

**SOUTH ADAMS COUNTY WATER AND
SANITATION DISTRICT
COMMERCE CITY, COLORADO**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2023 AND 2022



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**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
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YEARS ENDED DECEMBER 31, 2023 AND 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
South Adams County Water and Sanitation District
Commerce City, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of South Adams County Water and Sanitation District (the District), as of and for the years ended December 31, 2023 and 2022, and the related notes to the 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 financial position of South Adams County Water and Sanitation District as of December 31, 2023 and 2022, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with the auditing standards generally accepted in the United States of America (GAAS). 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 the District and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule of operating revenue, budgetary comparison schedules and schedule of budget reconciliation are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of operating revenue, budgetary comparison schedules and schedule of budget reconciliation are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the secondary market information but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



CliftonLarsonAllen LLP

Denver, Colorado
May 8, 2024

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

The Management's Discussion and Analysis for South Adams County Water and Sanitation District (District) offers readers an overview of the District's financial activities for the fiscal years ended December 31, 2023 and 2022. Readers are encouraged to consider this information in conjunction with the District's financial statements, and notes to the basic financial statements.

Financial Highlights for 2023

- Net position increased by \$47,287,597 in 2023 or 7.1%, primarily due to capital contributions of \$38,604,369.
- Capital contributions consist of the following:

Tap fees	\$ 979,161
Developer contributions	22,257,129
System development fees	15,368,079
- Income before capital contributions is \$8,683,228, a decrease of \$2,156,658 or 19.9% from 2022.
- The loss from operations is (\$940,021) for 2023, compared to \$7,668,151 in 2022.
- The District currently has 23,399 active water and 22,804 active sewer customer accounts.
- Unrestricted net position increased by \$18,276,332 which is a 14.2% increase from the prior fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Required statements for proprietary funds are: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Net Position, and 3) Statement of Cash Flows. These financial statements are prepared similar to a business activity using the accrual basis of accounting and economic resource measurement focus.

Statements of Net Position: The Statements of Net Position present information on all of the District's assets, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases and decreases in net position serve as a useful indicator of whether the financial condition of the District is improving or deteriorating.

Statements of Revenues, Expenses, and Changes in Net Position: The Statements of Revenues, Expenses, and Changes in Net Position report the changes that have occurred during the year to the District's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported for some items that will only have cash flows in subsequent years.

Statements of Cash Flows: The Statements of Cash Flows are concerned solely with flows of cash and cash equivalents. Only transactions that affect the District's cash position are reflected in this statement. Transactions are segregated into four sections on the statement: 1) cash flows from operating activities, 2) cash flows from noncapital financing activities, 3) cash flows from capital and related financing activities, and 4) cash flows from investing activities.

Notes to the Basic Financial Statements: The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 17-33.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Summary and Financial Analysis

NET POSITION

	2023	2022
ASSETS		
Current Assets	\$ 154,131,712	\$ 136,213,348
Restricted Cash and Investments	1,468,278	1,487,289
Capital Assets, Net of Accumulated Depreciation	651,549,250	628,453,638
Total Assets	\$ 807,149,240	\$ 766,154,275
LIABILITIES		
Current Liabilities	\$ 10,357,596	\$ 11,360,521
Other Liabilities	218,278	237,289
Long-Term Liabilities	82,156,375	87,550,686
Total Liabilities	92,732,249	99,148,496
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	3,457,007	3,306,115
2020B Bond Deferred Gain on Refunding	190,942	218,219
Total Deferred Inflows of Resources	3,647,949	3,524,334
NET POSITION		
Net Investment in Capital Assets	562,414,403	533,403,138
Restricted	1,250,000	1,250,000
Unrestricted	147,104,639	128,828,307
Total Net Position	710,769,042	663,481,445
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 807,149,240	\$ 766,154,275

The District increased its net position by \$47,287,597 during 2023. Capital assets net of depreciation increased by \$23,095,612. This increase is funded by the application of capital contributions in the amount of \$38,604,369. The "Operations Funds Available" (current assets less current liabilities) calculates to an amount of \$143,774,116, which is available for repayment of debt and future capital outlays funded by operations as well as sustaining current operations. This amount does not include \$1,250,000 of available funds shown as restricted cash and investments for debt service reserves specified in the Colorado Water and Power Authority loan documents.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

	2022	2021
ASSETS		
Current Assets	\$ 136,213,348	\$ 117,965,509
Restricted Cash and Investments	1,487,289	2,751,388
Capital Assets, Net of Accumulated Depreciation	628,453,638	605,811,350
Total Assets	\$ 766,154,275	\$ 726,528,247
LIABILITIES		
Current Liabilities	\$ 11,360,521	\$ 12,864,735
Other Liabilities	237,289	251,388
Long-Term Liabilities	87,550,686	92,894,005
Total Liabilities	99,148,496	106,010,128
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	3,306,115	2,925,002
2020B Bond Deferred Gain on Refunding	218,219	245,497
Total Deferred Inflows of Resources	3,524,334	3,170,499
NET POSITION		
Net Investment in Capital Assets	533,403,138	506,021,158
Restricted	1,250,000	2,500,000
Unrestricted	128,828,307	108,826,462
Total Net Position	663,481,445	617,347,620
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 766,154,275	\$ 726,528,247

The District increased its net position by \$46,133,825 during 2022. Capital assets net of depreciation increased by \$22,642,288. This increase is funded by the application of capital contributions in the amount of \$35,293,939. The "Operations Funds Available" (current assets less current liabilities) calculates to an amount of \$124,852,827, which is available for repayment of debt and future capital outlays funded by operations as well as sustaining current operations. This amount does not include \$1,250,000 of available funds shown as restricted cash and investments for debt service reserves specified in the Colorado Water and Power Authority loan documents.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

CHANGES IN NET POSITION

	2023	2022
OPERATING REVENUE		
Water	\$ 24,828,316	\$ 29,626,149
Sanitation	17,245,147	15,783,006
Total Operating Revenue	42,073,463	45,409,155
NONOPERATING REVENUE		
Taxes	3,627,434	3,222,808
Net Investment Income	6,024,529	1,796,915
Gain on Sale of Capital Asset	27,927	74,688
Other	2,836,362	1,023,541
Total Nonoperating Revenue	12,516,252	6,117,952
Total Revenue	54,589,715	51,527,107
OPERATING EXPENSES		
Direct Expenses:		
Water	24,102,319	21,274,265
Sanitation	10,794,373	9,613,159
Total Direct Expenses	34,896,692	30,887,424
General and Administrative Expenses	8,116,792	6,853,580
Total Operating Expenses	43,013,484	37,741,004
NONOPERATING EXPENSES		
Interest	2,796,277	2,915,816
Other	96,726	30,401
Total Nonoperating Expenses	2,893,003	2,946,217
Total Expenses	45,906,487	40,687,221
INCOME BEFORE CAPITAL CONTRIBUTIONS	8,683,228	10,839,886
CAPITAL CONTRIBUTIONS	38,604,369	35,293,939
CHANGE IN NET POSITION	47,287,597	46,133,825
Net Position - Beginning of Year	663,481,445	617,347,620
NET POSITION - END OF YEAR	\$ 710,769,042	\$ 663,481,445

Revenue:

Operating revenue for fiscal year 2023 generated from water operations totaled \$24,828,316, a decrease of \$4,797,833 or 16.2% compared to fiscal year 2022. This decrease was the result of a decrease in overall water consumption of 10.0% from the prior year. Sewer operating revenues increased from \$15,783,006 in fiscal year 2022 to \$17,245,147 in fiscal year 2023 due to an increase in the rate charged to customers of 4% and increase in customers of 19.5% as compared to 2022.

Non-operating revenue increased from \$6,117,952 in 2022 to \$12,516,252 in 2023, representing a 104.6% increase. This increase was driven by an increase of \$4,227,614 in net investment income generated from increased interest rates on the District's cash and cash equivalents as well as an increase in grant revenue of \$1,821,984 from the Colorado Department of Public Health and Environment.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Expenses:

Total operating expenses for 2023, which include direct, general and administrative expenses, were \$43,013,484, an increase of \$5,272,480 or 14.0% more than the preceding year. Expenses for water increased by \$2,828,054 in relation to increased payroll and benefit expenses and water treatment expenses. Expenses for sewer increased by \$1,181,214 in relation to increase payroll and benefit expenses. Expenses for general and administrative expenses increased by \$1,263,212 or 18.4% in relation to increased payroll and benefit expenses in addition to increases in various expenses related to management services.

	2022	2021
OPERATING REVENUE		
Water	\$ 29,626,149	\$ 26,622,018
Sanitation	15,783,006	15,020,914
Total Operating Revenue	45,409,155	41,642,932
NONOPERATING REVENUE		
Taxes	3,222,808	2,969,535
Net Investment Income	1,796,915	283,149
Gain on Sale of Capital Asset	13,575	13,575
Other	1,023,541	313,409
Total Nonoperating Revenue	6,056,839	3,579,668
Total Revenue	51,465,994	45,222,600
OPERATING EXPENSES		
Direct Expenses:		
Water	21,274,265	16,124,557
Sanitation	9,613,159	9,655,731
Total Direct Expenses	30,887,424	25,780,288
General and Administrative Expenses	6,853,580	5,384,495
Total Operating Expenses	37,741,004	31,164,783
NONOPERATING EXPENSES		
Interest	2,915,816	3,065,767
Other	30,401	44,438
Total Nonoperating Expenses	2,946,217	3,110,205
Total Expenses	40,687,221	34,274,988
INCOME BEFORE CAPITAL CONTRIBUTIONS	10,839,886	10,947,612
CAPITAL CONTRIBUTIONS	35,293,939	34,232,951
CHANGE IN NET POSITION	46,133,825	45,180,563
Net Position - Beginning of Year	617,347,620	572,167,057
NET POSITION - END OF YEAR	\$ 663,481,445	\$ 617,347,620

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Revenue:

Operating revenue for fiscal year 2022 generated from water operations totaled \$29,626,149, an increase of \$3,004,131 or 11.3% compared to fiscal year 2021. This increase was the result of the District increasing the rate charged to customers of 3.0% during 2022, an increase in the overall water consumption during 2022 of 1.8% as compared to 2021, and an increase in the District's customers of 5.8%. Sewer operating revenues increased from \$15,020,914 to \$15,783,006 due to an increase in the rate charged to customers of 3.0% during 2022.

