

PLEASANT VIEW WATER AND SANITATION DISTRICT
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2021 AND 2020



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Pleasant View Water and Sanitation District
Jefferson County, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pleasant View Water and Sanitation District, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pleasant View Water and Sanitation District as of December 31, 2021 and 2020, and the changes in its financial position and its cash flows 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 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 Pleasant View Water and Sanitation District and to meet our other 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 Pleasant View Water and Sanitation 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 Pleasant View Water and Sanitation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pleasant View Water and Sanitation District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pleasant View Water and Sanitation District's basic financial statements. The accompanying supplementary information listed in the table of contents for the years ended December 31, 2021 and 2020 are presented for purposes of additional analysis and is 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 audits 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the years ended June 30, 2021 and 2020.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements as of and for the years ended June 30, 2019, 2018, 2017, and 2016, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements. Those audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying Assessed Valuation, Mill Levy, and Property Taxes Collected supplementary information for the years ended June 30, 2019, 2018, 2017, and 2016 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 2019, 2018, 2017, and 2016 financial statements. This accompanying supplementary information was subjected to the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare to the basic financial statements or to the basic financial statements themselves, and other similar procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Assessed Valuation, Mill Levy, and Property Taxes Collected supplementary information is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
September 29, 2022

BASIC FINANCIAL STATEMENTS

**PLEASANT VIEW WATER AND SANITATION DISTRICT
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020**

ASSETS	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 5,232,421	\$ 4,195,800
Investments - Restricted	-	149,000
Receivables:		
Property Taxes	154,904	149,663
Service	263,073	302,462
Prepaid Insurance	13,982	16,894
Total Current Assets	<u>5,664,380</u>	<u>4,813,819</u>
NONCURRENT ASSETS		
Investments - Unrestricted	400,000	400,000
CAPITAL ASSETS		
Land	76,200	76,200
Sewer System	4,777,534	4,777,534
Building and Improvements	274,153	274,153
Vehicles and Equipment	133,476	133,476
	<u>5,261,363</u>	<u>5,261,363</u>
Less Accumulated Depreciation	2,573,211	2,468,759
Total Capital Assets	<u>2,688,152</u>	<u>2,792,604</u>
OTHER ASSETS		
Investment in Consolidated Mutual Water Company	7,000	7,000
Total Other Assets	<u>7,000</u>	<u>7,000</u>
Total Assets	<u><u>\$ 8,759,532</u></u>	<u><u>\$ 8,013,423</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 16,905	\$ 1,271
Accrued Salaries and Benefits Payable	16,214	16,509
Deposit for Building Operations and Maintenance	62,879	63,759
Accrued Interest Payable	-	425
Current Portion of Long-Term Debt	-	171,476
Total Current Liabilities	<u>95,998</u>	<u>253,440</u>
LONG-TERM LIABILITIES		
Bonds Payable	-	-
Total Liabilities	<u>95,998</u>	<u>253,440</u>
DEFERRED INFLOWS OF RESOURCES		
Property Tax Revenue	154,904	149,663
NET POSITION		
Net Investment in Capital Assets	2,688,152	2,621,128
Restricted:		
Debt Service	-	149,000
Unrestricted	5,820,478	4,840,192
Total Net Position	<u>8,508,630</u>	<u>7,610,320</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 8,759,532</u></u>	<u><u>\$ 8,013,423</u></u>

See accompanying Notes to Financial Statements.

**PLEASANT VIEW WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
INCOME FROM OPERATIONS		
Sewer Operations:		
Service Fees	\$ 1,597,945	\$ 1,608,582
Direct Sewer Expenses:		
Sewage Treatment Fees	924,702	1,021,171
Repair and Maintenance	57,453	51,203
Depreciation	88,475	88,835
	<u>1,070,630</u>	<u>1,161,209</u>
Gross Income from Sewer Operations	<u>527,315</u>	<u>447,373</u>
GROSS INCOME FROM OPERATIONS	527,315	447,373
GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting and Audit	19,504	18,953
Legal	3,325	5,706
Directors' Fees	3,900	3,600
Utilities	1,938	1,936
Administration Building Operations	12,727	13,689
Depreciation	15,977	15,978
Engineering	11,932	12,364
Repair and Maintenance	-	547
Salaries and Benefits	218,666	224,372
Seminars and Meetings	2,910	2,300
Office	11,973	20,762
Insurance	16,895	17,812
Miscellaneous	22,572	11,064
Total General and Administrative Expenses	<u>342,319</u>	<u>349,083</u>
NET INCOME (LOSS) FROM OPERATIONS	184,996	98,290
NONOPERATING REVENUE AND (EXPENSE)		
Net Investment Income	2,403	11,496
Property Taxes	146,770	147,578
Specific Ownership Taxes	11,742	11,382
Miscellaneous Income	498	2,866
Interest Expense	(3,199)	(6,729)
Total Nonoperating Revenue	<u>158,214</u>	<u>166,593</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND SPECIAL ITEM	343,210	264,883
CAPITAL CONTRIBUTIONS		
Tap Fees	555,100	130,200
Total Capital Contributions	<u>555,100</u>	<u>130,200</u>
SPECIAL ITEM		
Loss on Impairment of Water Wells	-	(152,120)
CHANGE IN NET POSITION	898,310	242,963
Net Position - Beginning of Year	<u>7,610,320</u>	<u>7,367,357</u>
NET POSITION - END OF YEAR	<u>\$ 8,508,630</u>	<u>\$ 7,610,320</u>

