

**ST. VRAIN AND LEFT HAND WATER
CONSERVANCY DISTRICT**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022**

INDEPENDENT AUDITORS' REPORT	I
MANAGEMENT'S DISCUSSION AND ANALYSIS	IV
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
BALANCE SHEET – GENERAL FUND	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GENERAL FUND	4
STATEMENT OF FUND NET POSITION – WATER ACTIVITY ENTERPRISE FUND	5
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – WATER ACTIVITY ENTERPRISE FUND	6
STATEMENT OF CASH FLOWS – WATER ACTIVITY ENTERPRISE FUND	7
NOTES TO BASIC FINANCIAL STATEMENTS	8
REQUIRED SUPPLEMENTARY INFORMATION	
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL) – GENERAL FUND	21
OTHER SUPPLEMENTARY INFORMATION	
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (BUDGET AND ACTUAL) – WATER ACTIVITY ENTERPRISE FUND	23



INDEPENDENT AUDITORS' REPORT

Board of Directors
St. Vrain and Left Hand Water Conservancy District
Longmont, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the St. Vrain and Left Hand Water Conservancy District (the District), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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


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

Required Supplementary Information

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

Supplementary Information

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



CliftonLarsonAllen LLP

Broomfield, Colorado
May 22, 2023

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Management's Discussion and Analysis

This section of the annual financial report offers readers of the St. Vrain & Left Hand Water Conservancy District (the "District") financial statements, its discussion and analysis of the District's financial performance during the year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

2022 Highlights

- At December 31, 2022, net position was \$14,020,057 resulting from an increase of \$3,063,234 or 28% when compared to December 31, 2021.
- Total revenue decreased from \$5,075,230 in 2021 to \$4,490,016 in 2022, a difference of \$585,214 or 11.5% (net of transfers).
- Total expenses were \$1,426,782 in 2022, an increase of \$473,844 or 49.7% compared to 2021 total of \$952,938 (net of transfers).
- Net capital assets were \$7,263,197 as of December 31, 2022, which increased by \$147,085 or 2.1% from the 2021 balance of \$7,116,112.

Overview of the Financial Statements

This annual financial report consists of three parts: management's discussion and analysis, the basic financial statements, and required and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements, which focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services were financed in the short-term, as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required and other supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflow of resources both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflow of resources, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business. These statements provide both short-term and long-term information about the District's overall financial status. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflow of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as the condition of water facilities.

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

Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The basic government-wide financial statements can be found on pages 1-2 of this report.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- *Governmental funds*: The District's basic services are included in governmental funds, which generally focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the government-wide statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

The District maintains one governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund which is a considered major fund. Also included in the required supplementary information section is budget-to-actual information for the General Fund.

The basic governmental fund financial statements can be found on pages 3-4 of this report.

- *Proprietary funds*: The District maintains one enterprise type proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District uses an enterprise fund to account for its water operations associated with the District's Augmentation Program.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for water operations, which is considered to be a major fund of the District.

The basic proprietary fund financial statements can be found on pages 5-7 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 8-19 of this report.

Financial Analysis of the District as a Whole

Net Position and Changes in Net Position

The District's combined net position increased from \$10,956,823 in 2021 to \$14,020,057 in 2022. This is an increase of \$3,063,234, or 28.0%.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Table 3
Condensed Statement of Net Position**

	2022			2021		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
Assets						
Current Assets	\$ 11,118,181	\$ (11,572)	\$ 11,106,609	\$ 7,844,341	\$ 294,225	\$ 8,138,566
Capital Assets	1,423,172	5,840,025	7,263,197	1,294,023	5,822,089	7,116,112
Total Assets	12,541,353	5,828,453	18,369,806	9,138,364	6,116,314	15,254,678
Liabilities						
Current Liabilities	152,184	727	152,911	41,956	153,221	195,177
Long-Term Liabilities	-	-	-	-	242,855	242,855
Total Liabilities	152,184	727	152,911	41,956	396,076	438,032
Deferred Inflows of Resources						
Property Taxes	4,196,838	-	4,196,838	3,859,823	-	3,815,705
Net Position						
Net Investment in Capital Assets	1,423,172	5,616,570	7,039,742	1,294,023	5,438,368	6,732,391
Restricted	128,183	-	128,183	121,552	-	121,552
Unrestricted	6,640,976	211,156	6,852,132	3,821,010	281,870	4,102,880
Total Net Position	\$ 8,192,331	\$ 5,827,726	\$ 14,020,057	\$ 5,236,585	\$ 5,720,238	\$ 10,956,823

Table 4 provides a summary of the changes in net position.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Table 4
Changes in Net Position from Operating Results**