Non-operating revenue increased from \$3,579,668 in 2021 to \$6,117,952 in 2022 representing a 70.9% increase. This increase was driven by increased interest rates on the District's cash and cash equivalents and the District receiving a grant from the Colorado Department of Public Health and Environment.

Expenses:

Total operating expenses for 2022, which include direct, general and administrative expenses, were \$37,741,004, an increase of \$6,576,221 or 21.1% more than the preceding year. Expenses for water increased by \$5,149,708 in relation to the increased chemical supplies expense for water treatment and an increase in purchased water. Expenses for sewer remained consistent with the preceding year. Expenses for general and administrative expenses increased by \$1,469,085 or 27.3% in relation to increased payroll and benefit expenses in addition to increases in various expenses related to management services.

Capital Assets

	December 31, 2022	Net Changes	December 31, 2023
Water System			
Land and Land Rights	\$ 4,541,004	\$ 2,190,256	\$ 6,731,260
Water Rights	205,704,736	27,974,123	233,678,859
Construction in Progress	95,862,056	(58,466,097)	37,395,959
Plant and Equipment	259,351,606	52,069,763	311,421,369
Total Water System	565,459,402	23,768,045	589,227,447
Sanitation System			
Land and Land Rights	592,963	769,549	1,362,512
Construction in Progress	10,748,463	(7,823,290)	2,925,173
Plant and Equipment	164,966,106	18,809,545	183,775,651
Total Sanitation System	176,307,532	11,755,804	188,063,336
Accumulated Depreciation	113,313,296	12,428,237	125,741,533
Total Capital Assets - Net	\$ 628,453,638	\$ 23,095,612	\$ 651,549,250

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

2023

Gross capital assets increased in excess of \$35.5 million during 2023. Significant components of that increase are as follows:

- Current year acquisitions totaling \$14.3 million for distribution mains
- Water and Sanitation acceptances totaling in excess of \$22 million.

These continuing investments in infrastructure provide for the reliable operation of the District's water and wastewater systems and provide for the future capacity of the District to provide water and wastewater treatment for many years into the future.

	December 31, 2021	Net Changes	December 31, 2022
	<u> </u>	<u> </u>	<u> </u>
Water System			
Land and Land Rights	\$ 4,061,733	\$ 479,271	\$ 4,541,004
Water Rights	207,504,736	(1,800,000)	205,704,736
Construction in Progress	82,859,048	13,003,008	95,862,056
Plant and Equipment	<u>249,780,547</u>	<u>9,571,059</u>	<u>259,351,606</u>
Total Water System	544,206,064	21,253,338	565,459,402
Sanitation System			
Land and Land Rights	367,424	225,539	592,963
Construction in Progress	6,311,797	4,436,666	10,748,463
Plant and Equipment	<u>159,200,017</u>	<u>5,766,089</u>	<u>164,966,106</u>
Total Sanitation System	165,879,238	10,428,294	176,307,532
Accumulated Depreciation	<u>104,273,952</u>	<u>9,039,344</u>	<u>113,313,296</u>
Total Capital Assets - Net	<u>\$ 605,811,350</u>	<u>\$ 22,642,288</u>	<u>\$ 628,453,638</u>

2022

Gross capital assets increased in excess of \$31.7 million during 2022. Significant components of that increase are as follows:

- Increase in various construction in progress projects totaling \$17.4 million.
- Water and Sanitation acceptances totaling in excess of \$14 million.

These continuing investments in infrastructure provide for the reliable operation of the District's water and wastewater systems and provide for the future capacity of the District to provide water and wastewater treatment for many years into the future.

Debt Administration:

At December 31, 2023, the District has five outstanding debt obligations, one loan from the Colorado Water Resource and Power Development Authority Series 2014 in the amount of \$15,193,334, the Series 2014, 2018, 2020A and 2020B Revenue Bonds in the amount of \$8,740,000, \$52,855,000, \$3,625,000 and \$5,185,000, respectively.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

At December 31, 2022, the District has five outstanding debt obligations, one loan from the Colorado Water Resource and Power Development Authority Series 2014 in the amount of \$16,234,831, the Series 2014, 2018, 2020A and 2020B Revenue Bonds in the amount of \$9,270,000, \$54,035,000, \$5,400,000 and \$5,875,000, respectively.

Economic Environment:

The current economic environment for the District can be characterized as steady in the sale of water taps associated with residential and commercial development. The Denver metropolitan area, and in particular the Adams County area has maintained its growth and the expectation is for that to continue. The District estimates that it has current developed water resources to meet demand for the next 30 years. The District is well along in developing water and wastewater treatment capacity for the same time horizon.

Requests for Information:

This financial report is designed to provide its readers a general overview of the District's finances. Questions regarding any information contained in this report or requests for additional information should be addressed to the District Manager, 6595 East 70th Avenue, Commerce City, CO 80037 or call (303) 288-2646.

FINANCIAL STATEMENTS

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2023 AND 2022**

ASSETS	2023	2022
CURRENT ASSETS		
Cash and Investments	\$ 30,723,297	\$ 32,546,003
Cash and Investments - Designated	115,216,057	95,209,929
Accounts Receivable:		
Customers	3,906,072	3,514,996
Taxes	3,517,381	3,366,489
Other	219,226	775,747
Inventories, Supplies, and Materials	360,852	556,571
Prepaid Expenses	188,827	243,613
Total Current Assets	154,131,712	136,213,348
 RESTRICTED CASH AND INVESTMENTS		
Operating Reserve	1,250,000	1,250,000
Employee Flexible Spending Accounts	29,393	25,532
Customer Deposits	188,885	211,757
Total Restricted Cash and Investments	1,468,278	1,487,289
 CAPITAL ASSETS		
Capital Assets Not Being Depreciated	282,093,763	317,449,222
Capital Assets Being Depreciated (Net of Accumulated Depreciation)	369,455,487	311,004,416
Total Capital Assets	651,549,250	628,453,638
 Total Assets	 \$ 807,149,240	 \$ 766,154,275

See accompanying Notes to Financial Statements.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2023 AND 2022**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	2023	2022
CURRENT LIABILITIES		
Accounts Payable	\$ 3,469,258	\$ 4,277,002
Retainage Payable	314,336	448,056
Accrued Interest	345,472	343,222
Current Portion of Bonds and Loan Payable	5,453,538	5,372,584
Current Portion of Accrued Benefits Payable	774,992	919,657
Total Current Liabilities	10,357,596	11,360,521
RESTRICTED LIABILITIES		
Customer Deposits	188,885	211,757
Employee Flexible Spending Accounts	29,393	25,532
Total Restricted Liabilities	218,278	237,289
LONG-TERM LIABILITIES		
Long-Term Portion of Bonds and Loan Payable	82,156,375	87,550,686
Total Liabilities	92,732,249	99,148,496
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	3,457,007	3,306,115
2020B Bond Deferred Gain on Refunding	190,942	218,219
Total Deferred Inflows of Resources	3,647,949	3,524,334
NET POSITION		
Net Investment in Capital Assets	562,414,403	533,403,138
Restricted for Operating Reserve	1,250,000	1,250,000
Unrestricted	147,104,639	128,828,307
Total Net Position	710,769,042	663,481,445
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 807,149,240	\$ 766,154,275

See accompanying Notes to Financial Statements.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
WATER OPERATIONS		
Operating Revenue	\$ 24,828,316	\$ 29,626,149
Direct Water Expenses	24,102,319	21,274,265
Gross Income from Water Operations	725,997	8,351,884
SANITATION OPERATIONS		
Operating Revenue	17,245,147	15,783,006
Direct Sanitation Expenses	10,794,373	9,613,159
Gross Income from Sanitation Operations	6,450,774	6,169,847
GROSS INCOME FROM OPERATIONS	7,176,771	14,521,731
GENERAL AND ADMINISTRATIVE EXPENSES	8,116,792	6,853,580
NET INCOME (LOSS) FROM OPERATIONS	(940,021)	7,668,151
NONOPERATING REVENUES AND (EXPENSES)		
General Property Tax	3,372,247	3,014,287
Other Taxes	255,187	208,521
Net Investment Income	6,024,529	1,796,915
Gain on Sale of Capital Asset	27,927	74,688
Miscellaneous	2,836,362	1,023,541
Interest Expense	(2,796,277)	(2,915,816)
Treasurer's Fees	(96,726)	(30,401)
Total Nonoperating Revenues and (Expenses)	9,623,249	3,171,735
INCOME BEFORE CAPITAL CONTRIBUTIONS	8,683,228	10,839,886
CAPITAL CONTRIBUTIONS		
Tap Fees	979,161	1,104,498
Developer Contributions	22,257,129	14,767,662
System Development Fees	15,368,079	19,421,779
Total Capital Contributions	38,604,369	35,293,939
CHANGE IN NET POSITION	47,287,597	46,133,825
Net Position - Beginning of Year	663,481,445	617,347,620
NET POSITION - END OF YEAR	\$ 710,769,042	\$ 663,481,445

See accompanying Notes to Financial Statements.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 42,216,036	\$ 44,862,754
Cash Payments for Goods and Services	(20,723,960)	(21,706,135)
Cash Payments to Employees	(11,858,708)	(10,390,760)
Net Cash Provided by Operating Activities	9,633,368	12,765,859
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Tax Receipts Collected by Other Governmental Agencies, Net of Treasurer's Fee	3,530,708	3,192,407
Miscellaneous Receipts	2,836,362	1,023,541
Net Cash Provided by Noncapital Financing Activities	6,367,070	4,215,948
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for Capital Acquisitions	(12,125,997)	(16,835,456)
Interest Paid	(2,918,164)	(3,034,029)
Cash Received from Sale of Assets	52,862	1,875,569
Principal Payments on Debt	(5,216,497)	(5,355,619)
System Development Fees	15,368,079	19,421,779
Tap Fees	979,161	1,104,498
Developer Cash Contributions	-	-
Net Cash Used by Capital and Related Financing Activities	(3,860,556)	(2,823,258)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts of Interest	6,024,529	1,796,915
 NET INCREASE IN CASH AND CASH EQUIVALENTS	18,164,411	15,955,464
Cash and Cash Equivalents - Beginning of Year	129,243,221	113,287,757
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 147,407,632	\$ 129,243,221
 RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF YEAR TO STATEMENTS OF NET POSITION		
Unrestricted Cash and Cash Equivalents	\$ 145,939,354	\$ 127,755,932
Restricted Cash and Cash Equivalents	1,468,278	1,487,289
Total Cash and Cash Equivalents	\$ 147,407,632	\$ 129,243,221