See accompanying Notes to Financial Statements.

PLEASANT VIEW WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 1,637,334	\$ 1,567,784
Cash Paid to Employees	(218,961)	(220,132)
Cash Payments to Suppliers for Goods and Services	(1,072,165)	(1,173,838)
Net Cash Provided by Operating Activities	<u>346,208</u>	<u>173,814</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property and Specific Ownership Taxes Received	158,512	158,960
Miscellaneous Income	498	2,866
Net Cash Provided by Noncapital Financing Activities	<u>159,010</u>	<u>161,826</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Paid on Revenue Bonds	(170,000)	(165,000)
Interest Paid on Revenue Bonds	(5,100)	(10,050)
Contributed Capital - Tap Fees	555,100	130,200
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>380,000</u>	<u>(44,850)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of Investments	149,000	-
Net Investment Income Received	2,403	11,496
Net Cash Provided by Investing Activities	<u>151,403</u>	<u>11,496</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,036,621	302,286
Cash and Cash Equivalents - Beginning of Year	<u>4,195,800</u>	<u>3,893,514</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 5,232,421</u></u>	<u><u>\$ 4,195,800</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Income from Operations	\$ 184,996	\$ 98,290
Adjustments to Reconcile Income from Operations to Net Cash Provided by Operating Activities:		
Depreciation	104,452	104,813
Effect of Changes in Operating Assets and Liabilities:		
Service Receivables	39,389	(40,798)
Prepaid Insurance	2,912	918
Accounts Payable, Accrued Salaries, and Deposits	14,459	10,591
Net Cash Provided by Operating Activities	<u><u>\$ 346,208</u></u>	<u><u>\$ 173,814</u></u>

See accompanying Notes to Financial Statements.

**PLEASANT VIEW WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Definition of Reporting Entity

Pleasant View Water and Sanitation District (District), a quasi-municipal corporation is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Jefferson County, Colorado. The District was established to provide water and sewer service to property within its service area.

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.

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. Expenditures for capital assets are shown as increases in assets and redemption of bonds is recorded as a reduction in liabilities.

Operating Revenues and Expenses

The District distinguishes between operating revenues and expenses and nonoperating items in the statements of revenues, expenses, and changes in fund 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 sewer 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.

**PLEASANT VIEW WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses (Continued)

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

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 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 notice. The total appropriation can only be amended upon completion of notification and publication requirements.

Capital Assets

Capital assets include land, sewer system, buildings and improvements as well as vehicles and equipment. Capital assets are defined by the District as 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 acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Sewer System	50 Years
Buildings and Improvements	10 to 40 Years
Vehicles and Equipment	5 to 15 Years

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, net of estimated uncollectible taxes, are recorded initially as a deferred inflow of resources in the year they are levied and measurable. The property tax revenue is recorded as revenue in the year it is available or collected.

**PLEASANT VIEW WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

An employee earns vacation based on the number of years worked for the District. The District's vacation policy permits the carryover of 160 hours of vacation time from one year to the next. The District's sick leave policy permits the employee to accumulate one hour of sick leave for every 20 hours worked. The District's sick leave policy permits the carryover of 192 hours maximum in a two-year period. Vacation amounts carried over are included withing the Accrued Salaries and Benefits Payable line on the Balance Sheet. Employees are not paid for unused sick days upon termination of employment, thus no liability is recorded.

Cash Equivalents

For purposes of the statement 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.

