

**PERRY PARK
WATER AND SANITATION DISTRICT
Douglas County, Colorado**

**FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Perry Park Water and Sanitation District
Douglas County, Colorado

We have audited the accompanying financial statements of Perry Park Water and Sanitation District (the District), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Perry Park Water and Sanitation District, as of December 31, 2020 and 2019, 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.

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Fiscal Focus Partners, LLC

Other Matters

Required Supplementary Information

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

Other Information

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

Fiscal Focus Partners, LLC

Greenwood Village, Colorado
July 26, 2021

**PERRY PARK WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2020 and 2019**

Our discussion and analysis of Perry Park Water and Sanitation District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2020 and 2019. Please read it in conjunction with the District's basic financial statements which begin on page 1.

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 Fund Net Position, and 3) Statement of Cash Flows. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position are prepared using the economic resource measurement focus and the accrual basis of accounting.

The *Statement of Net Position* presents information on all of the District's assets, liabilities, and deferred inflows of resources, with the difference between them reported as net position. This statement provides useful information regarding the financial position of the District. Over time, increases and decreases in net position can serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Nonfinancial factors should also be considered to assess the overall financial position of the District.

The *Statement of Revenues, Expenses and Changes in Fund Net Position* reports 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 the related cash flows. Revenues and expenses are reported for some items that will only result in cash flows in the subsequent years.

The *Statement of Cash Flows*, as its name implies, is 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 capital financing activities, 3) cash flows from noncapital financing activities, and 4) cash flows from investing activities.

FINANCIAL SUMMARY AND ANALYSIS

Net Position

2020

As noted earlier, net position may serve as a useful indicator of the District's financial position. As noted in the table below, in 2020 the District's assets exceeded its liabilities and deferred inflows of resources by \$22,634,377. By far the largest component of net position is the District's investment in capital assets of \$17,421,164, which represents 76.8% of total net position. Current assets decreased by \$1,146,980 or 16.4%, due to use of cash and cash equivalents for capital asset additions. Net capital assets increased by \$702,203 or 3.7%, and overall assets decreased by \$444,777 or 1.7%. Current liabilities decreased from 2019 to 2020 by \$24,687 or 7.8%, primarily due to lower accounts payable as of December 31, 2020 related to the ongoing capital asset additions and improvements as well as the current portion of the

**PERRY PARK WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2020 and 2019**

lease payable. The long-term lease liability decreased due to the lease payments made during 2020. See the Capital Asset and Debt Administration section below for more information on capital assets and long-term obligations.

2019

As noted in the table below, in 2019 the District's assets exceeded its liabilities and deferred inflows of resources by \$22,957,480. By far the largest component of net position is the District's investment in capital assets of \$17,078,190, which represents 74.4% of total net position. Current assets increased by \$47,326 or .7%, net capital assets decreased by \$246,214 or 1.3%, and overall assets decreased by \$198,888 or .8%. Current liabilities decreased from 2018 to 2019 by \$22,164 or 6.5%, primarily due to lower accounts payable at December 31, 2019 related to the ongoing capital asset additions and improvements as well as the current portion of the lease payable. The long-term lease liability decreased due to the lease payments made during 2019. See the Capital Asset and Debt Administration section below for more information on capital assets and long-term obligations.

NET POSITION

	December 31,		
	2020	2019	2018
ASSETS			
Current assets	\$ 5,851,631	\$ 6,998,611	\$ 6,951,285
Capital assets, net	19,612,164	18,909,961	19,156,175
Total assets	<u>25,463,795</u>	<u>25,908,572</u>	<u>26,107,460</u>
LIABILITIES			
Current liabilities	292,037	316,724	338,888
Long-term lease liability	2,039,000	2,191,000	2,338,500
Total liabilities	<u>2,331,037</u>	<u>2,507,724</u>	<u>2,677,388</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	448,906	443,368	383,653
Total deferred inflows of resources	<u>448,906</u>	<u>443,368</u>	<u>383,653</u>
NET POSITION			
Net investment in capital assets	17,421,164	17,078,190	18,010,012
Restricted	15,600	16,600	16,100
Unrestricted	5,247,088	5,862,690	5,020,307
Total net position	<u>\$ 22,683,852</u>	<u>\$ 22,957,480</u>	<u>\$ 23,046,419</u>