See accompanying Notes to Financial Statements.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (940,021)	\$ 7,668,151
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	12,462,851	9,279,223
Effect of Changes in Operating Assets and Liabilities:		
Customer Receivables	(391,076)	112,582
Other Receivables	556,521	(645,970)
Inventory	195,719	37,618
Prepaid Expenses	54,786	(151,393)
Accounts Payable	(2,141,736)	(3,642,090)
Accrued Benefits	(140,804)	120,751
Customer Deposits	(22,872)	(13,013)
Net Cash Provided by Operating Activities	\$ 9,633,368	\$ 12,765,859

SUPPLEMENTAL DISCLOSURES OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

Developer infrastructure contributions were \$22,257,129 and \$14,767,662 for 2023 and 2022, respectively. Bond premium amortization was \$96,860 and \$81,058 for 2023 and 2022, respectively. Amortization of deferred gain on refunding was \$27,277 and \$27,278 for 2023 and 2022, respectively. Capital-related retainage and accounts payable was \$1,333,992 and \$1,909,011 for 2023 and 2022, respectively.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

South Adams County Water and Sanitation District (the District) is a quasi-municipal organization that provides water and sewer services to its customers. The District is governed by an elected five member board of directors. The District's service area is located in Commerce City, Colorado and the surrounding area. Since the major part of its income is derived from user charges, the District is classified 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 or 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to accounting principles generally accepted in the United States of America 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.

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. Expenses for capital assets are shown as increases in assets and redemption of bonds and loans is recorded as a reduction in liabilities. Tap fees, system development fees, and developer contributions (capital assets and contributions in aid of construction) are recorded as capital contributions when received.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO 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 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 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 assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

Budgets are prepared in accordance with the requirements of Colorado Revised Statutes and accordingly include "anticipated income and other means of financing proposed expenditures", and expenditures include, in addition to those shown in the operating statements, debt redemptions and capital expenditures. Accordingly, budget comparisons are of the legally adopted budget. The level of budget control is determined by the resolution appropriating sums of monies. The resolution appropriates the level of budget control by total expenditures. Appropriations lapse at year-end. The District's budget calendar is as follows:

In August of each year, the District develops its budget for the upcoming year. In October, the budget is presented to the board of directors for preliminary approval. A public meeting is held at the November board meeting to finalize and approve the budget for the upcoming year.

Cash and Investments

For purposes of the statements of cash flows, the District considers cash deposits and highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are valued at amortized cost.

Designated Cash and Investments

The District has several cash and investment accounts that have been designated by the District as follows:

The future asset reserves are comprised of water and sewer tap fees, system development fees and water resource fees held for future capital purchases.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash and Investments

The District has several cash and investment accounts that have been restricted for specific purposes. The following accounts have been restricted by external sources:

Under the District's Loan agreements with the Colorado Water Resources and Power Development Authority (CWPA), the District is required to maintain an operating reserve of \$1,250,000, which is shown as restricted cash on the statements of net position. Customer deposits are held by the District and will eventually be refunded to the customers. Proceeds from the 2018 revenue bonds are restricted for capital projects, and the unspent amount is shown as restricted cash on the statements of net position. Historically the District has had a number of parties that are permitted to use a fire hydrant to draw water for construction purposes. The hydrant policy was changed so that new construction water users whose business is located within the District's service area have sufficient space on their property to install the necessary infrastructure and will make a permanent connection to the District's water distribution system in lieu of utilizing District hydrants. The party will install infrastructure as approved by the District and will pay the hydrant water rate for a period of 10 years to adequately reimburse the District for the water resources it uses for construction purposes. Amounts held in employee flexible spending accounts are contributions by employees to a flexible spending account which is restricted to be used at the employee's discretion on allowable costs under the plan.

The restricted asset accounts for customer deposits and employee flexible spending account have corresponding restricted liabilities accounts.

When both restricted and unrestricted resources are available for use, the District's policy is to use restricted resources first, then unrestricted resources as they are needed.

Accounts Receivable

The District does not provide a reserve for estimated uncollectible accounts since such amounts are negligible. A lien on the property assures collection of virtually all accounts.

Inventories

Inventories are valued at the lower of cost using the first-in, first-out method or market.

Capital Assets

Capital assets, which include land and land rights, water rights, water plant and equipment, and sanitation plant and equipment, are reported by the District. The District's policy is to capitalize all capital asset purchases regardless of their initial, individual cost. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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:

Buildings	25 to 30 Years
Water and Sanitation Plant	40 to 99 Years
Furniture and Equipment	5 to 20 Years

The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

Property Taxes

Property taxes are levied by the District's board of directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes are recorded initially as a deferred inflow of resources in the year they are levied and measurable. The property taxes are then recorded as revenue in the year they are available or collected.

Compensated Absences

Beginning May 2009, the District no longer accrues for sick leave due to the inception of a paid time off (PTO) policy that replaced the sick and vacation leave policy. Unused sick leave remaining from the previous policy is capped at 960 hours per employee and recorded as a long-term liability under accrued benefits payable. Upon termination or resignation from the District, unused sick leave will be paid according to the employee's years of service. Effective January 1, 1999, unused sick leave vests at the same rate as pension benefits vest for employees terminating prior to January 1, 2007. It is the District's policy to use the current year's used PTO amount as the current portion of accrued compensated absences. See the schedule located at Note 5.

PTO is expected to be used within a reasonable period from the date of earning it. Each employee may carryover 1-1/2 times their annual accrual. Upon termination or resignation, unused PTO will be paid to the employee in full. Unused PTO is recorded as a long-term liability.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization

Bond discounts and premiums are amortized over the lives of the bond issue on a straight-line basis, which approximates the effective interest method.

Deferred Inflows of Resources

The Series 2020B Water and Wastewater Refunding bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$272,774. This difference is reported as a deferred inflow of resources as of December 31, 2023. See Note 5 for additional information.

Implementation of GASB Statement No. 96 Subscription-Based Information Technology Arrangements

During the fiscal year ended December 31, 2023, the District adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement was evaluated and deemed to have no material impact.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 significantly from those estimates.

NOTE 3 CASH AND INVESTMENTS

Cash and investments are reflected on the December 31 statements of net position as follows:

	<u>2023</u>	<u>2022</u>
Cash and Investments	\$ 30,723,297	\$ 32,546,003
Cash and Investments - Designated	115,216,057	95,209,929
Restricted Cash and Investments:		
Operating Reserve	1,250,000	1,250,000
Employee Flexible Spending Accounts	29,393	25,532
Customer Deposits	188,885	211,757
Total Cash and Investments	<u>\$ 147,407,632</u>	<u>\$ 129,243,221</u>

Cash and investments as of December 31 consist of the following:

	<u>2023</u>	<u>2022</u>
Cash on Hand	\$ 3,480	\$ 3,480
Deposits with Financial Institutions	23,685,979	23,194,541
Investments	123,718,173	106,045,200
Total Cash and Investments	<u>\$ 147,407,632</u>	<u>\$ 129,243,221</u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

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

Investments

Credit Risk

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

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

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

The local government investment pool, Colorado Surplus Asset Fund Trust (CSAFE) is rated AAAM by Standard & Poor's.

Interest Rate Risk

Colorado revised statutes limit investment maturities up 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 bonds proceeds are limited to three years or less.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Interest Rate Risk (Continued)

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

<u>Investment</u>	<u>Maturity Less Than One Year</u>	<u>Standard & Poor's Rating</u>	<u>Total Amortized Cost</u>	<u>Concentration</u>
CSAFE	<u>\$ 123,718,173</u>	AAAm	<u>\$ 123,718,173</u>	<u>100.0%</u>

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

<u>Investment</u>	<u>Maturity Less Than One Year</u>	<u>Standard & Poor's Rating</u>	<u>Total Amortized Cost</u>	<u>Concentration</u>
CSAFE	<u>\$ 106,045,200</u>	AAAm	<u>\$ 106,045,200</u>	<u>100.0%</u>

CSAFE

At December 31, 2023 and 2022, the District had \$123,718,173 and \$106,045,200, respectively, invested in the Colorado Surplus Asset Fund Trust (CSAFE), 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. There are no limitations or restrictions on withdrawals from the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE is valued at amortized cost.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance at January 1, 2023	Increases	Transfers	Decreases	Balance at December 31, 2023
Capital Assets, Not Being Depreciated:					
Land and Land Rights	\$ 5,133,967	\$ -	\$ 2,959,805	\$ -	\$ 8,093,772
Water Rights	205,704,736	-	27,974,123	-	233,678,859
Construction in Progress	106,610,519	12,889,722	(79,154,174)	24,935	40,321,132
Total Capital Assets, Not Being Depreciated	317,449,222	12,889,722	(48,220,246)	24,935	282,093,763
Capital Assets, Being Depreciated:					
Buildings	7,559,675	66,026	73,678	-	7,699,379
Water System Plant	247,976,656	14,314,726	37,224,197	-	299,515,579
Sanitation System Plant	157,325,525	7,942,403	10,310,110	-	175,578,038
Furniture and Equipment	11,455,856	370,521	612,261	34,614	12,404,024
Total Capital Assets, Being Depreciated	424,317,712	22,693,676	48,220,246	34,614	495,197,020
Less Accumulated Depreciation for:					
Buildings	2,372,398	445,790	-	-	2,818,188
Water System Plant	57,731,771	7,416,797	-	-	65,148,568
Sanitation System Plant	48,227,253	4,446,683	-	-	52,673,936
Furniture and Equipment	4,981,874	153,581	-	34,614	5,100,841
Total Accumulated Depreciation	113,313,296	12,462,851	-	34,614	125,741,533
Total Capital Assets, Being Depreciated, Net	311,004,416	10,230,825	48,220,246	-	369,455,487
Capital Assets, Net	\$ 628,453,638	\$ 23,120,547	\$ -	\$ 24,935	\$ 651,549,250