Contributions

Lines contributed to the District by developers are recorded as capital contributions and an addition to the sewer system at the developer's cost, which is equivalent to acquisition cost value. There were no such contributions during the years ended December 31, 2021 and 2020.

Tap Fees

Tap fees are recorded as capital contributions when the permit is sold.

Deposit for Building Operations and Maintenance Liability

On March 24, 2004, the District entered into an Internal Governmental Agreement (the IGA) with Pleasant View Metropolitan District for operation of the jointly owned and occupied property known as the Community Building. The IGA establishes procedures forming a Building Committee which will prepare and approve budgets and expenditures for general operations and upkeep of the Community Building. The funds related to this Building Committee are maintained in a unique bank account. The balance as of December 31, 2021 in this account was \$62,879. This amount is reflected in the cash balance with an offsetting liability on the balance sheet, resulting in a net \$-0- impact to net position.

**PLEASANT VIEW WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 2 CASH AND INVESTMENTS

Cash and investments are reflected on the balance sheets as follows at December 31:

	2021	2020
Cash and Cash Equivalents - Unrestricted	\$ 5,232,421	\$ 4,195,800
Investments - Unrestricted	400,000	400,000
Investments - Restricted	-	149,000
Total Investments	<u>400,000</u>	<u>549,000</u>
Total Cash and Investments	<u>\$ 5,632,421</u>	<u>\$ 4,744,800</u>

The District's cash and investments consisted of the following at December 31:

	2021	2020
<i>Cash and Cash Equivalents</i>		
Cash on Hand	\$ 200	\$ 200
Deposits with Financial Institutions	4,129,188	3,092,807
Local Government Investment Pools	<u>1,103,033</u>	<u>1,102,793</u>
Total Cash and Cash Equivalents	5,232,421	4,195,800
<i>Investments</i>		
Deposits with Financial Institutions		
Certificates of Deposit - Short Term	-	149,000
Certificates of Deposit - Long Term	<u>400,000</u>	<u>400,000</u>
Total Certificate of Deposits	400,000	549,000
Total Cash and Investments	<u>\$ 5,632,421</u>	<u>\$ 4,744,800</u>

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.

**PLEASANT VIEW WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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 Regulatory 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, 2021 and 2020, the District's cash deposits had a carrying balance of and \$4,528,592 and \$3,641,807, respectively, including \$400,000 and \$549,000 of certificates of deposits, respectively. Deposits, including the certificates of deposit are reported at cost.

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 certain U.S. government agency securities and World Bank
- Certain reverse repurchase agreements
- 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 money market funds
- Guaranteed investment contracts
- Local government investment pools
- Certain securities lending agreements

The District generally limits its concentration of investments to local government investment pools, 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 disclosure for these investments.

The local government investment pools, which include Colorado Surplus Asset Fund Trust (CSAFE) and Colorado Local Government Liquid Asset Trust (COLOTRUST) are rated AAAM by Standard & Poor's.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the board of directors. Corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

**PLEASANT VIEW WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

The District owned the following investments (classified as cash equivalents) as of December 31:

<u>Type of Investment</u>	<u>Remaining Maturity</u>	<u>2021</u>	<u>2020</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Less than One Year	\$ 553,498	\$ 553,315
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Less than One Year	549,535	549,478
Total		<u>\$ 1,103,033</u>	<u>\$ 1,102,793</u>

CSAFE

At December 31, 2021 and 2020, the District had \$553,498 and \$553,315, 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 CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE records its investments at amortized cost and the District records its investment in CSAFE using the amortized cost method.

COLOTRUST

At December 31, 2021 and 2020 the District had invested \$549,535 and \$549,478, respectively, in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities 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 and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+.

Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under C.R.S. 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust records its investments at fair value and the District records its investment in the Trust using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Restricted Cash and Investments

Bond Reserves

The bond indenture relating to the Enterprise Revenue Refunding Bonds, Series 2012 requires the District to maintain a reserve account in an amount as defined in the bond indenture. The amount reserved as of December 31, 2021 and 2020 was \$0 and \$149,000, respectively.