Changes in Net Position

2020

As noted in the table below, the District's net position for 2020 decreased by \$273,628. Overall revenue increased by \$276,362, or 10.7%. Charges for services increased by \$252,102, or 17.6%, due primarily to a water and sewer rate increase, as well as a capital improvement fee increase, which were effective June 1, 2020. Capital grants and contributions decreased by \$92,586 or 22.0% from 2019 to 2020. Both water and sewer tap fees and water and sewer development fees were lower than 2019. Capital improvement fees were \$145,833, or 5.5%

**PERRY PARK WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2020 and 2019**

higher than 2019. Property taxes increased \$60,094 from 2019 to 2020 due to an increase in the District's assessed valuation upon which the property taxes are levied. Net investment income decreased by \$90,616, or 79.6% due to a significant decrease in investment yield rates in 2020. Miscellaneous income increased by \$147,638, or 77.6% from 2020 due primarily to an increase in reimbursed expenses related to feasibility studies in progress and ongoing development related costs that are reimbursable from developers.

Direct water and sewer expenses increased by \$444,907, or 20.3%, from 2019 to 2020. There was an increase of \$127,154, or 71.6%, in reimbursable costs as noted above. The District also incurred higher engineering/consultants expense for 2020, which increased by \$109,271, or 86.6% due to the Gove Ditch Water Case, the Waucondah Wastewater Treatment Plant odor evaluation, and a system-wide electrical evaluation. General and administrative expenses increased by \$19,892, or 5.2%. Nonoperating expenses decreased slightly by \$3,748, or 4.4%.

2019

As noted in the table below, the District's net position for 2019 decreased by \$88,939. Overall revenue decreased by \$239,400, or 8.5%. Charges for services increased by \$31,105, or 2.2%, due primarily to an increase of construction water sold. Capital grants and contributions decreased by \$404,078 or 48.9% from 2018 to 2019. For 2019 water and sewer tap fees development fees were \$300,125 lower, or 51.4%, than 2018, however remained strong due to continued development within the District. Capital improvement fees were \$138,219, or 4.6% higher than 2019. However, no contributed water and sewer lines or other capital contributions, were received in 2019, unlike 2108 where the District received \$96,995 and \$13,040, respectively. Property taxes increased \$2,987 from 2018 to 2019 due to an increase in the District's assessed valuation upon which the property taxes are levied. Net investment income increased by \$14,983, or 15.2% due to higher invested cash balances. Miscellaneous income increased by \$118,823, or 167.1% from 2018 due partially to the District receiving \$171,308 of expense reimbursements related to feasibility studies in progress and ongoing development related costs that are reimbursable from developers.

Direct water and sewer expenses increased by \$215,875, or 10.9%, from 2018 to 2019. There was an increase of \$160,180, or 1439.4%, in reimbursable costs as noted above. The District also noted higher outside operator, sewage treatment and depreciation for 2019. General and administrative expenses increased by \$66,433, or 20.9%, due primarily to \$41,340 higher legal costs than in 2018. Nonoperating expenses decreased by \$49,117, or 36.4%, due to not incurring lease issuance costs during 2019.

**PERRY PARK WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2020 and 2019**

	CHANGES IN NET POSITION		
	Years Ended December 31,		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
REVENUES			
Program revenues:			
Charges for services	\$ 1,683,095	\$ 1,430,993	\$ 1,399,888
Capital grants and contributions	329,233	421,819	825,897
General revenues:			
Property and specific ownership taxes	481,364	421,270	420,003
Net investment income	23,221	113,837	98,854
Miscellaneous	337,291	189,923	72,600
Total revenues	<u>2,854,204</u>	<u>2,577,842</u>	<u>2,817,242</u>
EXPENSES			
Direct water and sewer	2,641,991	2,197,084	1,981,209
General and administrative	403,578	383,686	317,253
Nonoperating	82,263	86,011	135,128
Total expenses	<u>3,127,832</u>	<u>2,666,781</u>	<u>2,433,590</u>
CHANGE IN NET POSITION	(273,628)	(88,939)	383,652
NET POSITION - BEGINNING OF YEAR	<u>22,957,480</u>	<u>23,046,419</u>	<u>22,662,767</u>
NET POSITION - END OF YEAR	<u><u>\$ 22,683,852</u></u>	<u><u>\$ 22,957,480</u></u>	<u><u>\$ 23,046,419</u></u>