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	Balance at January 1, 2022	Increases	Transfers	Decreases	Balance at December 31, 2022
Capital Assets, Not Being Depreciated:					
Land and Land Rights	\$ 4,429,157	\$ 704,810	\$ -	\$ -	\$ 5,133,967
Water Rights	207,504,736	-	-	1,800,000	205,704,736
Construction in Progress	89,170,845	17,953,353	(512,798)	881	106,610,519
Total Capital Assets, Not Being Depreciated	301,104,738	18,658,163	(512,798)	1,800,881	317,449,222
Capital Assets, Being Depreciated:					
Buildings	7,552,018	7,657	-	-	7,559,675
Water System Plant	238,509,117	9,443,287	24,252	-	247,976,656
Sanitation System Plant	151,897,063	5,324,374	104,088	-	157,325,525
Furniture and Equipment	11,022,366	288,911	384,458	239,879	11,455,856
Total Capital Assets, Being Depreciated	408,980,564	15,064,229	512,798	239,879	424,317,712
Less Accumulated Depreciation for:					
Buildings	1,964,116	408,282	-	-	2,372,398
Water System Plant	52,973,351	4,758,420	-	-	57,731,771
Sanitation System Plant	44,255,296	3,971,957	-	-	48,227,253
Furniture and Equipment	5,081,189	140,564	-	239,879	4,981,874
Total Accumulated Depreciation	104,273,952	9,279,223	-	239,879	113,313,296
Total Capital Assets, Being Depreciated, Net	304,706,612	5,785,006	512,798	-	311,004,416
Capital Assets, Net	\$ 605,811,350	\$ 24,443,169	\$ -	\$ 1,800,881	\$ 628,453,638

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense for the years ended December 31 as charged to the following operations:

	2023	2022
Direct Water Expenses	\$ 7,797,496	\$ 5,106,370
Direct Sewer Expenses	4,665,355	4,172,853
Total	\$ 12,462,851	\$ 9,279,223

NOTE 5 LONG-TERM LIABILITIES

The following is an analysis of changes in long-term liabilities for the year ended December 31, 2023:

	Balance January 1, 2023	New Issues	Retirements	Balance December 31, 2023	Due Within One Year
Direct Borrowing - Colorado Water and Power Authority Loan - 2014	\$ 16,234,831	\$ -	\$ 1,041,497	\$ 15,193,334	\$ 1,057,375
Direct Placement - Series 2020A Refunding Bond	5,400,000	-	1,775,000	3,625,000	1,800,000
Series 2020B Refunding Bond	5,875,000	-	690,000	5,185,000	705,000
Series 2014 Bond	9,270,000	-	530,000	8,740,000	550,000
Series 2018 Bond	54,035,000	-	1,180,000	52,855,000	1,245,000
Bond Premium	2,108,439	-	96,860	2,011,579	96,163
Total Long-Term Obligations	92,923,270	\$ -	\$ 5,313,357	87,609,913	\$ 5,453,538
Less Current Portion	5,372,584			5,453,538	
Long-Term Portion	\$ 87,550,686			\$ 82,156,375	

The following is an analysis of changes in long-term liabilities for the year ended December 31, 2022:

	Balance January 1, 2022	New Issues	Retirements	Balance December 31, 2022	Due Within One Year
Direct Borrowing - Colorado Water and Power Authority Loan - 2002	\$ 270,000	\$ -	\$ 270,000	\$ -	\$ -
Colorado Water and Power Authority Loan - 2014	17,260,450	-	1,025,619	16,234,831	1,071,459
Direct Placement- Series 2020A Refunding Bond	7,150,000	-	1,750,000	5,400,000	1,775,000
Series 2020B Refunding Bond	6,555,000	-	680,000	5,875,000	690,000
Series 2014 Bond	9,780,000	-	510,000	9,270,000	530,000
Series 2018 Bond	55,155,000	-	1,120,000	54,035,000	1,180,000
Bond premium	2,189,497	-	81,058	2,108,439	126,125
Total Long-Term Obligations	98,359,947	\$ -	\$ 5,436,677	92,923,270	\$ 5,372,584
Less Current Portion	5,465,942			5,372,584	
Long-Term Portion	\$ 92,894,005			\$ 87,550,686	

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

A detail of the District’s long-term liabilities is as follows:

Colorado Water and Power Authority Loan. Issue date May 6, 2014; interest rate 2.25%; final payment date of August 1, 2036; annual principal payments range from \$8,896 to \$1,374,000. The loan contains a provision that in an event of default by the District, outstanding amounts become immediately due if the District is unable to make payment.

Water and Wastewater Revenue Bonds, Series 2014. In November 2014, the District issued Bonds for the purpose of funding the costs of water resources and capital improvements to the District’s joint water and wastewater system. The Series 2014 Bonds were issued in the amount of \$12,900,000. The bonds constitute special limited revenue obligations of the District payable solely from and to the extent of the revenue, net of operations and maintenance expenses, derived by the District from the operations of its joint water and wastewater system, and under certain circumstances from moneys held in the Series 2014 Bond Reserve Account. The bonds mature annually beginning in 2015 with final payment in 2036. Interest with rates from 2.00% to 4.00% is payable semi-annually. The Bonds contain a provision that in an event of default by the District, outstanding amounts become immediately due if the District is unable to make payment.

Mandatory Sinking Fund Redemption. The Series 2014 Bonds maturing on December 1, 2025 and 2026 (the Term Bonds), are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount of the Term Bonds so redeemed plus accrued interest to the redemption date, without redemption premium, on the dates and in the principal amounts specified in the following table.

<u>Redemption Date (December 1)</u>	<u>Principal Amount</u>
2025	\$ 570,000
2026 (Maturity)	590,000
Total	<u>\$ 1,160,000</u>

The amount of any sinking fund installment may be reduced by the principal amount of the Term Bonds that prior to such date have been optionally redeemed and cancelled and not theretofore applied as a credit against a mandatory sinking fund installment.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

The Series 2014 Bonds maturing on or after December 1, 2025, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or in part, maturities are determined by the District, on December 1, 2024, and on any date thereafter, upon payment of the principal amount of the Series 2014 Bonds are redeemed plus accrued interest to the redemption date without redemption premium.

Water and Wastewater Revenue Bonds, Series 2018. In April 2018, the District issued Bonds for the purpose of funding the costs of water resources and capital improvements to the District's joint water and wastewater system. The Series 2018 Bonds were issued in the amount of \$57,220,000. The bonds constitute special limited revenue obligations of the District payable solely from and to the extent of the revenue, net of operations and maintenance expenses, derived by the District from the operations of its joint water and wastewater system, and under certain circumstances from moneys held in the Series 2018 Bond Reserve Account. The bonds mature annually beginning in 2020 with final payment in 2048. Interest with rates from 3.00% to 5.50% is payable semi-annually. The Bonds contain a provision that in an event of default by the District, outstanding amounts become immediately due if the District is unable to make payment.

Mandatory Sinking Fund Redemption. The Series 2018 Bonds maturing on December 1, 2046 (the Term Bonds), are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount of the Term Bonds so redeemed plus accrued interest to the redemption date, without redemption premium, on the dates and in the principal amounts specified in the following table.

<u>Redemption Date (December 1)</u>	<u>Principal Amount</u>
2045	\$ 2,825,000
2046 (Maturity)	<u>2,925,000</u>
Total	<u><u>\$ 5,750,000</u></u>

The amount of any sinking fund installment may be reduced by the principal amount of the Term Bonds that prior to such date have been optionally redeemed and cancelled and not theretofore applied as a credit against a mandatory sinking fund installment.

The Series 2018 Bonds maturing on or after December 1, 2028, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or in part, maturities are determined by the District, on December 1, 2027, and on any date thereafter, upon payment of the principal amount of the Series 2018 Bonds are redeemed plus accrued interest to the redemption date without redemption premium.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Water and Wastewater Revenue Bonds, Series 2020A. In June 2020, the District issued Bonds for the purpose of refunding the Denver Water Storage Agreement outstanding in the amount of \$10,569,277. As a result, the refunded Denver Water Storage Agreement debt was defeased and the liability for that debt was removed from the District's statement of net position.

The 2020A bonds mature annually beginning in 2020 with a final payment in 2025. Interest with a rate of 1.43% is payable semi-annually. The Bonds contain a provision that in an event of default by the District, outstanding amounts become immediately due if the District is unable to make payment.

Water and Wastewater Revenue Bonds, Series 2020B. In November 2020, the District issued Bonds for the purpose of refunding the Water and Wastewater Revenue Bonds, Series 2010 outstanding in the amount of \$7,225,000. As a result, the refunded Water and Wastewater Revenue Bonds, Series 2010 bonds were defeased and the liability for those bonds was removed from the District's statement of net position.

The 2020B bonds mature annually beginning in 2021 with a final payment in 2030. Interest with a rate of 1.69% is payable semi-annually. The Bonds contain a provision that in an event of default by the District, outstanding amounts become immediately due if the District is unable to make payment.