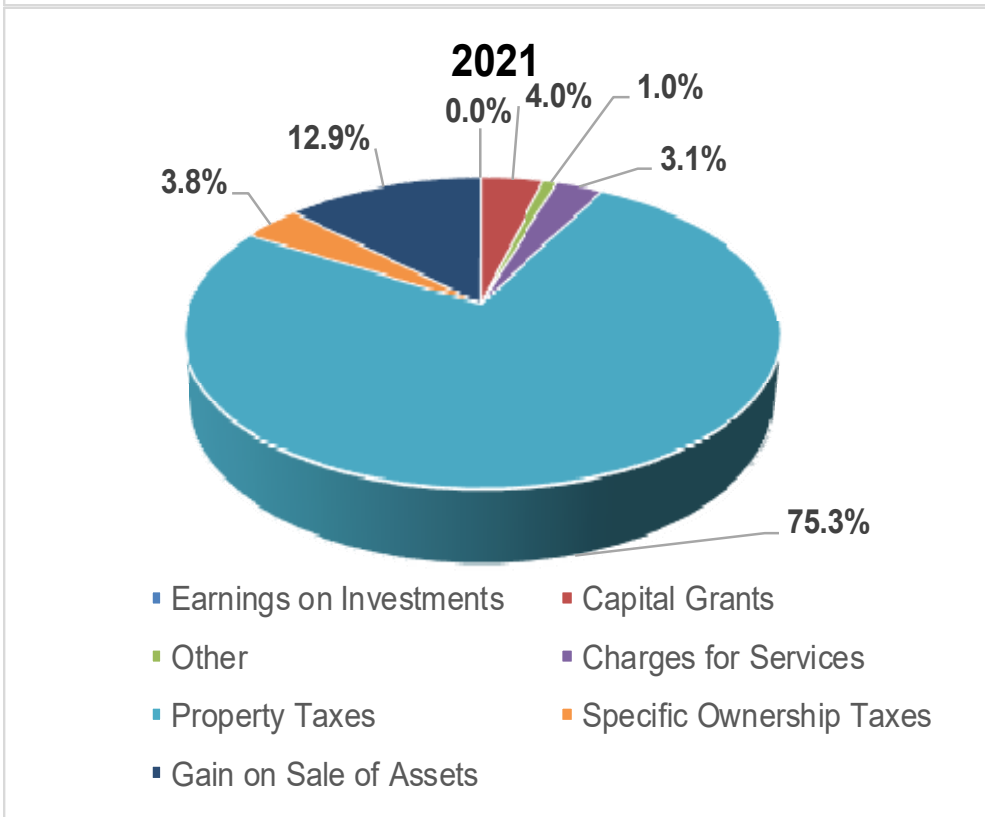
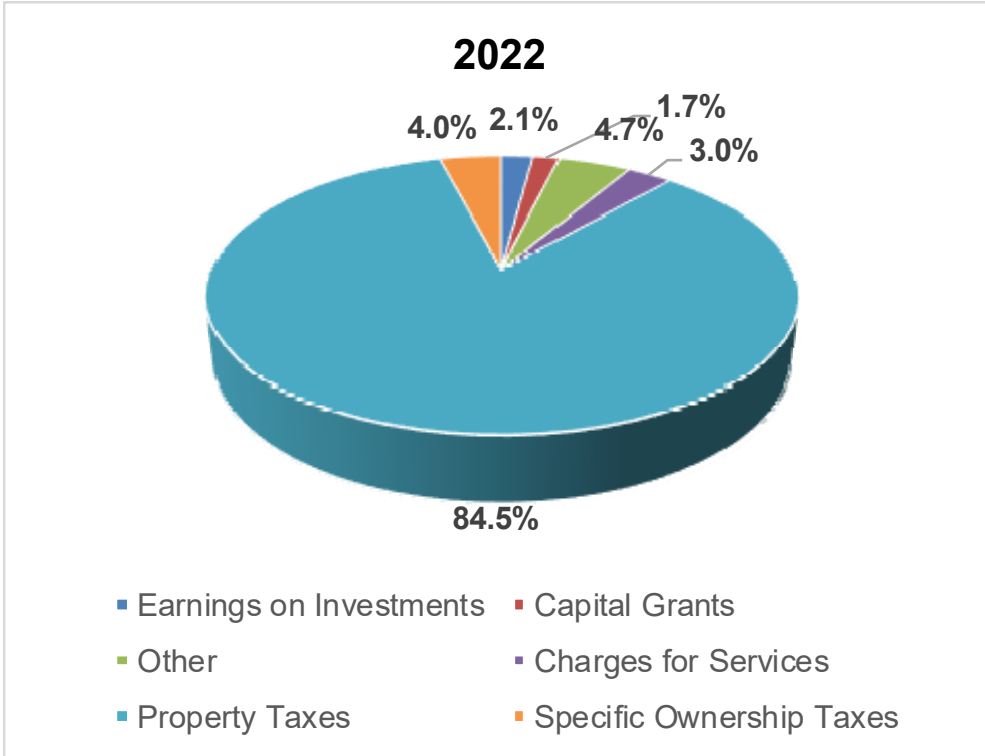
This year's taxes accounted for 88.5% of every dollar raised by the District, compared to 79.1% in the previous year (see Table 5). This increase was a result of a decrease in gain on sale of assets, which equated to an increase in the property tax percentage.