BUDGETARY HIGHLIGHTS

For the year ended December 31, 2020 the District's budget was amended, increasing the appropriated expenditures from \$3,832,038 to \$4,046,841. The actual expenditures were \$3,977,535, or \$69,306 under the amended budget. The budget was amended due to the reimbursed services provided expenditures exceeding the original budgeted amount. Overall expenditures were under the amended appropriation, primarily due to actual capital expenditures being less than budgeted. Budgeted revenue, as amended, was \$2,679,008 and actual revenue was \$2,854,204, or \$175,196 more than budgeted. The reimbursement revenue was amended due to higher reimbursed services expenditures as noted above. Overall, revenues were more than budget, primarily due to higher water and sewer service fees, which exceeded the budgeted amounts by \$280,254 and \$74,781, respectively, as a result of rate increases that went into effect June 1, 2020, which was not anticipated in the original budget. Additional information regarding the revenue and expenditure variances are available on page 16 of the financial statements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's changes in capital assets for the years ended December 31, 2020, 2019 and 2018 are as follows:

**PERRY PARK WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2020 and 2019**

CAPITAL ASSETS (net of accumulated depreciation)

	<u>2018</u>	<u>Change</u>	<u>2019</u>	<u>Change</u>	<u>2020</u>
Land	\$ 832,867	\$ -	\$ 832,867	\$ -	\$ 832,867
Water rights	3,792,721	-	3,792,721	-	3,792,721
Construction in progress	931,450	(394,528)	536,922	(201,046)	335,876
Water system	7,825,947	(251,422)	7,574,525	1,235,887	8,810,412
Sewer system	5,517,992	417,732	5,935,724	(314,643)	5,621,081
Buildings	233,728	(13,225)	220,503	(13,224)	207,279
Equipment	-	-	-	-	-
Vehicles	21,470	(4,771)	16,699	(4,771)	11,928
Total	<u>\$ 19,156,175</u>	<u>\$ (246,214)</u>	<u>\$ 18,909,961</u>	<u>\$ 702,203</u>	<u>\$ 19,612,164</u>

2020

During 2020, the District continued its investment in capital asset additions. The significant additions were: Sageport WTP (\$1,266,918), Pleasant Park Ditch lining (\$33,750), fencing at the Waucondah WWTP (\$16,400), GIS mapping (\$40,492), well electrical and other improvements (\$52,976), Gove Ditch Weir (\$18,601), Waucondah WWTP improvements (\$2,122), Bannock 2019 LID (\$11,281) and Poncho LID (\$38,194).

2019

During 2019, the District had capital asset additions of: \$80,366 related for the Sageport WWTP, \$229,937 for the Sageport WTP, \$24,343 for GIS system improvements, \$151,343 for increasing well capacity, \$3,654 for the Dakota well replacement, \$12,756 for the Gove Ditch Weir, and \$1,598 for the redundant tank site.

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

Long-Term Obligations

The District's long-term obligations at December 31, 2020, 2019 and 2018 are as follows:

	LONG-TERM OBLIGATIONS				
	<u>2018</u>	<u>Change</u>	<u>2019</u>	<u>Change</u>	<u>2020</u>
Lease payable	\$ 2,481,500	\$ (143,000)	\$ 2,338,500	\$ (147,500)	\$ 2,191,000
Total	<u>\$ 2,481,500</u>	<u>\$ (143,000)</u>	<u>\$ 2,338,500</u>	<u>\$ (147,500)</u>	<u>\$ 2,191,000</u>

2020

During 2020 the District made the scheduled Lease Agreement payments. There was no other long-term obligation activity during 2020.

2019

During 2019 the District made the scheduled Lease Agreement payments. There was no other long-term obligation activity during 2019.

**PERRY PARK WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2020 and 2019**

Additional information on the District's long-term obligations can be found in Note 5 of this report.

ECONOMIC FACTORS NEXT YEAR'S BUDGET AND RATES

For 2021, the District levied property taxes at rate of 5.614 mills. Although the mill levy rate remained consistent with 2020, the property tax revenue is expected to increase slightly from 2020 collections as the increase in the District's assessed valuation was only 1.25%. For 2021 revenues are budgeted at \$2,564,913 and expenditures are budgeted at \$3,770,644, including \$1,520,000 of capital expenditures, with the net result being a budgeted decrease in funds available of \$1,205,731. Ending funds available is budgeted to be \$4,906,990 as of December 31, 2021. The most significant capital project slated for 2021 is for upgrades at the Waucondah WWTP at a budgeted cost of \$500,000. The District also budgeted a \$1,000,000 capital outlay contingency.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of Perry Park Water and Sanitation District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Manager, 5676 West Red Rock Drive, Larkspur, CO 80118.