Bond and loan principal and interest requirements for the next five years and in five-year increments thereafter are as follows, excluding amortization of bond premium:

Years	Revenue Bonds		Bonds and Loans from Direct		Total
	Principal	Interest	Principal	Interest	
2024	\$ 1,795,000	\$ 2,296,150	\$ 3,562,375	\$ 303,939	\$ 7,957,464
2025	1,885,000	2,205,675	3,606,685	250,885	7,948,245
2026	1,975,000	2,116,250	1,810,649	203,079	6,104,978
2027	2,070,000	2,022,375	1,832,286	179,192	6,103,853
2028	2,165,000	1,927,313	1,849,683	155,136	6,097,132
2029-2033	12,040,000	8,417,869	7,367,864	446,718	28,272,451
2034-2038	12,700,000	6,076,675	3,973,792	90,681	22,841,148
2039-2043	12,325,000	3,924,025	-	-	16,249,025
2044-2048	14,640,000	1,607,269	-	-	16,247,269
Total	<u>\$ 61,595,000</u>	<u>\$ 30,593,601</u>	<u>\$ 24,003,334</u>	<u>\$ 1,629,630</u>	<u>\$ 117,821,565</u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Changes in the District's accrued benefits payable are as follows:

	Balance January 1, 2023	Incurred	Retired	Balance December 31, 2023	Current Portion
Accrued Benefits Payable	<u>\$ 919,657</u>	<u>\$ 634,920</u>	<u>\$ 779,585</u>	<u>\$ 774,992</u>	<u>\$ 774,992</u>

	Balance January 1, 2022	Incurred	Retired	Balance December 31, 2022	Current Portion
Accrued Benefits Payable	<u>\$ 797,820</u>	<u>\$ 624,959</u>	<u>\$ 503,122</u>	<u>\$ 919,657</u>	<u>\$ 919,657</u>

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

As of December 31, the District had a net investment in capital assets calculated as follows:

	<u>2023</u>	<u>2022</u>
Net Investment in Capital Assets:		
Capital Assets - Net of Accumulated Depreciation	\$ 651,549,250	\$ 628,453,638
Deferred Inflow from Debt Refunding	(190,942)	(218,219)
Capital-Related Retainage and Accounts Payable	(1,333,992)	(1,909,011)
Current Portion of Bonds and Loan Payable	(5,453,538)	(5,372,584)
Long-Term Portion of Bonds and Loan Payable	<u>(82,156,375)</u>	<u>(87,550,686)</u>
Total	<u>\$ 562,414,403</u>	<u>\$ 533,403,138</u>

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's restricted net position as of December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Restricted Net Position:		
Operating Reserve	<u>\$ 1,250,000</u>	<u>\$ 1,250,000</u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 7 RETIREMENT AND DEFERRED COMPENSATION PLAN

Employees Pension Fund - The District has contracted with Lincoln National Life Insurance Company as the carrier of a single employer defined contribution retirement program for the District employees. The District has received a favorable determination letter from the Internal Revenue Service, which will allow the employer contributions to be nontaxable to the employees until the contributions are withdrawn from the Plan at retirement. The District contributes a 5% match of employees' wages to the Plan. An employee becomes eligible to participate in the Plan upon attaining the age of 21 and upon completing three years of service. Employees are 100% vested upon reaching normal retirement age, death or disability. On January 10, 2007, the District elected to amend the vesting schedule. If an employee terminates prior to normal retirement for any reason other than death or disability, the vesting schedules are as follows.

For employee terminating on or after January 1, 2007, the vesting schedule is as follows:

<u>Years of Credited Service</u>	<u>Nonforfeitable Vested Percent</u>
3	60 %
4	80
5 or More	100

Pension contributions were \$333,282 and \$341,472 for 2023 and 2022, respectively.

The District also has a Deferred Compensation Plan under Section 457 of the Internal Revenue Code. All employees are eligible for this Plan. There are no costs to the District under this Deferred Compensation Plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. During 1997, the District amended the Section 457 Deferred Compensation Plan to require all amounts deferred to be held in trust for the exclusive benefit of participating employees and is not accessible by the District or its creditors.

NOTE 8 BOND AND LOAN COMPLIANCE

Under the CWPA loan agreements, the District will provide net revenues in each fiscal year sufficient to equal at least 110% of the aggregate amount of principal and interest payable in the following year.

As noted in the bond resolution for the 2014 and 2018 Water and Wastewater Revenue Bonds, the District will provide net revenues in each fiscal year sufficient to equal at least 125% of the aggregate amount of principal and interest payable in the following year of the bond issues.

At December 31, 2023 and 2022, management believes it has met these covenants.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 9 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 (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. The District is only covered by the Pool for workers' compensation. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District continues to carry commercial insurance coverage for other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the year under coverage. The District has had no significant reductions in insurance coverage from coverage in prior years. The District retains a certain level of all liability losses. For the year ended December 31, 2023, the District retains commercial general liability up to \$0- and a limit of \$1,000,000 per occurrence. The District retains liability losses for buildings up to \$5,000 with a limit of \$1,000,000 per occurrence. The District retains liability losses for earthquakes up to \$50,000 with a limit of \$5,000,000 per occurrence.

The District retains liability losses for Flood up to \$50,000 with a limit of \$5,000,000 per occurrence for buildings 1-44, 57-67, 73, 74, 78, 79, 84, 88, 90-94, 107-112; retains liability losses for Flood up to \$100,000 for buildings and a limit of \$2,500,000 per occurrence for buildings 68, 69, 75, 76, 85-87; and retains liability losses for Flood up to \$100,000 for buildings and a limit of \$1,000,000 per occurrence for buildings 45-56, 70-72, 77, 80-83, 89, 95-106. The District retains liability losses for Utility Services up to \$5,000 with a limit of \$100,000 per occurrence. The District retains liability losses for Cause of Loss – Equipment Breakdown up to \$10,000 with a limit of \$250,000 per occurrence. The District retains liability losses for governmental crime \$1,000 with a limit of \$300,000 per occurrence. The District retains liability losses for public entity management liability \$10,000 with a limit of \$1,000,000 per occurrence. The District retains liability losses for public entity employment-related practices liability up to \$15,000 with a limit of \$1,000,000 per occurrence. The District retains liability losses for cyberfirst liability with a limit of \$50,000 per occurrence. The District retains liability losses for automobiles up to \$500 with a limit of \$1,000,000. The District retains umbrella excess liability up to \$10,000 with a limit of \$5,000,000 per occurrence.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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.

NOTE 11 COMMITMENTS AND CONTINGENCIES

As of December 31, 2023, the District had unexpended construction related contract commitments and contingencies on other projects of \$8,309,278.

Water Rights Cases

The District is involved in several water rights proceedings. Water rights proceedings are determinations with respect to quantitative rights to water resources in the state of Colorado, and, as such, do not directly involve monetary determinations under Colorado law, though the District's water rights and water agreements are of substantial value.

NOTE 12 AGREEMENTS

The District has entered into the agreements described below.

Water Storage Agreement – Westminster

In 2001, the District entered into a water storage agreement with the City of Westminster. Under the conditions of this agreement, the City agrees to sell 1,200 acre-feet of storage space, inlet and outlet capacity and the right to carry 1,200 acre-feet of water to the District. The District paid an initial payment of \$336,000 in 2001 and has made annual payments from 2002 through 2007. The District agreed to pay total costs of \$3,767,459. As of December 31, 2023, the District has a remaining cost of \$877,718 to be paid once the project is complete. The project is in the process of being renegotiated between the City of Westminster and the District.

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 12 AGREEMENTS (CONTINUED)

Water Resource Agreements

The District has entered into various water resource agreements with landowners and developers in the District. Under these agreements, the District has acquired certain water rights, storage rights and related improvements, and received capital contributions to go towards providing public water service to the participants.

Prospect Valley Intergovernmental Agreement

The District entered into an agreement with Prospect Valley Water and Sanitation District (PV) and Commerce City (CC) to share water resources among the parties and to meet conditions necessary for approval of the PV Service Agreement to provide services within Commerce City. PV conveyed to the District the water rights associated with certain wells located in the Lost Creek Designated Ground Water Basin, along with the well structures, related easements, and the obligation to convey additional easements and a 10 acre parcel of land in the future. In return, the District will issue 4,775.836 South Adams ERU Water Connections and the right of PV or its assigns to purchase 4,775.836 South Adams ERU Sanitary Sewer Connections. The ERU's can be used anywhere in the District's service area.

Metro Wastewater Reclamation District Agreement

On November 6, 2014, the District entered into an agreement with Metro Wastewater Reclamation District (MWRD) to purchase Single Family Residential Equivalents (SFRE) for existing customers in its Northern Service Area to divert a portion of its wastewater flow to MWRD for sanitation. From 2009 to 2025 the District has agreed to purchase a total of 8,910.2 SFREs, which it will begin to divert to MWRD upon the completion of the Northern Treatment Plant (NTP) to be constructed by MWRD.

SUPPLEMENTARY INFORMATION

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF OPERATING REVENUE
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2022)**

	Water	Sanitation	Totals	
			2023	2022
Metered Water Fees	\$ 21,029,350	\$ -	\$ 21,029,350	\$ 23,718,221
Softening Fees	1,558,025	-	1,558,025	1,606,468
Sewer Service Fees	-	17,021,031	17,021,031	15,490,575
Pretreatment Fees	-	125,742	125,742	151,867
Fireline Fees	344,373	-	344,373	307,694
Inclusion Fees	222,034	-	222,034	307,934
Leased Water	239,326	-	239,326	1,266,692
Turn on Charge	292,590	-	292,590	119,769
Tap-in Fees	691,309	98,374	789,683	983,588
Hydrant Water	451,309	-	451,309	1,456,347
Total Operating Revenue	\$ 24,828,316	\$ 17,245,147	\$ 42,073,463	\$ 45,409,155

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF OPERATING EXPENSES COMPARED WITH BUDGET – WATER
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2022)**