	2022			2021		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
Revenues						
Program Revenues:						
Charges for Services	\$ -	\$ 137,935	\$ 137,935	\$ -	\$ 156,250	\$ 156,250
Capital Grants and Contributions	-	78,416	78,416	-	205,486	205,486
General Revenues:						
Property Taxes	3,904,433	-	3,904,433	3,843,621	-	3,843,621
Specific Ownership Taxes	186,460	-	186,460	193,401	-	193,401
Earnings on Investments	95,979	894	96,873	406	50	456
Water Rental	15,344	-	15,344	-	-	-
Partner Match	68,000	-	68,000	-	-	-
Miscellaneous	2,555	-	2,555	14,308	2,108	16,416
Gain on Sale of Assets	-	-	-	543,000	116,600	659,600
Transfers In	-	133,055	133,055	-	29,494	29,494
Total Revenues	4,272,771	350,300	4,623,071	4,594,736	509,988	5,104,724
Expenses						
Administration	485,435	-	485,435	300,745	-	300,745
Outside Services	82,035	-	82,035	76,534	-	76,534
Operational	94,930	-	94,930	69,522	-	69,522
Special Projects	461,397	-	461,397	199,574	-	199,574
Miscellaneous	60,173	-	60,173	57,082	-	57,082
Water Activity	-	242,812	242,812	-	249,481	249,481
Transfer Out	133,055	-	133,055	29,494	-	29,494
Total Expenses	1,317,025	242,812	1,559,837	732,951	249,481	982,432
Change in Net Position	2,955,746	107,488	3,063,234	3,861,785	260,507	4,122,292
Net Position - Beginning of Year	5,236,585	5,720,238	10,956,823	1,374,800	5,459,731	6,834,531
Net Position - End of Year	\$ 8,192,331	\$ 5,827,726	\$ 14,020,057	\$ 5,236,585	\$ 5,720,238	\$ 10,956,823

Detailed on the next page in Tables 5 and 6 are charts displaying revenues by sources and expenses by program for the total District.

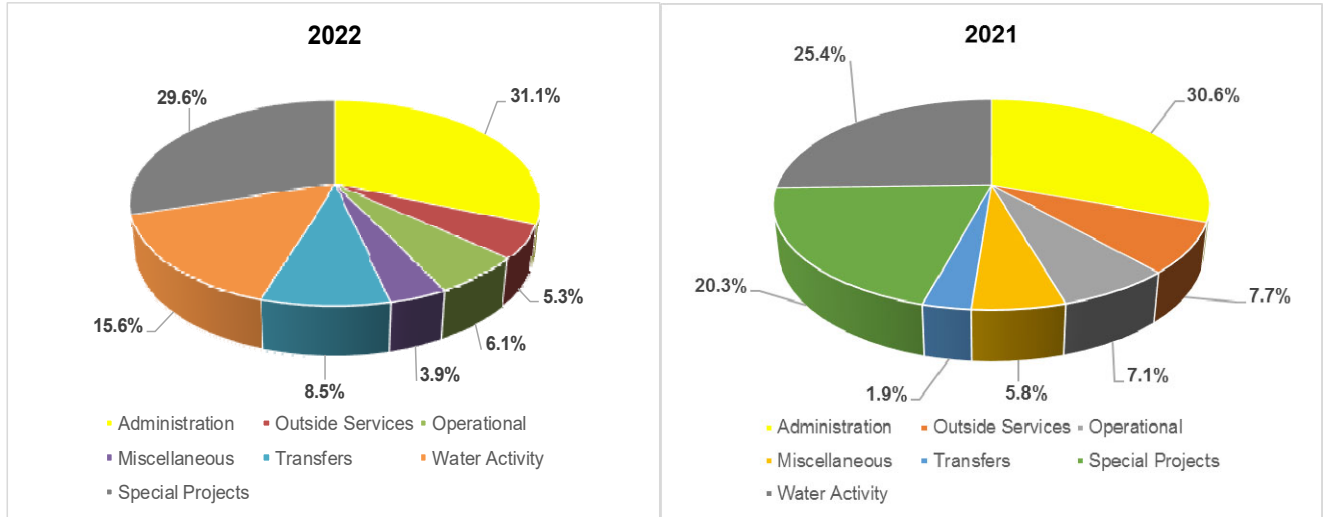
**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Table 5
Sources of Revenues**



**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Table 6
Expenses by Program**



**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Governmental Activities

The increase in net position for governmental activities was \$2,955,746 in 2022. The increase net position is primarily due to an increase in property tax revenues.

The governmental funds monitor cash resources and expenditures. The District had capital outlay in the governmental fund during 2022. Capital outlay is not considered an expense on the government-wide statement of activities. Rather, these costs are expensed over time as depreciation expense.

As reflected on the reconciliation of governmental funds revenues and expenditures to the government-wide statement of activities (page 4), there was capital outlay of \$151,355 and depreciation of \$22,206 during 2022.