BASIC FINANCIAL STATEMENTS

PERRY PARK WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents - Unrestricted	\$ 5,074,717	\$ 5,737,745
Cash and cash equivalents - Restricted	15,600	523,329
Accounts receivable, net	296,695	279,713
Receivable - County Treasurer	3,428	3,488
Property taxes receivable	448,906	443,368
Prepaid expenses	12,285	10,968
Total current assets	5,851,631	6,998,611
CAPITAL ASSETS		
Capital assets, not being depreciated	4,961,464	5,162,510
Capital assets, being depreciated	32,427,598	30,745,818
	37,389,062	35,908,328
Less accumulated depreciation	(17,776,898)	(16,998,367)
Total capital assets, net	19,612,164	18,909,961
TOTAL ASSETS	\$ 25,463,795	\$ 25,908,572
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 123,071	\$ 110,583
Accounts and retainage payable from restricted resources	-	38,222
Accrued compensated absences	7,432	7,410
Deposits	3,600	6,675
Interest payable	5,934	6,334
Lease payable - current	152,000	147,500
Total current liabilities	292,037	316,724
NONCURRENT LIABILITIES		
Lease payable - noncurrent	2,039,000	2,191,000
Total noncurrent liabilities	2,039,000	2,191,000
Total liabilities	2,331,037	2,507,724
DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue	448,906	443,368
Total deferred inflows of resources	448,906	443,368
NET POSITION		
Investment in capital assets	17,421,164	17,078,190
Restricted for emergencies	15,600	16,600
Unrestricted	5,247,088	5,862,690
Total net position	22,683,852	22,957,480
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 25,463,795	\$ 25,908,572

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**PERRY PARK WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
Years Ended December 31, 2020 and 2019**

	2020	2019
WATER AND SEWER OPERATIONS		
Water and sewer income	\$ 1,683,095	\$ 1,430,993
Direct water and sewer expenses	(2,641,991)	(2,197,084)
GROSS LOSS FROM OPERATIONS	(958,896)	(766,091)
GENERAL AND ADMINISTRATIVE EXPENSES	(403,578)	(383,686)
OPERATING LOSS	(1,362,474)	(1,149,777)
NONOPERATING REVENUES		
Property taxes	443,120	382,789
Specific ownership taxes	38,244	38,481
Net investment income	23,221	113,837
Miscellaneous	337,291	189,923
Total nonoperating revenues	841,876	725,030
NONOPERATING EXPENSES		
County Treasurer's fees	(6,661)	(5,750)
Lease interest	(75,602)	(80,261)
Total nonoperating expenses	(82,263)	(86,011)
INCOME BEFORE CAPITAL CONTRIBUTIONS	(602,861)	(510,758)
CAPITAL CONTRIBUTIONS		
Water and sewer tap and development fees	183,400	283,600
Capital improvement fees	145,833	138,219
Total capital contributions	329,233	421,819
CHANGE IN NET POSITION	(273,628)	(88,939)
NET POSITION - BEGINNING OF YEAR	22,957,480	23,046,419
NET POSITION - END OF YEAR	\$ 22,683,852	\$ 22,957,480

These financial statements should be read only in connection with
the accompanying notes to financial statements.

PERRY PARK WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 1,670,052	\$ 1,417,128
Payments to suppliers	(2,057,933)	(1,573,087)
Payments to employees and related expenses	(207,481)	(201,296)
Net cash required by operating activities	(595,362)	(357,255)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property tax collections	443,120	382,789
Specific ownership taxes	38,304	38,839
Reimbursed expenses	315,776	33,154
Miscellaneous income	14,501	15,663
County Treasurer's fees	(6,661)	(5,750)
Net cash provided by noncapital financing activities	805,040	464,695
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Water and sewer tap and development fees	183,400	283,600
Capital improvement fees	145,833	138,219
Acquisition of property, plant and equipment	(1,509,387)	(586,990)
Lease principal paid	(147,500)	(143,000)
Lease interest paid	(76,002)	(80,648)
Net cash required by capital financing activities	(1,403,656)	(388,819)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	23,221	113,837
Net cash provided by investing activities	23,221	113,837
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,170,757)	(167,542)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	6,261,074	6,428,616
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,090,317	\$ 6,261,074
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Operating loss	\$ (1,362,474)	\$ (1,149,777)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	778,531	750,211
Effects of changes in operating assets and liabilities:		
Accounts receivable	(9,968)	(11,325)
Prepaid expenses	(1,317)	(3,080)
Accounts payable and accrued expenses	2,919	58,628
Accrued compensated absences	22	628
Deposits	(3,075)	(2,540)
Net cash required by operating activities	\$ (595,362)	\$ (357,255)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020 and 2019**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Perry Park Water and Sanitation District (District), a quasi-municipal corporation, was organized in 1969, and is governed pursuant to provisions of the Colorado Special District Act. The District exists to provide water and sanitary sewer facilities and services to the Perry Park area of Douglas County, Colorado. A portion of the District is included in the Town of Larkspur.