	Annual Budget	Source of Supply	Treatment	Actual Distribution and Collection Allocated	Administration and General Allocated	Total 2023	Actual Over (Under) Budget	Total 2022
Power	\$ 1,059,100	\$ 798,014	\$ 284,962	\$ 27,093	\$ -	\$ 1,110,069	\$ 50,969	\$ 1,204,766
Purchased Water	6,524,852	5,107,773	-	-	-	5,107,773	(1,417,079)	5,604,238
Repair and Maintenance	1,355,440	159,502	265,277	395,617	310,679	1,131,075	(224,365)	1,041,279
Safety Equipment	107,300	-	-	6,852	-	6,852	(100,448)	4,703
Customer Service Materials	407,000	-	-	783,727	-	783,727	376,727	492,397
Small Tools and Equipment	18,500	-	-	23,543	-	23,543	5,043	15,732
Operating Supplies	254,494	18,015	65,393	144,543	151,429	379,380	124,886	246,971
Office Supplies	47,777	-	10,306	11,642	15,163	37,111	(10,666)	49,476
Leased Equipment	29,600	-	-	-	15,536	15,536	(14,064)	17,020
Shop Supplies	39,616	1,333	17,149	5,532	-	24,014	(15,602)	20,951
Carbon Replacement	920,000	-	861,687	-	-	861,687	(58,313)	567,139
Chemical Supplies	1,552,440	81,513	1,633,386	-	-	1,714,899	162,459	2,243,359
Lab Supplies	100,000	17,905	104,014	-	-	121,919	21,919	112,582
Uniforms	23,712	1,159	4,794	8,136	1,470	15,559	(8,153)	16,294
Telecommunications	262,700	-	-	-	262,240	262,240	(460)	247,636
Utility - Gas	77,760	30,394	57,021	4,837	20,974	113,226	35,466	138,266
Salaries	5,721,620	268,973	1,376,323	1,883,356	1,799,482	5,328,134	(393,486)	4,580,813
Employee Benefits	1,983,094	99,829	435,209	704,814	508,168	1,748,020	(235,074)	1,434,133
Taxes - Payroll	437,626	21,047	105,418	143,796	137,320	407,581	(30,045)	341,914
Fuel Expense	128,400	-	1,262	98,564	-	99,826	(28,574)	106,631
Truck Expense	78,625	0	-	78,454	-	78,454	(171)	67,079
Water Supply	300,000	-	-	-	235,621	235,621	(64,379)	182,414
Quality Control	75,000	35,959	4,485	-	-	40,444	(34,556)	39,557
Audit	48,100	-	-	-	53,592	53,592	5,492	40,460
Management Services	526,880	-	-	30,872	617,327	648,199	121,319	427,713
Postage	155,585	-	-	317	95,513	95,830	(59,755)	104,914
Legal	200,000	-	-	-	246,652	246,652	46,652	213,045
Engineering	438,800	-	-	-	737,362	737,362	298,562	643,577
Insurance	327,820	-	-	-	298,291	298,291	(29,529)	269,568
Miscellaneous	386,405	1,006	24,746	26,213	368,175	420,140	33,735	337,109
Publications	4,995	-	-	-	7,825	7,825	2,830	4,336
Dues and Subscriptions	46,640	14,913	9,339	-	95,539	119,791	73,151	67,163
Water Rights Assessments	100,000	-	-	-	83,967	83,967	(16,033)	71,756
Conservation	69,200	-	-	-	32,259	32,259	(36,941)	63,281
Janitor	74,000	-	-	-	55,343	55,343	(18,657)	59,270
Landscape Maintenance	144,300	-	-	-	144,637	144,637	337	95,460
Board of Directors	7,770	-	-	-	5,698	5,698	(2,072)	4,828
Education	52,190	1,880	16,208	3,690	45,099	66,877	14,687	21,740
Total Operating Expenses - Water	24,087,341	\$ 6,659,215	\$ 5,276,979	\$ 4,381,598	\$ 6,345,361	22,663,153	(1,424,188)	21,199,570
Total Operating Expenses - Sanitation (Page 40)	7,162,684					7,887,481	724,797	7,262,211
Total Operating Expenses	\$ 31,250,025					\$ 30,550,634	\$ (699,391)	\$ 28,461,781

SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF OPERATING EXPENSES COMPARED WITH BUDGET – SANITATION (NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2022)

	Annual Budget	Transmission			Actual			Total 2023	Actual Over (Under) Budget	Total 2022
		Collection	Treatment	Distribution and Collection Allocated	Administration and General Allocation	Total 2023				
Power	\$ 435,900	\$ 121,700	\$ 544,365	\$ 9,519	\$ -	\$ 675,584	\$ 239,684	\$ 590,164		
Repair and Maintenance	850,560	51,090	494,946	139,000	109,157	794,193	(56,367)	607,629		
Safety Equipment	37,700	-	-	2,407	-	2,407	(35,293)	2,213		
Customer Service Materials	143,000	-	-	275,363	-	275,363	132,363	231,716		
Small Tools and Equipment	6,500	-	-	8,272	-	8,272	1,772	7,404		
Operating Supplies	601,666	3,456	627,664	50,786	53,205	735,111	133,445	510,648		
Office Supplies	16,273	-	4,043	4,090	5,328	13,461	(2,812)	22,074		
Leased Equipment	10,400	-	-	-	5,458	5,458	(4,942)	8,009		
Shop Supplies	12,284	-	2,560	1,944	-	4,504	(7,780)	7,147		
Uniforms	10,943	2,601	8,175	2,859	517	14,152	3,209	13,620		
Telecommunications	92,300	-	-	-	92,139	92,139	(161)	116,535		
Utility - Gas	66,240	6,870	61,696	1,700	7,369	77,635	11,395	75,525		
Salaries	2,706,177	419,936	1,315,648	661,720	632,250	3,029,554	323,377	2,983,916		
Employee Benefits	943,128	152,370	394,485	247,637	178,546	973,038	29,910	941,579		
Taxes - Payroll	207,023	32,748	100,059	50,523	48,247	231,577	24,554	229,156		
Fuel Expense	80,100	-	23,992	34,630	-	58,622	(21,478)	91,173		
Truck Expense	27,625	-	-	27,565	-	27,565	(60)	34,337		
Quality Control	100,000	-	161,951	-	-	161,951	61,951	50,753		
Audit	16,900	-	-	-	18,830	18,830	1,930	19,040		
Management Services	185,120	-	-	10,847	216,898	227,745	42,625	201,277		
Postage	79,665	-	5,646	111	33,558	39,315	(40,350)	58,376		
Engineering	76,200	-	-	-	-	-	(76,200)	-		
Insurance	115,180	-	-	-	104,805	104,805	(10,375)	126,856		
Miscellaneous	150,145	-	28,447	9,211	129,361	167,019	16,874	175,844		
Publications	4,755	-	-	-	2,749	2,749	(2,006)	2,040		
Dues and Subscriptions	63,360	-	-	-	33,568	33,568	(29,792)	24,974		
Conservation	20,800	-	-	-	11,334	11,334	(9,466)	29,780		
Janitor	26,000	-	-	-	19,445	19,445	(6,555)	27,892		
Landscape Maintenance	50,700	-	-	-	50,819	50,819	119	44,922		
Board of Directors	2,730	-	-	-	2,002	2,002	(728)	2,272		
Education	23,310	2,083	10,039	1,296	15,846	29,264	5,954	25,340		
Total Operating Expenses - Sanitation	\$ 7,162,684	\$ 792,854	\$ 3,783,716	\$ 1,539,480	\$ 1,771,431	\$ 7,887,481	\$ 724,797	\$ 7,262,211		

SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF OPERATING EXPENSES COMPARED WITH BUDGET – DISTRIBUTION AND COLLECTION
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2022)

	Distribution				Actual				Actual Over (Under) Budget	Total 2022
	Annual Budget	Distribution and Collection	Development	Meter Reading	Fleet	Total 2023	Total (Under) Budget	Total 2022		
Power	\$ 190,000	\$ 36,612	\$ -	\$ -	\$ -	\$ 36,612	\$ (153,388)	\$ 29,977	\$ 29,977	
Repair and Maintenance	847,000	262,902	-	130,329	141,386	534,617	(312,383)	560,797	560,797	
Safety Equipment	145,000	-	-	-	9,259	9,259	(135,741)	6,916	6,916	
Customer Service Materials	550,000	-	-	1,059,090	-	1,059,090	509,090	724,113	724,113	
Small Tools and Equipment	25,000	11,487	-	-	20,328	31,815	6,815	23,136	23,136	
Operating Supplies	83,500	22,215	6,458	19,543	147,113	195,329	111,829	164,426	164,426	
Office Supplies	9,000	-	15,732	-	-	15,732	6,732	3,988	3,988	
Shop Supplies	18,400	85	-	-	7,391	7,476	(10,924)	11,888	11,888	
Uniforms	21,599	4,329	3,472	1,553	1,641	10,995	(10,604)	12,704	12,704	
Utility - Gas	12,500	6,537	-	-	-	6,537	(5,963)	6,921	6,921	
Salaries	2,976,895	891,652	775,704	477,649	400,071	2,545,076	(431,819)	2,331,390	2,331,390	
Employee Benefits	1,140,658	346,083	263,738	159,916	182,714	952,451	(188,207)	826,018	826,018	
Taxes - Payroll	227,733	68,248	59,292	36,429	30,350	194,319	(33,414)	169,620	169,620	
Fuel Expense	135,000	-	-	-	133,194	133,194	(1,806)	150,924	150,924	
Truck Expense	106,250	-	-	-	106,019	106,019	(231)	95,976	95,976	
Management Services	75,000	-	41,719	-	-	41,719	(33,281)	41,009	41,009	
Postage	250	319	109	-	-	428	178	373	373	
Engineering	120,000	-	-	-	-	-	(120,000)	-	-	
Miscellaneous	61,750	35,207	16	-	201	35,424	(26,326)	35,507	35,507	
Publications	1,000	-	-	-	-	-	(1,000)	-	-	
Dues and Subscriptions	3,000	-	-	-	-	-	(3,000)	-	-	
Janitor	100,000	-	-	-	-	-	(100,000)	-	-	
Landscape Maintenance	195,000	-	-	-	-	-	(195,000)	-	-	
Education	12,800	2,421	1,225	-	1,340	4,986	(7,814)	5,063	5,063	
Total Operating Expenses - Distribution and Collection	\$ 7,057,335	\$ 1,688,097	\$ 1,167,465	\$ 1,884,509	\$ 1,181,007	\$ 5,921,078	\$ (1,136,257)	\$ 5,200,746	\$ 5,200,746	
Total Allocated to Water	\$ 5,222,428	\$ 1,249,192	\$ 863,924	\$ 1,394,537	\$ 873,945	\$ 4,381,598	\$ (840,830)	\$ 3,536,507	\$ 3,536,507	
Total Allocated to Sanitation	1,834,907	438,905	303,541	489,972	307,062	1,539,480	(295,427)	1,664,239	1,664,239	
Total	\$ 7,057,335	\$ 1,688,097	\$ 1,167,465	\$ 1,884,509	\$ 1,181,007	\$ 5,921,078	\$ (1,136,257)	\$ 5,200,746	\$ 5,200,746	

SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF OPERATING EXPENSES COMPARED WITH BUDGET – ADMINISTRATION AND GENERAL
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2022)