The statement of activities shows the cost of program services and the related charges for services and grants offsetting those costs. Table 7 reflects the program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted property taxes and other general revenues.

Table 7

	Total Cost of Services	Net Cost of Services
Administration	\$ 485,435	\$ 485,435
Outside Services	82,035	82,035
Operational	94,930	94,930
Special Projects	461,397	461,397
Miscellaneous	60,173	60,173
Water Activity Enterprise	242,812	26,461
Total	\$ 1,426,782	\$ 1,210,431

Financial Analysis of District's funds

General Fund

The General Fund was established, and is continually funded, to provide for the daily activities, salaries, expenditures, and operating costs of the District. This fund provides for functional areas of the organization - administration, public information, and other programs. The General Fund also provides for such other items as insurance, utilities, and other costs the District incurs. The primary funding source for the General Fund is taxation of real property. Other sources of income for the General Fund include interest income and other revenues. The primary projects or program efforts for establishing needed funding during 2022 were:

- Salaries and benefits for all existing full-time personnel of the District.
- Normal operational costs of the District.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transaction on a basis of cash receipts and disbursements. The District's final budget for the General Fund anticipated that revenues would exceed expenditures by \$1,689,975 (including transfers). The actual results show \$2,827,235 of revenues in excess of expenditures (including transfers).

- The District must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2022, the District's TABOR reserve amounted to \$128,183.

Capital Assets and Debt Administration

Capital Assets

By the end of 2022, the District had invested \$7,263,197 (net of accumulated depreciation) in water rights, water storage projects, construction in progress, a vehicle, and the building (See Table 8).

**Table 8
Capital Assets (Net of Depreciation)**

	Governmental and Business Type Activities	
	2022	2021
Water Rights	\$ 6,045,472	\$ 6,045,472
Water Storage Projects	552,495	552,495
Construction in Progress	-	-
Building	629,396	518,145
Vehicle	35,834	-
Total	\$ 7,263,197	\$ 7,116,112

Long-Term Debt

At year-end, the District has no outstanding long-term debt obligations. During 2022, the District repaid the Pipeline loan in full, total principal of \$236,155. See Note 7, for disclosures surrounding the Loan Contracts.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

The District's budget for 2023 includes property tax revenue in the amount of \$4,196,837 (based on an assessed valuation for the District of \$2,984,948,240 and a mill levy of 1.406 mills) with a proposed budget for expenditures of \$3,633,990. These tax revenues plus carryover funds should be adequate to provide for these budgeted expenditures.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Financial Contact

The District's financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional financial information, please contact our staff at St. Vrain & Left Hand Water Conservancy District, 1715 Iron Horse Drive, Suite 250, Longmont, Colorado, 80501.

ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 6,562,230	\$ 190,304	\$ 6,752,534
Property Tax Receivable	4,196,838	-	4,196,838
Accounts Receivable	85,335	34,317	119,652
Prepaid Items	21,299	16,286	37,585
Internal Balances	29,024	(29,024)	-
Internal Advances	223,455	(223,455)	-
Capital Assets, Not Being Depreciated	863,832	5,734,135	6,597,967
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	559,340	105,890	665,230
Total Assets	12,541,353	5,828,453	18,369,806
LIABILITIES			
Accounts Payable	134,040	727	134,767
Accrued Liabilities	6,665	-	6,665
Unearned Revenue	3,400	-	3,400
Due Within the Year:			
Compensated Absences	8,079	-	8,079
Total Liabilities	152,184	727	152,911
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	4,196,838	-	4,196,838
Total Deferred Inflows of Resources	4,196,838	-	4,196,838
NET POSITION			
Net Investment in Capital Assets	1,423,172	5,616,570	7,039,742
Restricted:			
Emergencies	128,183	-	128,183
Unrestricted	6,640,976	211,156	6,852,132
Total Net Position	\$ 8,192,331	\$ 5,827,726	\$ 14,020,057

See accompanying Notes to Basic Financial Statements.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