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.

The District has no authorized but unissued debt and no service plan limitations regarding debt.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Accounting

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

Operating Revenues and Expenses

The District distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations.

PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020 and 2019

Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

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

The District amended the appropriated expenditures from \$3,832,038 to \$4,046,841 for the year ended December 31, 2020.

Cash Equivalents

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

Property Taxes

Property taxes are levied by the District 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 30 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, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Accounts Receivable

Accounts receivable are shown net of an allowance for uncollectible accounts. Accounts receivable are expensed as bad debts at the time they are determined to be uncollectible. Due to the District's powers of collection, no allowance for uncollectible accounts has been deemed necessary.

PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020 and 2019

Capital Assets

Capital assets, which include land, water rights, buildings, distribution and collection systems and machinery and equipment, are reported by the District. Capital assets are defined by the District as capital assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation or at the developer's cost.

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 capital assets, as applicable. Depreciation and amortization expense has been computed using the straight-line method over the estimated economic useful lives:

Water and sewer distribution and collection systems	10-35 years
Buildings	35 years
Equipment	5 years
Vehicles	5 years

Tap and Development Fees, Capital Improvement Fees and Capital Contributions

Tap and development fees and capital improvement fees are recorded as capital contributions when received. Water and sewer lines contributed to the District by developers are recorded as capital contributions and additions to the systems at the developer's cost or at estimated fair value when received. The District records the contributions at the time the lines are conveyed to the District for preliminary acceptance.

Water Rights

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.

Compensated Absences

The District's employees are entitled to certain compensated absences based on their length of employment. Compensated absences are accrued when incurred in the financial statements. The District has accrued for future payment of this earned leave.

Restricted Resources

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

**PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020 and 2019**

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2020 and 2019 are classified in the accompanying financial statements as follows:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents - Unrestricted	\$ 5,074,717	\$ 5,737,745
Cash and Cash Equivalents - Restricted	15,600	523,329
Total cash and investments	<u>\$ 5,090,317</u>	<u>\$ 6,261,074</u>

Cash and investments as of December 31, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Deposits with financial institutions	\$ 1,278,434	\$ 1,046,875
Investments	3,811,883	5,214,199
Total cash and investments	<u>\$ 5,090,317</u>	<u>\$ 6,261,074</u>

Deposits with Financial Institutions

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

At December 31, 2020 and 2019, the District's cash deposits had a bank balance of \$1,332,147 and \$1,054,227, respectively, and a carrying balance of \$1,278,434 and \$1,046,875, respectively.

Investments

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

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

**PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020 and 2019**

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

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

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

As of December 31, 2020 and 2019, the District had the following investments:

Investment	Maturity	Carrying Value at NAV	
		2020	2019
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	\$ 119,006	\$ 118,271
Colorado Liquid Asset Trust (COLOTRUST)	Less than one year	3,692,877	5,095,928
		<u>\$ 3,811,883</u>	<u>\$ 5,214,199</u>

COLOTRUST

At December 31, 2020 and 2019, the District has invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST PLUS+ may also invest in the highest rated commercial paper. Both the COLOTRUST PRIME and COLOTRUST PLUS+ portfolios are rated AAAM by Standard and Poor's.

CSAFE

At December 31, 2020 and 2019, the District has invested in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to

PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020 and 2019

pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the CSAFE. CSAFE operates similarly to a money market fund. CSAFE primarily invests in U.S. Treasury securities, agencies, repurchase agreements, bank deposits, AAAM rated SEC registered money-market funds and highly-rated commercial paper. CSAFE is rated AAAM by Standard and Poor's.

Investment Valuation

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST and CSAFE at yearend for which the investment valuations were determined as follows.

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs in determining value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1.00 per share.

CSAFE calculates the NAV as of the conclusion of each business day. The NAV is calculated by determining total assets, subtracting total liabilities from total assets, then dividing the result by the number of outstanding shares. Liabilities include all accrued expenses and fees, which are accrued daily. The NAV is calculated on an amortized cost basis as provided for by GASB Statement 79. CSAFE does not place any known limitations or restrictions such as notice periods or maximum transaction amounts on withdrawals. It is the goal of CSAFE to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by CSAFE and there can be no assurance that the NAV will not vary from \$1.00 per share.