	Actual							Over (Under) Budget	Total 2022
	Budget	Management	Accounting and Finance	Information Technology	Environmental	General	Total 2023		
Power	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (25,000)	\$ -
Repair and Maintenance	309,000	-	-	419,836	-	-	419,836	110,836	185,172
Operating Supplies	230,600	757	133,495	70,382	-	-	204,634	(25,966)	152,220
Office Supplies	42,050	275	9,473	10,743	-	-	20,491	(21,559)	23,923
Leased Equipment	40,000	-	-	20,994	-	-	20,994	(19,006)	49,458
Uniforms	1,255	280	539	1,168	-	-	1,987	732	1,233
Telecommunications	355,000	-	-	354,379	-	-	354,379	(621)	343,660
Utility - Gas	11,500	-	-	-	-	28,343	28,343	16,843	24,668
Salaries	2,447,414	724,780	891,486	815,466	-	-	2,431,732	(15,682)	1,613,457
Employee Benefits	733,729	208,088	289,579	189,047	-	-	686,714	(47,015)	572,620
Taxes - Payroll	187,226	55,788	68,395	61,384	-	-	185,567	(1,659)	125,894
Fuel Expense	-	-	-	-	-	-	-	-	(131)
Water Supply	-	-	-	-	-	235,621	235,621	235,621	178,211
Audit	65,000	-	72,422	-	-	-	72,422	7,422	54,109
Management Services	637,000	357,056	96,140	381,029	-	-	834,225	197,225	395,514
Postage	210,000	-	129,071	-	-	-	129,071	(80,929)	128,254
Legal	-	-	-	-	-	246,652	246,652	246,652	184,800
Engineering	443,000	-	-	-	-	737,362	737,362	737,362	314,376
Insurance	391,500	-	-	-	-	403,096	403,096	(39,904)	351,529
Miscellaneous	5,750	11,014	3,336	18	-	483,168	497,536	106,036	405,319
Publications	33,000	-	-	-	-	10,574	10,574	4,824	12,440
Dues and Subscriptions	80,000	4,612	-	-	-	124,495	129,107	96,107	93,490
Water Rights Assessments	-	-	-	-	-	83,967	83,967	83,967	109,647
Conservation	-	-	-	-	-	43,593	43,593	(36,407)	18,054
Janitor	-	-	-	-	-	74,788	74,788	74,788	25,307
Landscape Maintenance	-	-	-	-	-	195,456	195,456	195,456	3,474
Board of Directors	10,500	7,700	-	-	-	-	7,700	(2,800)	9,150
Education	30,700	2,162	4,544	6,981	-	47,258	60,945	30,245	8,647
Total	\$ 6,289,224	\$ 1,372,512	\$ 1,698,480	\$ 2,331,427	\$ -	\$ 2,714,373	\$ 8,116,792	\$ 1,827,568	\$ 5,384,495
Total Allocated to Water	\$ 4,654,026	\$ 1,015,659	\$ 1,256,875	\$ 1,725,256	\$ -	\$ 1,043,971	\$ 6,345,363	\$ 1,691,337	\$ 3,913,307
Total Allocated to Sanitation	1,635,198	356,853	441,605	606,171	-	366,800	1,771,429	136,231	1,471,188
Total	\$ 6,289,224	\$ 1,372,512	\$ 1,698,480	\$ 2,331,427	\$ -	\$ 1,410,771	\$ 8,116,792	\$ 1,827,568	\$ 5,384,495

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF BUDGET COMPARISON (NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2023**

	Water		Sanitation		General		Total		Actual (Under) Over Budget
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
REVENUES AND RECEIPTS									
Service Fees	\$ 24,354,590	\$ 21,029,350	\$ 15,822,319	\$ 17,021,031	\$ -	\$ -	\$ 40,176,909	\$ 38,050,381	\$ (2,126,528)
Pretreatment Rees	-	-	175,000	125,742	-	-	175,000	125,742	(49,258)
Hydrant Water	1,000,000	451,309	-	-	-	-	1,000,000	451,309	(548,691)
Water Softening Fee	1,623,785	1,558,025	-	-	-	-	1,623,785	1,558,025	-
Fireline Fees	275,000	344,373	-	-	-	-	275,000	344,373	69,373
Inclusion Fees	3,500	222,034	1,500	-	-	-	5,000	222,034	217,034
Leased Water	400,000	239,326	-	-	-	-	400,000	239,326	(160,674)
Turn on Charge	375,000	292,590	-	-	-	-	375,000	292,590	(82,410)
Tap-In Fees	450,000	691,309	125,000	98,374	-	-	575,000	789,683	214,683
Other Income	15,000	-	5,000	-	-	-	20,000	-	(20,000)
Contributions:									
Customers and Contractors	-	-	-	-	-	-	-	-	-
Connection Fees	8,865,753	29,682,805	4,676,399	8,921,564	-	-	13,542,152	38,604,369	25,062,217
Taxes:									
Property	-	-	-	-	3,365,977	3,372,247	3,365,977	3,372,247	6,270
Other	-	-	-	-	155,000	255,187	155,000	255,187	100,187
Interest Income	137,500	3,612,667	137,500	2,411,862	-	-	275,000	6,024,529	5,749,529
Gain on Sale of Capital Asset	-	20,666	-	7,261	-	-	-	27,927	27,927
Miscellaneous	82,250	2,627,240	82,250	14,442	-	-	185,500	2,836,362	2,486,362
Total Revenues and Receipts	<u>\$ 37,582,378</u>	<u>\$ 60,771,694</u>	<u>\$ 21,024,968</u>	<u>\$ 28,600,276</u>	<u>\$ 3,706,477</u>	<u>\$ 3,822,114</u>	<u>\$ 62,313,823</u>	<u>\$ 93,194,084</u>	<u>\$ 30,946,021</u>
EXPENDITURES, DISBURSEMENTS, AND TRANSFERS									
Operating Expenses	\$ 24,087,341	\$ 22,663,153	\$ 7,162,684	\$ 7,887,481	\$ -	\$ -	\$ 31,250,025	\$ 30,550,634	\$ (699,391)
Nonoperating Expenses	111,847	-	65,688	-	60,000	96,721	237,535	96,721	(140,814)
Debt Service Principal and Interest	5,124,712	5,020,475	9,258,170	2,426,438	-	-	14,382,882	7,446,913	(6,935,969)
Capital Expenditures	32,785,234	10,296,551	15,374,193	3,004,788	206,243	-	48,365,670	13,301,339	(35,064,331)
Transfers	-	(2,756,791)	-	(968,602)	-	3,725,393	-	-	-
Total Expenditures, Disbursements, and Transfers	<u>\$ 62,109,134</u>	<u>\$ 35,223,388</u>	<u>\$ 31,860,735</u>	<u>\$ 12,350,105</u>	<u>\$ 266,243</u>	<u>\$ 3,822,114</u>	<u>\$ 94,236,112</u>	<u>\$ 51,395,607</u>	<u>\$ (42,840,505)</u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
SCHEDULE OF BUDGET RECONCILIATION
YEAR ENDED DECEMBER 31, 2023**

	<u>Water</u>	<u>Sanitation</u>	<u>General</u>
Revenues and Receipts			
Budget Basis Revenues and Receipts	\$ 60,771,694	\$ 28,600,276	\$ 3,822,114
Allocate:			
General Fund Revenues	<u>2,828,364</u>	<u>993,750</u>	<u>(3,822,114)</u>
Budget Basis Revenues and Receipts	<u>63,600,058</u>	<u>29,594,026</u>	<u>-</u>
GAAP Basis Revenue and Receipts	<u>\$ 63,600,058</u>	<u>\$ 29,594,026</u>	<u>\$ -</u>
 GAAP Basis			
Operating Revenues	\$ 24,828,316	\$ 17,245,147	\$ -
Nonoperating Revenues	38,771,742	12,348,879	-
Budget Basis Revenues and Receipts	<u>\$ 63,600,058</u>	<u>\$ 29,594,026</u>	<u>\$ -</u>
 Expenditures and Disbursements			
Budget Basis Expenditures and Disbursements	\$ 35,223,388	\$ 12,350,105	\$ 3,822,114
Plus:			
Amortization Expense - Bonds	(91,863)	(32,276)	-
Depreciation Expense	7,797,496	4,665,355	-
Transfers	2,756,791	968,602	(3,725,393)
Gain (Loss) on Disposal of Capital Asset			
General Fund Treasurer's Fees	65,771	30,950	(96,721)
Less:			
Capital Expenditures	10,296,551	3,004,788	-
Principal Payments on Debt	2,578,900	1,947,597	-
GAAP Basis Expenditures and Disbursements	<u>\$ 32,876,132</u>	<u>\$ 13,030,351</u>	<u>\$ -</u>
 GAAP Basis			
Operating Expenses	\$ 24,102,319	\$ 10,794,373	\$ -
Allocated Administrative and General Expenses	6,345,363	1,771,429	-
Nonoperating Expenses	<u>2,428,450</u>	<u>464,549</u>	<u>-</u>
Total Expenses	<u>\$ 32,876,132</u>	<u>\$ 13,030,351</u>	<u>\$ -</u>

SECONDARY MARKET INFORMATION

SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
HISTORICAL AND BUDGETED NET REVENUES AND PRO FORMA DEBT SERVICE COVERAGE
 (AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT COVERAGE)

	2018	2019	2020	2021	2022	2023	Budget 2024
Gross Revenues	\$ 36,382	\$ 38,067	\$ 40,148	\$ 42,026	\$ 48,093	\$ 50,768	\$ 60,810
Operating and Maintenance Expenses (Excluding Depreciation)	20,510	20,718	21,687	23,653	28,462	30,551	33,175
Net Revenue	<u>\$ 15,872</u>	<u>\$ 17,349</u>	<u>\$ 18,461</u>	<u>\$ 18,373</u>	<u>\$ 19,631</u>	<u>\$ 20,217</u>	<u>\$ 27,636</u>

Pro Forma Coverage of the Combined Maximum
 Annual Debt Service Requirements for the Series
 2010, 2014 and 2018 Bonds and the SWRPDA Loans

	3.09	2.93	2.39	2.12	2.34	2.49	3.40
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**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (GAAP BASIS)**