	Program Revenues			Net Revenue (Expense) and Change in Net Position		Total
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	
GOVERNMENTAL ACTIVITIES						
Administration	\$ 485,435	\$ -	\$ -	\$ (485,435)	\$ -	\$ (485,435)
Outside Services	82,035	-	-	(82,035)	-	(82,035)
Operational	94,930	-	-	(94,930)	-	(94,930)
Special Projects	461,397	-	-	(461,397)	-	(461,397)
Miscellaneous	60,173	-	-	(60,173)	-	(60,173)
Total Governmental Activities	<u>1,183,970</u>	<u>-</u>	<u>-</u>	<u>(1,183,970)</u>	<u>-</u>	<u>(1,183,970)</u>
BUSINESS ACTIVITIES						
Water Activity Enterprise	242,812	137,935	78,416	-	(26,461)	(26,461)
Total Business-Type Activities	<u>242,812</u>	<u>137,935</u>	<u>78,416</u>	<u>-</u>	<u>(26,461)</u>	<u>(26,461)</u>
Total Primary Government	<u>\$ 1,426,782</u>	<u>\$ 137,935</u>	<u>\$ 78,416</u>	<u>(1,183,970)</u>	<u>(26,461)</u>	<u>(1,210,431)</u>
GENERAL PURPOSES						
Property Taxes Levied for:						
General Purposes				3,904,433	-	3,904,433
Specific Ownership Taxes for:						
General Purposes				186,460	-	186,460
Earnings on Investments				95,979	894	96,873
Water Rental				15,344	-	15,344
Partner Match				68,000	-	68,000
Miscellaneous				2,555	-	2,555
Transfers				(133,055)	133,055	-
Total General Revenues and Transfers				<u>4,139,716</u>	<u>133,949</u>	<u>4,273,665</u>
CHANGE IN NET POSITION				2,955,746	107,488	3,063,234
Net Position - Beginning of Year				<u>5,236,585</u>	<u>5,720,238</u>	<u>10,956,823</u>
NET POSITON - END OF YEAR				<u>\$ 8,192,331</u>	<u>\$ 5,827,726</u>	<u>\$ 14,020,057</u>

See accompanying Notes to Basic Financial Statements.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
BALANCE SHEET – GENERAL FUND
DECEMBER 31, 2022**

ASSETS

Cash and Investments	\$ 6,562,230
Property Tax Receivable	4,196,838
Accounts Receivable	85,335
Advances from Other Funds	223,455
Due from Other Funds	29,024
Prepaid Items	21,299
	<u>11,118,181</u>
Total Assets	<u>\$ 11,118,181</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 134,040
Accrued Liabilities	6,665
Unearned Revenue	3,400
Total Liabilities	<u>144,105</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Property Tax	4,196,838
Total Deferred Inflows of Resources	<u>4,196,838</u>

FUND BALANCE

Nonspendable	244,754
Restricted	128,183
Committed	200,000
Unassigned	6,204,301
Total Fund Balance	<u>6,777,238</u>

Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 11,118,181</u>
--------------------------------------------------------------------	----------------------

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of the Governmental Fund	\$ 6,777,238
----------------------------------------------	--------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.

Capital Assets, Net	1,423,172
---------------------	-----------

Some liabilities, including compensated absences, are not due and payable in the current period, and, therefore, are not reported in the fund balance sheet.

Compensated Absences	<u>(8,079)</u>
----------------------	----------------

Total Net Position - Governmental Activities	<u>\$ 8,192,331</u>
----------------------------------------------	---------------------

See accompanying Notes to Basic Financial Statements.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2022**

REVENUES

Taxes	\$ 4,090,893
Earnings on Investments	95,979
Water Rental	15,344
Partner Match	68,000
Miscellaneous	2,555
Total Revenues	4,272,771

EXPENDITURES

Current:	
Administration	484,797
Outside Services	82,035
Operational	94,930
Special Projects	590,546
Miscellaneous	60,173
Total Expenditures	1,312,481

REVENUES OVER EXPENDITURES

2,960,290

OTHER FINANCING SOURCES (USES)

Transfers Out	(133,055)
Total Other Financing Sources (Uses)	(133,055)

NET CHANGE IN FUND BALANCE

2,827,235

Fund Balance - Beginning of Year

3,950,003

FUND BALANCE - END OF YEAR

\$ 6,777,238

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance - Total Governmental Fund	\$ 2,827,235
------------------------------------------------------	--------------

Governmental fund reports capital outlays as expenditures. However, for governmental activities, those capital outlays other than noncapitalizable items are shown in the Statement of Activities at cost.

Capital Outlay	151,355
Depreciation Expense	(22,206)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences	(638)
----------------------	-------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 2,955,746

See accompanying Notes to Basic Financial Statements.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
STATEMENT OF FUND NET POSITION – WATER ACTIVITY ENTERPRISE FUND
DECEMBER 31, 2022**

ASSETS

Cash and Investments	\$ 190,304
Accounts Receivable	34,317
Prepaid Items	16,286
Total Current Assets	240,907

NONCURRENT ASSETS

Capital Assets:	
Water Rights	5,181,640
Water Storage Projects	552,495
Building, Net of Accumulated Depreciation	105,890
Total Noncurrent Assets	5,840,025

Total Assets	6,080,932
--------------	-----------

LIABILITIES

Accounts Payable	727
Due to Other Funds	29,024
Noncurrent Liabilities	
Advances to Other Funds	223,455
Total Liabilities	253,206

NET POSITION

Net Investment in Capital Assets	5,616,570
Unrestricted	211,156
Total Net Position	\$ 5,827,726

See accompanying Notes to Basic Financial Statements.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –
WATER ACTIVITY ENTERPRISE FUND
YEAR ENDED DECEMBER 31, 2022**