Restricted Cash and Investments

A portion of the District's cash and investments are restricted for Emergency Reserves as required by Article X, Section 20 of the Constitution of the State of Colorado. As of December 31, 2020 and 2019, the restricted cash and investments amounted to \$15,600 and \$16,600, respectively (see Note 9).

PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020 and 2019

Additionally, as of December 31, 2020 and 2019, \$0 and \$1,335,337, respectively, of cash and investments, representing unspent lease proceeds, are restricted for capital asset additions and improvements.

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

	Balance at December 31, 2019	Additions	Disposals/ Retirements	Balance at December 31, 2020
Capital assets, not being depreciated:				
Land	\$ 832,867	\$ -	\$ -	\$ 832,867
Water rights	3,792,721	-	-	3,792,721
Construction in progress	536,922	1,480,734	(1,681,780)	335,876
Total capital assets, not being depreciated	<u>5,162,510</u>	<u>1,480,734</u>	<u>(1,681,780)</u>	<u>4,961,464</u>
Capital assets, being depreciated:				
Water system	16,878,649	1,665,380	-	18,544,029
Sewer system	13,176,142	16,400	-	13,192,542
Buildings	469,033	-	-	469,033
Equipment	198,138	-	-	198,138
Vehicles	23,856	-	-	23,856
Total capital assets being depreciated	<u>30,745,818</u>	<u>1,681,780</u>	<u>-</u>	<u>32,427,598</u>
Less accumulated depreciation for:				
Water system	(9,304,124)	(429,493)	-	(9,733,617)
Sewer system	(7,240,418)	(331,043)	-	(7,571,461)
Buildings	(248,530)	(13,224)	-	(261,754)
Equipment	(198,138)	-	-	(198,138)
Vehicles	(7,157)	(4,771)	-	(11,928)
Total accumulated depreciation	<u>(16,998,367)</u>	<u>(778,531)</u>	<u>-</u>	<u>(17,776,898)</u>
Total capital assets being depreciated, net	<u>13,747,451</u>	<u>903,249</u>	<u>-</u>	<u>14,650,700</u>
Total capital assets, net	<u><u>\$ 18,909,961</u></u>	<u><u>\$ 2,383,983</u></u>	<u><u>\$ (1,681,780)</u></u>	<u><u>\$ 19,612,164</u></u>

PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020 and 2019

An analysis of the changes in capital assets for the year ended December 31, 2019 follows:

	Balance at December 31, 2018	Additions	Disposals/ Retirements	Balance at December 31, 2019
Capital assets, not being depreciated:				
Land	\$ 832,867	\$ -	\$ -	\$ 832,867
Water rights	3,792,721	-	-	3,792,721
Construction in progress	931,450	503,997	(898,525)	536,922
Total capital assets, not being depreciated	<u>5,557,038</u>	<u>503,997</u>	<u>(898,525)</u>	<u>5,162,510</u>
Capital assets, being depreciated:				
Water system	16,720,671	157,978	-	16,878,649
Sewer system	12,435,595	740,547	-	13,176,142
Buildings	469,033	-	-	469,033
Equipment	198,138	-	-	198,138
Vehicles	23,856	-	-	23,856
Total capital assets being depreciated	<u>29,847,293</u>	<u>898,525</u>	<u>-</u>	<u>30,745,818</u>
Less accumulated depreciation for:				
Water system	(8,894,724)	(409,400)	-	(9,304,124)
Sewer system	(6,917,603)	(322,815)	-	(7,240,418)
Buildings	(235,305)	(13,225)	-	(248,530)
Equipment	(198,138)	-	-	(198,138)
Vehicles	(2,386)	(4,771)	-	(7,157)
Total accumulated depreciation	<u>(16,248,156)</u>	<u>(750,211)</u>	<u>-</u>	<u>(16,998,367)</u>
Total capital assets being depreciated, net	<u>13,599,137</u>	<u>148,314</u>	<u>-</u>	<u>13,747,451</u>
Total capital assets, net	<u>\$ 19,156,175</u>	<u>\$ 652,311</u>	<u>\$ (898,525)</u>	<u>\$ 18,909,961</u>

Depreciation expense for the years ended December 31, 2020 and 2019 were charged as follows:

	2020	2019
Water	\$ 429,493	\$ 409,400
Sewer	331,043	322,815
General and administration	17,995	17,996
	<u>\$ 778,531</u>	<u>\$ 750,211</u>

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2020.

PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020 and 2019

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
Branch Banking and Trust Company Lease Agreement	\$ 2,338,500	\$ -	\$ (147,500)	\$ 2,191,000	\$ 152,000
Total long-term obligations	<u>\$ 2,338,500</u>	<u>\$ -</u>	<u>\$ (147,500)</u>	<u>\$ 2,191,000</u>	<u>\$ 152,000</u>

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2019.