	2017	2018	2019	2020	2021	2022	2023
WATER OPERATIONS							
Operating Revenue	\$ 18,751,898	\$ 21,540,951	\$ 21,588,389	\$ 24,547,116	\$ 26,622,018	\$ 29,626,149	\$ 24,828,316
Direct Water Expenses	12,196,976	13,150,199	13,290,278	13,856,641	16,124,557	21,274,265	24,102,319
Gross Income from Water Operations	6,554,922	8,390,752	8,298,111	10,690,475	10,497,461	8,351,884	725,997
SANITATION OPERATIONS							
Operating Revenue	12,041,784	12,944,086	13,767,728	14,581,422	15,020,914	15,783,006	17,245,147
Direct Sanitation Expenses	7,281,585	9,538,761	9,076,413	9,560,740	9,655,731	9,613,159	10,794,373
Gross Income from Sanitation Operations	4,760,199	3,405,325	4,691,315	5,020,682	5,365,183	6,169,847	6,450,774
GROSS INCOME FROM OPERATIONS GENERAL AND ADMINISTRATIVE EXPENSES	11,315,121	11,796,077	12,989,426	15,711,157	15,862,644	14,521,731	7,176,771
	5,009,797	4,720,944	5,069,537	5,337,270	5,384,495	6,853,580	8,116,792
NET INCOME (LOSS) FROM OPERATIONS	6,305,324	7,075,133	7,919,889	10,373,887	10,478,149	7,668,151	(940,021)
NONOPERATING REVENUES AND (EXPENSES)							
General Property Tax	2,296,299	2,302,973	2,432,218	2,612,013	2,750,272	3,014,287	3,372,247
Other Taxes	213,384	204,285	198,381	195,359	219,263	208,521	255,187
Net Investment Income	415,955	1,813,772	2,618,218	886,517	283,149	1,796,915	6,024,529
Gain (Loss) on Dissolution of Joint Venture	-	-	15,000	57,084	13,575	74,688	27,927
Miscellaneous	172,994	209,869	212,737	248,214	313,409	1,023,541	2,896,362
Interest Expense	(1,488,392)	(3,324,385)	(3,793,330)	(3,073,029)	(3,065,767)	(2,915,816)	(2,796,277)
Cost of Debt Issuance	-	(498,996)	-	(75,300)	-	-	-
Treasurer's Fees	(52,449)	(49,166)	(52,347)	(34,728)	(44,438)	(30,401)	(96,726)
Total Nonoperating Revenues and (Expenses)	1,557,791	658,352	1,630,877	816,130	469,463	3,171,735	9,623,249
INCOME BEFORE CAPITAL CONTRIBUTIONS	7,863,115	7,733,485	9,550,766	11,190,017	10,947,612	10,839,886	8,683,228
CAPITAL CONTRIBUTIONS							
Tap Fees	2,204,371	3,316,471	2,332,049	2,969,296	1,723,287	1,104,498	979,161
Developer Contributions	10,705,728	9,289,076	12,946,447	14,159,716	17,483,641	14,767,662	22,257,129
System Development Fees	13,965,225	8,246,955	14,011,348	11,127,647	15,026,023	19,421,779	15,368,079
Total Capital Contributions	26,875,324	20,852,502	29,289,844	28,256,659	34,232,951	35,293,939	38,604,369
CHANGE IN NET POSITION	34,738,439	28,585,987	38,840,610	39,446,676	45,180,563	46,133,825	47,287,597
Net Position - Beginning of Year (Restated)	430,555,345	465,293,784	493,879,771	532,720,381	572,167,057	617,347,620	663,481,445
NET POSITION - END OF YEAR	\$ 465,293,784	\$ 493,879,771	\$ 532,720,381	\$ 572,167,057	\$ 617,347,620	\$ 663,481,445	\$ 710,769,042

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
REVENUES FROM WATER AND SEWER SERVICE CHARGES**

Revenues from Water Service Charges

<u>Year</u>	<u>Consumption (Thousands of Gallons)</u>	<u>Revenues from Metered Water Service Charges</u>
2017	2,929,562	\$ 16,865,244
2018	3,130,000	18,500,028
2019	3,173,847	19,489,826
2020	3,515,284	22,291,695
2021	3,342,714	21,188,256
2022	3,402,154	23,718,221
2023	3,061,080	21,029,350

Revenues from Sewer Service Charges

<u>Year</u>	<u>Consumption (Thousands of Gallons)</u>	<u>Revenues from Metered Sewer Service Charges</u>
2017	2,929,562	\$ 11,773,385
2018	3,130,000	12,585,030
2019	3,173,847	13,431,063
2020	3,515,284	14,320,896
2021	3,342,714	14,738,399
2022	3,402,154	15,490,575
2023	3,061,080	17,021,031

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
COMPARISON OF FISCAL YEAR 2023 AND 2024 BUDGET TO
FISCAL YEAR 2023 ACTUAL RESULTS OF OPERATIONS
BUDGETARY BASIS**

	2023		Over (Under) Budget	2024
	Adopted Budget	Actual		Adopted Budget
WATER OPERATIONS				
Operating Revenue	\$ 28,496,875	\$ 24,828,316	\$ (3,668,559)	\$ 32,314,060
Direct Water Expenses	19,433,315	16,317,792	(3,115,523)	23,943,533
Gross Income from Water Operations	9,063,560	8,510,524	(553,036)	8,370,527
SANITATION OPERATIONS				
Operating Revenue	16,128,819	17,245,147	1,116,328	20,926,945
Direct Sanitation Expenses	5,527,486	6,116,050	588,564	9,231,370
Gross Income from Sanitation Operations	10,601,333	11,129,097	527,764	11,695,575
GROSS INCOME FROM OPERATIONS	19,664,893	19,639,621	(25,272)	20,066,102
GENERAL AND ADMINISTRATIVE EXPENSES	6,289,224	8,116,792	1,827,568	6,646,929
NET INCOME FROM OPERATIONS	13,375,669	11,522,829	(1,852,840)	13,419,173
NONOPERATING REVENUES				
General Property Tax	3,365,977	3,372,247	6,270	3,564,469
Other Taxes	155,000	255,187	100,187	155,000
Net Investment Income	275,000	6,024,529	5,749,529	3,750,000
Gain on Sale of Capital Asset	-	27,927	27,927	-
Miscellaneous	350,000	2,836,362	2,486,362	100,000
Total Nonoperating Revenues	4,145,977	12,516,252	8,370,275	7,569,469
NONOPERATING EXPENSES				
Interest Expense	2,738,432	2,796,277	57,845	3,060,000
Treasurer's Fees	179,535	96,721	(82,814)	62,000
Nonoperating Expenses	237,535	-	(237,535)	-
Total Nonoperating Expenses	3,155,502	2,892,998	(262,504)	3,122,000
INCOME BEFORE CAPITAL CONTRIBUTIONS	14,366,144	21,146,083	6,779,939	17,866,642
CAPITAL CONTRIBUTIONS				
Tap Fees	4,676,399	979,161	(3,697,238)	5,102,084
Developer Contributions	-	22,257,129	22,257,129	-
System Development Fees	8,865,753	15,368,079	6,502,326	9,511,567
Total Capital Contributions	13,542,152	38,604,369	25,062,217	14,613,651
Capital Expenditures	15,610,966	13,301,339	(2,309,627)	77,723,261
Capital Expenditures/Bond Fund	32,754,704	-	(32,754,704)	-
FRICO Payments	-	-	-	-
Intergovernmental Payments	6,248,418	-	(6,248,418)	6,193,440
Debt Service	5,216,497	4,650,636	(565,861)	8,125,780
NET INCREASE (DECREASE) IN FUNDS	(31,922,289)	41,798,477	73,720,766	(59,562,188)
Funds Available - Beginning of Year	53,237,725	53,237,725	-	95,036,202
FUNDS AVAILABLE - END OF YEAR	<u>\$ 21,315,436</u>	<u>\$ 95,036,202</u>	<u>\$ 73,720,766</u>	<u>\$ 35,474,014</u>

**SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT
GOVERNMENTAL AND ENTERPRISE ACTIVITY
FISCAL YEAR 2023 ACTUAL RESULTS OF OPERATIONS
BUDGETARY BASIS**

	General Government Fund	Enterprise Fund	Total
OPERATING REVENUES			
General Property Tax	\$ 3,372,247	\$ -	\$ 3,372,247
Other Taxes	255,187	-	255,187
Metered Water Fees	-	21,029,350	21,029,350
Softening Fees	-	1,558,025	1,558,025
Sewer Service Fees	-	17,021,031	17,021,031
Pretreatment Fees	-	125,742	125,742
Fireline Fees	-	344,373	344,373
Inclusion Fees	-	222,034	222,034
Leased Water	-	239,326	239,326
Turn on Charge	-	292,590	292,590
Tap-In Fees	-	789,683	789,683
Hydrant Water	-	451,309	451,309
Total Operating Revenues	<u>3,627,434</u>	<u>42,073,463</u>	<u>45,700,897</u>
OPERATING EXPENSES			
Source of Supply	-	6,659,215	6,659,215
Treatment	-	5,276,979	5,276,979
Transmission	-	792,854	792,854
Treatment	-	3,783,716	3,783,716
Distribution and Collection	-	1,688,097	1,688,097
Development	-	1,167,465	1,167,465
Meter Readers	-	1,884,509	1,884,509
Management	356,853	1,015,659	1,372,512
Administration	441,605	1,256,875	1,698,480
Information Technology	606,171	1,725,256	2,331,427
General	1,181,007	2,714,373	3,895,380
Total Operating Expenses	<u>2,585,636</u>	<u>27,964,998</u>	<u>30,550,634</u>
TOTAL OPERATING REVENUE	1,041,798	14,108,465	15,150,263
OTHER REVENUES			
Developer Contributions	-	22,257,129	22,257,129
System Development Fees	-	16,347,240	16,347,240
Interest Income	1,566,378	4,458,151	6,024,529
Miscellaneous	744,715	2,119,573	2,864,289
Total Other Revenues	<u>2,311,093</u>	<u>45,182,093</u>	<u>47,493,187</u>
TOTAL NET REVENUES	3,352,891	59,290,558	62,643,450
OTHER EXPENSES			
Nonoperating Expenses	96,721	-	96,721
Bonded Indebtedness	-	4,650,636	4,650,636
Total Capital Outlay	-	13,301,339	13,301,339
Total Other Expenses	<u>96,721</u>	<u>17,951,975</u>	<u>18,048,696</u>
BALANCE	<u>\$ 3,256,170</u>	<u>\$ 41,338,583</u>	<u>\$ 44,594,754</u>



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