OPERATING REVENUES	
Augmentation Membership Fees	\$ 123,906
Water Rental	14,029
Total Operating Revenues	137,935
 OPERATING EXPENSES	
Augmentation Plan	33,186
Outside Services	161,474
Administration	46,282
Total Operating Expenses	240,942
 OPERATING LOSS	 (103,007)
 NONOPERATING REVENUES (EXPENSES)	
Intergovernmental	78,416
Earnings on Investments	894
Loan Interest and Fees	(1,870)
Total Nonoperating Revenues (Expenses)	77,440
 INCOME BEFORE TRANSFERS	 (25,567)
 TRANSFERS IN	 133,055
 CHANGE IN NET POSITION	 107,488
Net Position - Beginning of Year	5,720,238
 NET POSITION - END OF YEAR	 \$ 5,827,726

See accompanying Notes to Basic Financial Statements.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
STATEMENT OF CASH FLOWS – WATER ACTIVITY ENTERPRISE FUND
YEAR ENDED DECEMBER 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers and Users	\$ 137,935
Payments to Employees	(40,231)
Payments to Suppliers	(217,800)
Net Cash Used by Operating Activities	(120,096)

CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES

Receipt of Advances from Other Funds and Payment on Capital Debt	(12,700)
Acquisition and Construction of Capital Assets	(169,627)
Interest and Fees Paid	(8,570)
Cash Flows Used by Capital and Related Financing Activities	(190,897)

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Operating Grants	188,913
Due to Other Funds	8,053
Transfer from Other Funds	133,055
Cash Flows Provided by Non-Capital Financing Activities	330,021

CASH FLOWS FROM INVESTING ACTIVITIES

Earnings on Investments	894
Cash Flows Provided by Investing Activities	894

NET INCREASE IN CASH AND CASH EQUIVALENTS

19,922

Cash Balance - Beginning of Year

170,382

CASH BALANCE - END OF YEAR

\$ 190,304

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (103,007)
Depreciation	4,125
Change in Assets:	
Increase in Prepaid Assets	(16,286)
Change in Liabilities:	
Decrease in Accounts Payable	(4,928)
Net Cash Used by Operating Activities	\$ (120,096)

See accompanying Notes to Basic Financial Statements.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

On April 19, 1971, pursuant to the applicable provisions of the Water Conservation Act of the State of Colorado, the St. Vrain & Left Hand Water Conservancy District (the District) was established. It is a quasi-municipal corporation and political subdivision of the state of Colorado with all powers thereof, which includes the power to levy taxes against property within the District. The principal purpose of the District is to provide for the conservation of the water resources of the state of Colorado for the greatest beneficial use of water within this state and the territory within the District.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District's accounting policies are described below.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include: (1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances presents increases and decreases in these components. These funds use the modified accrual basis of accounting whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

Property taxes, intergovernmental grants, and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

Governmental funds are used to account for all or most of a government's general activities. The following is the District's only governmental fund:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary funds, which include enterprise funds, are accounted for on a flow of economic resources measurement focus using the accrual basis of accounting. Therefore, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the statement of net position. Revenues and expenses are recorded in the accounting period in which they are earned or incurred, and they become measurable. Net position is segregated into amounts invested in capital assets and unrestricted.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The District's major enterprise fund is the Water Activity Enterprise Fund. The purpose of the fund is to facilitate the augmentation program that the District has with its water storage.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Budgets

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- By October 15, the District administrator submits to the District board of directors, a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Any budget revisions that alter the total expenditures of any fund must be approved by the board of directors through passage of a formal resolution.
- The District legally adopts budgets for all of the funds. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budgetary comparison for the Enterprise Fund is presented on a nonaccounting principles generally accepted in the United States of America budgetary basis.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the District board of directors. All appropriations lapse at year-end.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets (Continued)

The following table summarizes the individual fund budgeted expenditures, as originally adopted:

	Original and Final Budget
Government Fund:	
General (Including Transfers)	\$ 2,278,000
Enterprise Fund:	
Water Activity Enterprise	481,970
Total Funds	\$ 2,759,970

Cash and Investments

The District considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Revenue Recognition/Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The county treasurer bills and collects property taxes for all taxing entities within the county. Property tax receipts collected by the county treasurer each month are remitted to the District by the tenth day of the subsequent month. Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the District.

In the fund financial statements, property taxes are recognized in the year for which levied provided they become available and measurable.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide statement of net position and, classified as due from other funds or due to other funds on the balance sheet.

Advances Receivables/Payables

The General Fund and Water Activity Enterprise Fund may advance funds to each other. The interest rate on advances between Funds are determined based on similar interest rates within the market at the time of the advance. These advances are classified as internal balances on the government-wide statement of net position, and classified as advances from other funds or advances to other funds on the balance sheet.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost on the date received.

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

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities. Estimated useful lives for asset types are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Water Rights	N/A
Water storage projects	N/A
Furniture and Equipment	7 years
Vehicles	10 years
Building and Improvements	30 years

The District has incurred various costs related to proposed water storage projects, which are not being amortized or depreciated. The proposed water storage projects, if constructed, would provide water storage, which the District would expect to administer.

