<u>\$ 244,619</u>	<u>\$ 54,520</u>
<b>Nonoperating Expenditures:</b>				
Capital improvements from District funds	\$ 132,000	\$ 132,000	\$ 192,077	\$ (60,077)
County Treasurer's collection fees	8,359	8,359	3,026	5,333
Miscellaneous	-	-	39,956	(39,956)
Total nonoperating expenditures	<u>\$ 140,359</u>	<u>\$ 140,359</u>	<u>\$ 235,059</u>	<u>\$ (94,700)</u>
<b>Contingencies</b>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
<b>Total Expenditures</b>	<u>\$ 464,496</u>	<u>\$ 464,496</u>	<u>\$ 479,679</u>	<u>\$ (15,180)</u>

**North Washington Street Water & Sanitation District**  
**Reconciliation of Budgetary Basis Actual to**  
**Statement of Revenue, Expenses and Changes in Net Position**  
**For the Year Ended December 31, 2023**

	<b>Water</b>	<b>Sanitation</b>	<b>General and Administration</b>	<b>Total</b>
<b>Revenue</b>				
Revenue budget basis (Non-GAAP basis)	\$ 7,114,308	\$ 6,001,465	\$ 490,166	\$13,605,939
Plus:				
Transfers	245,083	245,083	-	490,166
Less:				
Transfers	-	-	(490,166)	(490,166)
<b>Revenue (GAAP basis)</b>	<b>\$ 7,359,391</b>	<b>\$ 6,246,548</b>	<b>\$ -</b>	<b>\$13,605,939</b>
Water operating revenue				\$ 6,146,632
Sewer operating revenue				5,306,496
Nonoperating revenue				2,152,811
<b>Total Revenue</b>				<b>\$13,605,939</b>
<b>Expenses</b>				
Expenses budget basis (Non-GAAP basis)	\$ 8,158,075	\$ 5,099,111	\$ 479,679	\$13,736,865
Plus:				
Depreciation	329,907	329,908	-	659,815
Less:				
Capital improvements	(3,640,687)	(1,556,645)	(192,077)	(5,389,409)
<b>Expenses (GAAP basis)</b>	<b>\$ 4,847,295</b>	<b>\$ 3,872,374</b>	<b>\$ 287,602</b>	<b>\$ 9,007,271</b>
Direct water expenses				\$ 3,910,301
Direct sewer expenses				2,964,643
General and administrative expenses				2,089,341
Nonoperating expenses				42,986
<b>Total Expenses</b>				<b>\$ 9,007,271</b>