	Balance at December 31, 2018	Additions	Reductions	Balance at December 31, 2019	Due Within One Year
Branch Banking and Trust Company Lease Agreement	\$ 2,481,500	\$ -	\$ (143,000)	\$ 2,338,500	\$ 147,500
Total long-term obligations	<u>\$ 2,481,500</u>	<u>\$ -</u>	<u>\$ (143,000)</u>	<u>\$ 2,338,500</u>	<u>\$ 147,500</u>

Lease Agreement

On April 10, 2018, the District entered into a Lease Agreement in the amount of \$2,650,000. The initial lease term expired on December 31, 2018, however, may be extended at the option of the District for no more than 14 additional terms. The proceeds are to be used for improvements to the District's water and wastewater treatment plant, water line loop, the District's lift stations, together with the construction of a water storage tank. The lease requires semi-annual rent interest payments on June 1 and December 1 beginning on June 1, 2018 at an interest rate of 3.25% and annual principal payments are due on December 1 beginning December 1, 2018. The District has the option to prepay the rent due in whole on any payment date subject to a 1% prepayment fee. The lease is also subject to extraordinary prepayment, in whole, at the option of the District under certain circumstances.

The District's lease obligation requires the following payments:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 152,000	\$ 71,207	\$ 223,207
2022	157,000	66,268	223,268
2023	162,500	61,165	223,665
2024	167,500	55,884	223,384
2025	173,000	50,440	223,440
2026-2030	953,000	164,125	1,117,125
2031-2032	426,000	20,881	446,881
	<u>\$ 2,191,000</u>	<u>\$ 489,970</u>	<u>\$ 2,680,970</u>

PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020 and 2019

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 if applicable reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2020 and 2019 the District had a net investment in capital assets of \$17,421,164 and \$17,078,190, respectively.

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had net position restricted for the Emergencies (see Note 9) of \$15,600 and \$16,500 as of December 31, 2020 and 2019, respectively.

NOTE 7 - PENSION AND BENEFIT PLANS

Deferred Compensation Plan - Assets in Trust

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is administered by Lincoln National Life. Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement or death or unforeseen emergencies. The District matches the employee's contribution up to a percentage of compensation as follows: 0-2 years of employment 2%; 2 years of employment 3%; 3 years of employment 4%; and 5 or more years of employment 5%. The District's contributions for the years ended December 31, 2020 and 2019 were \$7,827 and \$7,674, respectively.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The District maintains commercial insurance for most risks of loss. There were no significant changes in insurance coverage from the prior year and the amount of claims have not exceeded coverage for the last three years.

NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS

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

PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020 and 2019

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

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 Enterprise qualification will require judicial interpretation.

On November 7, 2006, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all revenues it has received in the past and expects to receive thereafter without regard to any limitations under TABOR.

The November 7, 2006 election question reads as follows:

Shall Perry Park Water and Sanitation District (without increasing existing tax rates or imposing a new tax) be authorized to collect, retain and spend all revenues from whatever source beginning in 2000 and in each year thereafter as a voter approved revenue change and exception to the limits which would otherwise apply under Article X, Section 20 of the Colorado Constitution, the 5.5% property tax revenue limit of Section 29 1 301, C.R.S. or any other law?

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

PERRY PARK WATER AND SANITATION DISTRICT
SCHEDULES OF EXPENSES
Years Ended December 31, 2020 and 2019

	2020	2019
DIRECT WATER AND SEWER EXPENSES		
Salaries and payroll taxes	\$ 108,676	\$ 106,901
Engineering/consultants	235,479	126,208
Outside operations labor	400,980	393,900
Repairs and maintenance	102,573	79,907
Sewage treatment	318,114	221,240
Utilities	257,564	243,539
Water services	153,266	115,525
Reimbursed services provided	304,803	177,649
Depreciation	760,536	732,215
Total direct water and sewer expenses	\$ 2,641,991	\$ 2,197,084
 GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting and audit	\$ 9,877	\$ 9,608
Auto expenditures	1,118	1,211
Contract labor	7,600	5,800
Directors' fees	7,308	5,100
Dues and subscriptions	4,880	4,087
Election costs	2,613	-
Employee benefits	40,632	39,713
Insurance	45,891	46,690
Bank charges	3,358	2,477
Legal	144,043	122,534
Miscellaneous	787	610
Office expenses	22,075	25,647
Outside services	5,670	1,207
Public information	13,322	11,275
Repairs and maintenance	14,708	27,369
Salaries and payroll taxes	50,887	50,210
Travel, training and meetings	535	993
Utilities	10,279	11,159
Depreciation	17,995	17,996
Total general and administrative expenses	\$ 403,578	\$ 383,686
 NONOPERATING EXPENSES		
County Treasurer's fees	\$ 6,661	\$ 5,750
Lease interest	75,602	80,261
Total nonoperating expenses	\$ 82,263	\$ 86,011