Management evaluates these capitalized costs annually for impairment and believes no impairment existed on December 31, 2022.

Accrued Compensated Absences Payable

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences* (GASB No. 16). Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the District will compensate the employees for the benefits earned. Upon termination of employment from the District, an employee will be compensated for all accrued vacation and compensatory time at their current rate of pay; there is no payment for sick leave upon termination.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide and proprietary financial statements.

ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, net of debt used to acquire the capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact. As of December 31, 2022, the District had \$244,754 in nonspendable.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments. As of December 31, 2022, the General Fund had \$128,183 restricted for emergencies.

Committed – amounts that can be used only for specific purposes determined by a formal action of the board of directors (the board). The board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the board. As of December 31, 2022, the District had \$200,000 classified as committed due to resolution 2011-11 approved by the board in fiscal year 2011 for the acquisition of water rights.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The board has the authority to assign amounts for specific purposes.

Unassigned – all other spendable amounts. As of December 31, 2022, the District Board designated operating reserves of \$20,000 and acquisition reserves of \$100,000.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Net Position (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the District considers restricted resources to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

In the Water Activity Enterprise Fund, the District Board designated capital reserves of \$10,000 and operating reserves of \$9,660.

NOTE 2 CASH AND INVESTMENTS

Custodial Credit Risk – Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the state of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The fair value of the assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2022, all of the District's cash and cash equivalents were insured by FDIC or PDPA.

At December 31, 2022, the District had cash and cash equivalent balances as follows:

Bank Deposits	\$ 804,470
Cash on Hand	25
Investments	5,948,039
Total Cash Deposits	<u>\$ 6,752,534</u>
Governmental Activities	\$ 6,562,230
Business-Type Activities	190,304
Total Primary Government	<u>\$ 6,752,534</u>

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments

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

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States, U.S. Government agency securities and securities of the World Bank
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools *

The District's policy is to hold investments until maturity.

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

Investment	Maturity	Fair Value
COLOTRUST *	Less than One Year	\$ 5,948,039

The District's COLOTRUST accounts are reported at fair value. The COLOTRUST investments are rated AAAM by Standard & Poor's. The District's investments in money market savings accounts are covered by Colorado State statutes, specifically the Public Deposit Protection Act (PDPA) of 1989, limit the deposit of public monies to financial institutions that have been designated as eligible public depositories.

Custodial Credit Risk – Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a specific policy for custodial credit risk. As of December 31, 2022 the District's investments in COLOTRUST are rated AAAM by Standard and Poor's.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increasing interest rates.

ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CAPITAL ASSETS

A summary of changes in governmental-activities capital assets for the year ended December 31, 2022, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Being Depreciated:				
Water Rights	\$ 863,832	\$ -	\$ -	\$ 863,832
Total Capital Assets, Not Being Depreciated	863,832	-	-	863,832
Capital Assets, Being Depreciated:				
Building and Improvements	436,250	111,576	-	547,826
Less: Accumulated Depreciation	(6,059)	(18,261)	-	(24,320)
Office Equipment	1,000	-	-	1,000
Less: Accumulated Depreciation	(1,000)	-	-	(1,000)
Vehicle	-	39,779	-	39,779
Less: Accumulated Depreciation	-	(3,945)	-	(3,945)
Total Capital Assets, Being Depreciated	430,191	129,149	-	559,340
Governmental Capital Assets, Net	<u>\$ 1,294,023</u>	<u>\$ 129,149</u>	<u>\$ -</u>	<u>\$ 1,423,172</u>

Depreciation for governmental activities was charged to the Special Projects function/program.

Capital asset activity for the business-type activities for the year ended December 31, 2022, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Being Depreciated:				
Water Rights	\$ 5,181,640	\$ -	\$ -	\$ 5,181,640
Water Storage Projects	552,495	-	-	552,495
Total Capital Assets, Not Being Depreciated	5,734,135	-	-	5,734,135
Capital Assets, Being Depreciated:				
Building and Improvements	89,250	22,061	-	111,311
Less: Accumulated Depreciation	(1,296)	(4,125)	-	(5,421)
Total Capital Assets, Being Depreciated	87,954	17,936	-	105,890
Total Capital Assets	<u>\$ 5,822,089</u>	<u>\$ 17,936</u>	<u>\$ -</u>	<u>\$ 5,840,025</u>

Costs associated with an intergovernmental agreement for a stream management plan and feasibility study have not been capitalized within governmental activities. As of December 31, 2022, a final assessment cannot be determined as to whether a future construction project will be undertaken and therefore, management has not capitalized these costs.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 INTERFUND TRANSACTIONS

Interfund advances (receivables and payables) arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year-end outstanding balances are reported as due to / due from other funds. All interfund transfers are reported as transfers. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances. There were the following transfers made in 2022 by the District relating to the consolidation and elimination of funds.