PLEASANT VIEW WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 3 CAPITAL ASSETS

Capital asset activity was as follows for the years ended December 31:

	Balance January 1, 2021	Additions	Retirements and impairments	Balance December 31, 2021
Capital Assets, Not Being Depreciated				
Land	\$ 76,200	\$ -	\$ -	\$ 76,200
Water Wells	-	-	-	-
Total Capital Assets, Not Being Depreciated	76,200	-	-	76,200
Capital Assets, Being Depreciated				
Sewer System	4,777,534	-	-	4,777,534
Buildings and Improvements	274,153	-	-	274,153
Vehicles and Equipment	133,476	-	-	133,476
Total Capital Assets, Being Depreciated	5,185,163	-	-	5,185,163
Less Accumulated Depreciation for:				
Sewer System	2,272,397	88,475	-	2,360,872
Buildings and Improvements	106,102	7,364	-	113,466
Vehicles and Equipment	90,260	8,613	-	98,873
Total Accumulated Depreciation	2,468,759	104,452	-	2,573,211
Total Capital Assets, Being Depreciated, Net	2,716,404	(104,452)	-	2,611,952
Total Capital Assets, Net	<u>\$ 2,792,604</u>	<u>\$ (104,452)</u>	<u>\$ -</u>	<u>\$ 2,688,152</u>
	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020
Capital Assets, Not Being Depreciated				
Land	\$ 76,200	\$ -	\$ -	\$ 76,200
Water Wells	152,120	-	152,120	-
Total Capital Assets, Not Being Depreciated	228,320	-	-	76,200
Capital Assets, Being Depreciated				
Sewer System	4,777,534	-	-	4,777,534
Buildings and Improvements	274,153	-	-	274,153
Vehicles and Equipment	133,476	-	-	133,476
Total Capital Assets, Being Depreciated	5,185,163	-	-	5,185,163
Less Accumulated Depreciation for:				
Sewer System	2,183,562	88,835	-	2,272,397
Buildings and Improvements	98,737	7,365	-	106,102
Vehicles and Equipment	81,647	8,613	-	90,260
Total Accumulated Depreciation	2,363,946	104,813	-	2,468,759
Total Capital Assets, Being Depreciated, Net	2,821,217	(104,813)	-	2,716,404
Total Capital Assets, Net	<u>\$ 3,049,537</u>	<u>\$ (44,667)</u>	<u>\$ -</u>	<u>\$ 2,792,604</u>

PLEASANT VIEW WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 3 CAPITAL ASSETS (CONTINUED)

Impairment of Water Wells

During the year-ended December 31, 2020, management determined that the water wells with an original cost of \$152,120 should be impaired, as they were not to be used in operations going forward nor were there likely possibilities of the wells being leased/rented to others. This impairment is shown on the Statement of Revenues, Expenses, and Changes in Net Position as a Special Item for the year ended December 31, 2020.

Depreciation

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

	2021	2020
Sewer Operations	\$ 88,475	\$ 88,835
General and Administrative	15,977	15,978
Total	<u>\$ 104,452</u>	<u>\$ 104,813</u>

NOTE 4 LONG-TERM OBLIGATIONS

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

	Balance at January 1, 2021	New Issues	Refunding/ Retirements	Balance at December 31, 2021	Due Within One Year
Enterprise Revenue Bonds, Series 2012	\$ 170,000	\$ -	\$ (170,000)	\$ -	\$ -
Bond Premium	1,476	-	(1,476)	-	-
Total Long-Term Debt	171,476	<u>\$ -</u>	<u>\$ (171,476)</u>	-	-
Less Current Portion	171,476			-	-
Long-Term Portion	<u>\$ -</u>			<u>\$ -</u>	<u>\$ -</u>

	Balance at January 1, 2020	New Issues	Refunding/ Retirements	Balance at December 31, 2020	Due Within One Year
Enterprise Revenue Bonds, Series 2012	\$ 335,000	\$ -	\$ (165,000)	\$ 170,000	\$ 170,000
Bond Premium	4,384	-	(2,908)	1,476	1,476
Total Long-Term Debt	339,384	<u>\$ -</u>	<u>\$ (167,908)</u>	171,476	171,476
Less Current Portion	167,908			171,476	-
Long-Term Portion	<u>\$ 171,476</u>			<u>\$ -</u>	<u>\$ 171,476</u>

PLEASANT VIEW WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's long-term obligations are as follows: \$1,490,000 Enterprise Revenue Refunding Bonds, Series 2012, dated June 28, 2012, with interest of 2.00% to 3.00%, consisting of serial bonds due annually through 2021. The bonds were not subject to redemption prior to maturity. The bond resolutions contained various restrictive covenants, including restricted cash and rate covenants. Net revenues were pledged for repayment of the bonds. Net revenues were defined as gross revenues less operation and maintenance expenses. Net revenues for the Fiscal Year 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Net Revenues		
Gross Revenues	\$ 2,153,045	\$ 1,738,782
Less:		
Operating and maintenance	(1,412,949)	(1,510,292)
Add back:		
Depreciation	104,452	104,813
Fiscal Year 2021 Net Revenues	<u>\$ 844,548</u>	<u>\$ 333,303</u>

The District had established the required reserves in accordance with the bond resolutions (see Note 2). After the bonds were paid of during fiscal year 2021, this reserve was no longer required. Through the life of the bonds, management believes the District was in compliance with these covenants.