PERRY PARK WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2020

	<u>Original Budgeted Amounts</u>	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Water service fees	\$ 830,000	\$ 830,000	\$ 1,110,254	\$ 280,254
Sewer service fees	479,000	479,000	553,781	74,781
Administrative fees	11,500	11,500	6,910	(4,590)
Connection and inspection charges	16,000	16,000	12,150	(3,850)
Miscellaneous income	16,000	16,000	14,501	(1,499)
Property taxes	443,368	443,368	443,120	(248)
Specific ownership taxes	38,000	38,000	38,244	244
Reimbursements	90,000	322,790	322,790	-
Net investment income	100,000	100,000	23,221	(76,779)
Water and sewer tap fees	121,800	121,800	80,763	(41,037)
Water and sewer development fees	173,050	173,050	102,637	(70,413)
Capital improvement fees	127,500	127,500	145,833	18,333
Total revenues	<u>2,446,218</u>	<u>2,679,008</u>	<u>2,854,204</u>	<u>175,196</u>
EXPENDITURES				
Direct water and sewer expenditures	1,554,193	1,768,996	1,881,455	(112,459)
General and administrative expenditures	378,344	378,344	385,583	(7,239)
County Treasurer's fees	6,000	6,000	6,661	(661)
Debt service:				
Lease interest	76,001	76,001	75,602	399
Lease principal	147,500	147,500	147,500	-
Capital outlay	1,670,000	1,670,000	1,480,734	189,266
Total expenditures	<u>3,832,038</u>	<u>4,046,841</u>	<u>3,977,535</u>	<u>69,306</u>
REVENUES OVER (UNDER)				
EXPENDITURES	(1,385,820)	(1,367,833)	(1,123,331)	244,502
FUNDS AVAILABLE - BEGINNING				
OF YEAR	<u>1,944,906</u>	<u>6,386,019</u>	<u>6,386,019</u>	<u>-</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 559,086</u>	<u>\$ 5,018,186</u>	<u>\$ 5,262,688</u>	<u>\$ 244,502</u>

Funds available is computed as follows:

Current assets	\$ 5,851,631
Current liabilities	(292,037)
Add back current portion of lease payable	152,000
Deferred inflows of resources	(448,906)
	<u>\$ 5,262,688</u>

**PERRY PARK WATER AND SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2020**

Revenue (budgetary basis)	\$ 2,854,204
Revenues per Statement of Revenues, Expenses and Changes in Fund Net Position	2,854,204
Expenditures (budgetary basis)	3,977,535
Depreciation	778,531
Lease principal	(147,500)
Capital outlay	(1,480,734)
Expenses per Statement of Revenues, Expenses and Changes in Fund Net Position	3,127,832
Change in net position per Statement of Revenues, Expenses and Changes in Fund Net Position	\$ (273,628)

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**PERRY PARK WATER AND SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2010	\$ 75,049,000	5.614	\$ 421,325	\$ 420,958	99.9%
2011	\$ 75,646,980	5.614	\$ 424,682	\$ 420,516	99.0%
2012	\$ 62,809,860	5.614	\$ 352,615	\$ 352,195	99.9%
2013	\$ 63,139,770	5.614	\$ 354,467	\$ 352,742	99.5%
2014	\$ 58,441,420	5.614	\$ 328,090	\$ 326,653	99.6%
2015	\$ 58,306,220	5.614	\$ 327,331	\$ 327,093	99.9%
2016	\$ 64,594,490	5.614	\$ 362,633	\$ 359,348	99.1%
2017	\$ 65,387,040	5.614	\$ 367,083	\$ 364,831	99.4%
2018	\$ 67,714,110	5.614	\$ 380,147	\$ 379,802	99.9%
2019	\$ 68,338,540	5.614	\$ 383,653	\$ 382,789	99.8%
2020	\$ 78,975,450	5.614	\$ 443,368	\$ 443,120	99.9%
Estimated for the year ending December 31, 2021	\$ 79,961,810	5.614	\$ 448,906		

NOTES:

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of