NOTE 5 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, 2021. The Pool is an organization created by intergovernmental agreement to provide property, liability, public official's liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

**PLEASANT VIEW WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 6 DISTRICT EMPLOYEES' RETIREMENT PLAN

The District participates in the Colorado County Officials and Employees Retirement Association Defined Contribution Plan (CCOERA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees become participants after one year of employment. Under this plan, 5% of the employees' compensation is withheld and remitted to the CCOERA along with a matching payment of 5% from the District. The District's contributions, plus earnings, become vested at a rate of 20% for each year of participation in the plan. Nonvested District contributions for employees who leave employment before five years of participation are used to reduce the District's current period contribution requirement. Plan provisions and contribution requirements are established and may be amended by CCOERA and would have to be approved by the District's board of directors. There is no liability for benefits under the plan beyond the District's matching payments.

Both the District and the participating employees made the required 5% contributions for 2021 and 2020. The District's and employees contributions to the plan for the years ended December 31, 2021 and 2020 were as follows:

<u>Year Ending December 31,</u>	<u>District</u>	<u>Employees</u>
2020	\$ 8,556	\$ 8,556
2021	8,759	8,759

NOTE 7 DEFERRED COMPENSATION PLAN

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

NOTE 8 SEWER SERVICE CONTRACT

The District has an agreement with Metropolitan Wastewater Reclamation District (Metro) for sewage treatment and disposal. The District pays Metro for sewage treatment fees and the District bills the users for sewer service. The District is responsible for the maintenance and future construction costs of all sewer lines and retains title to all sewer lines in the District. The standard service agreement with Metro provides for annual charges to be assessed by formula against the District on an estimated basis. Adjustments to the estimated charge for metered flows and actual costs are billed and payable or credited during the two succeeding years. Metro assesses tap fees against the District for connections to the system.

**PLEASANT VIEW WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 8 SEWER SERVICE CONTRACT (CONTINUED)

The composition of the charges for 2021 and 2020 are as follows:

	2021	2020
Estimate for Current Year	\$ 938,292	\$ 953,495
Adjustment of Second Preceding Year Estimate to Actual Finding	(3,619)	46,322
Preliminary Adjustment of Preceding Year Estimate	(9,971)	21,354
Total Annual Charges	<u>\$ 924,702</u>	<u>\$ 1,021,171</u>

The 2022 sewer treatment estimate is \$724,636. The total annual charge is expected to be \$724,636, which includes a favorable 2021 preliminary final adjustment of \$114,896 and a favorable 2020 adjustment of \$111,399.

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

On May 2, 2000, a majority of the District's voters authorized the District to collect, retain and spend all revenue from all sources, including property taxes collected from the District's existing property tax rate of .552 mills, commencing January 1, 2000 and continuing thereafter, without regard to any limitations under TABOR or the limitation on property taxes under Section 29-1-301, C.R.S.

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.

PLEASANT VIEW WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10 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 and loans that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2021 and 2020, the District had net investment in capital assets, calculated as follows:

	<u>2021</u>	<u>2020</u>
Net Investment in Capital Assets		
Capital Assets - Net of Accumulated Depreciation	\$ 2,688,152	\$ 2,792,604
Bonds Payable	<u>-</u>	<u>(171,476)</u>
Total	<u>\$ 2,688,152</u>	<u>\$ 2,621,128</u>

NOTE 11 NET POSITION

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2021 and 2020, as follows:

	<u>2021</u>	<u>2020</u>
Restricted:		
Debt Service	<u>\$ -</u>	<u>\$ 149,000</u>

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

SUPPLEMENTARY INFORMATION

PLEASANT VIEW WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE			
Property Taxes	\$ 149,600	\$ 146,770	\$ (2,830)
Specific Ownership Taxes	11,900	11,742	(158)
Net Investment Income	9,000	2,403	(6,597)
Miscellaneous	4,500	498	(4,002)
Sewer Service Charges	1,603,000	1,597,945	(5,055)
Metro Wastewater Sewage Tap Surcharge	327,600	555,100	227,500
Sewer Taps	327,600	555,100	227,500
Total Revenues	<u>2,433,200</u>	<u>2,869,558</u>	<u>436,358</u>
EXPENDITURES	<u>1,965,266</u>	<u>2,038,272</u>	<u>(73,006)</u>
REVENUES OVER (UNDER) EXPENDITURES	467,934	831,286	363,352
Funds Available - Beginning of Year	<u>4,991,578</u>	<u>4,582,192</u>	<u>(409,386)</u>
FUNDS AVAILABLE - END OF YEAR	<u><u>\$ 5,459,512</u></u>	<u><u>\$ 5,413,478</u></u>	<u><u>\$ (46,034)</u></u>
Funds Available at December 31, 2020 is Computed as Follows:			
Current Assets		\$ 5,664,380	
Current Liabilities and Deferred Inflows		(250,902)	
Current Portion of Long-Term Obligations		<u>-</u>	
Total		<u><u>\$ 5,413,478</u></u>	

**PLEASANT VIEW WATER AND SANITATION DISTRICT
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
(BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
County Treasurer's Collection Fees	\$ 2,200	\$ 2,202	\$ (2)
Accounting and Audit	19,850	19,504	346
Directors' Fees	6,000	3,900	2,100
Seminars and Meetings	6,000	2,910	3,090
Legal	26,000	3,325	22,675
Legal Publications and Election	-	-	-
Office	13,000	10,388	2,612
Miscellaneous	4,000	935	3,065
Bank Charges	3,000	1,585	1,415
Auto and Truck Expense	7,000	7,514	(514)
Dues	2,000	2,103	(103)
Telephone	3,000	1,938	1,062
Salaries	176,000	174,892	1,108
Health Insurance	25,000	20,373	4,627
Unemployment Insurance	750	938	(188)
Payroll Taxes	13,464	13,704	(240)
Retirement Plan	8,800	8,759	41
Insurance	18,900	16,895	2,005
Computer Expenses	3,000	65	2,935
Engineering	15,000	11,932	3,068
Repairs and Maintenance - Sewer	100,000	57,453	42,547
Repairs and Maintenance - Other	-	-	-
Administration Building Operations	30,000	12,727	17,273
Sewage Treatment Fees	924,702	924,702	-
Metro Wastewater Sewage Tap Surcharge	327,600	555,100	(227,500)
Capital Outlay - Sewer	15,000	-	15,000
Capital Outlay- Office	20,000	9,450	10,550
Interest Expense	4,675	4,675	-
Bond Principal	170,000	170,000	-
Paying Agent Fee	303	303	-
Contingency	20,022	-	20,022
Total Expenditures	<u>\$ 1,965,266</u>	<u>\$ 2,038,272</u>	<u>\$ (73,006)</u>

**PLEASANT VIEW WATER AND SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF
REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED DECEMBER 31, 2021**

Revenue (Budgetary Basis)	\$ 2,869,558
Metro Wastewater Sewage Tap Surcharge	<u>(555,100)</u>
Total Revenue Per Statement of Revenues,	
Expenses and Changes in Fund Net Position	<u>2,314,458</u>
 Expenditures (Budgetary Basis)	 2,038,272
Depreciation	104,452
Bond Principal	(170,000)
Amortization of Bond Premium	(1,476)
Metro Wastewater Sewage Tap Surcharge	<u>(555,100)</u>
Total Expenses Per Statement of Revenues,	
Expenses and Changes in Fund Net Position	<u>1,416,148</u>
 Change in Net Position Per Statement of Revenues,	
Expenses and Changes in Fund Net Position	<u><u>\$ 898,310</u></u>

**PLEASANT VIEW WATER AND SANITATION DISTRICT
FIVE YEAR SUMMARY OF ASSESSED VALUATION, MILL LEVY,
AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Total Mills Levied	Total Property Tax		Percent Collected to Levied
			Levied	Collected	
2017	205,132,808	0.552	\$ 113,233	113,198	99.97 %
2018	242,196,574	0.552	133,693	132,838	99.36
2019	236,149,600	0.552	130,355	132,838	99.49
2020	277,204,825	0.552	153,017	147,578	96.45
2021	271,128,615	0.552	149,663	146,770	98.07
Estimated for Year Ending December 31, 2022	\$ 280,623,817	0.552	\$ 154,904		

NOTE:

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 assessment.