<u>From</u>	<u>To</u>	<u>Amount</u>
Water Activity Fund	General Fund	\$133,055

During 2022, the District repaid the Pipeline loan with CWCB in full (see Note 5). In order to repay the loan in full, the General Fund loaned the Water Activity Enterprise Fund \$242,773. The loan is 10-years at a 1% interest rate. The loan has annual payments of \$24,826 from the Water Activity Enterprise Fund to the General Fund. The monthly payment of \$2,127 began on March 1, 2022. Total payments/receipts in 2022 were principal of \$19,318 and interest of \$1,952.

Interfund advance activity in the General Fund for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Fund:				
Advances Receivable	\$ -	\$ 242,773	\$ (19,318)	\$ 223,455

Interfund advance activity in the Water Activity Enterprise Fund for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Water Activity Enterprise Fund				
Advances Payable	\$ -	\$ (242,773)	\$ 19,318	\$ (223,455)

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM DEBT

On February 13, 2017, the District entered into a Loan Contract with the Colorado Water Conservation Board for a total loan amount of \$619,130 through the Water Activity Enterprise Fund. The loan request is for the Lake 4 Outlet Pipeline Repair to fix leaks in Lake 4's outlet pipeline. The loan is payable over 30 years at an interest rate of 2.85%. On February 4, 2019, the Colorado Water Conservation Board approved a loan increase of \$245,430 (\$243,000 for project costs and \$2,430 for the 1% service fee) for a total loan not to exceed \$864,560 (\$856,000 for project costs and \$8,560 for the 1% service fee. The loan terms remain at 30 years at 2.85%. The District is eligible for loan disbursements when the District incurs eligible expenditures under the loan contract and is required to prepare a written request for funds to be submitted to the Colorado Water Conservation Board prior to receipt of loan disbursements under the contract. The District has pledged through a Deed of Trust, 27 unencumbered acre-foot units of Colorado Big Thompson Project Water contractual rights administered through the Northern Colorado Water Conservancy District, valued at 100% of the loan amount.

On March 1, 2021, the project was substantially completed. As such, the District owed \$10,199 of interest accrued during the construction phase of the project. The first annual loan payment was due on March 1, 2022. During 2021, the District received loan disbursements of \$2,338 and has received total loan disbursements of \$236,155 since inception of the loan contract.

On February 25, 2022, the loan was repaid in full. The payment included the full principal balance of \$236,155 and interest of \$6,618 incurred during 2022. The pledge of 27 unencumbered acre-foot units of Colorado Big Thompson Project Water contractual rights to Colorado Water Conservation Board was released with the repayment of the loan.

Long-term liability activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Direct Borrowing:					
2017 CWCB Loan	\$ 236,155	\$ -	\$ (236,155)	\$ -	\$ -
Compensated Absences	7,441	23,420	(22,782)	8,079	8,079
Total Long-Term Liabilities	<u>\$ 243,596</u>	<u>\$ 23,420</u>	<u>\$ (258,937)</u>	<u>\$ 8,079</u>	<u>\$ 8,079</u>

NOTE 6 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance covering specific and general risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 DEFINED CONTRIBUTION PENSION PLAN

The District has adopted a 408(p) savings incentive match plan (SIMPLE), a single employer plan, which is a written arrangement that provides for the District and its employees to make contributions to provide employee retirement income. All employees are eligible to participate in the plan. The District matches employee contributions up to 3% of the employee's annual base salary or wage. This contribution rate and other provisions of the plan are established and may be amended by the board of directors.

All contributions under the plan are deposited into a SIMPLE individual retirement account established for each employee with the financial institution selected by the employee. From January to June 2022, the District contributed a total match of \$4,632 to the plan. All contributions to the plan are immediately vested.

In July 2022, the District switched from the SIMPLE plan to a 457(b) plan with a Roth option. All employees are eligible to participate in the plan. The District matches employee contributions up to 3% of the employee's annual base salary or wage. This contribution rate and other provisions of the plan are established and may be amended by the board of directors. From July to December 2022, the District contributed a total match of \$6,466 to the plan.

NOTE 8 TAXES, SPENDING, AND DEBT LIMITATIONS

In November 1992, Colorado voters passed an amendment (the Amendment or TABOR) to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balance). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. An emergency, as defined by the Amendment, excludes economic conditions, revenue shortfalls, or salary of fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted \$128,183 for this purpose.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

REQUIRED SUPPLEMENTARY INFORMATION

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE (BUDGET AND ACTUAL) – GENERAL FUND
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts <u>Original and Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 3,899,389	\$ 3,904,433	\$ 5,044
Specific Ownership Taxes	48,776	186,460	137,684
Earnings on Investments	2,500	95,979	93,479
Water Rental	13,910	15,344	1,434
Partner Match	-	68,000	68,000
Miscellaneous	3,400	2,555	(845)
Total Revenues	<u>3,967,975</u>	<u>4,272,771</u>	<u>304,796</u>
EXPENDITURES			
Administration	529,451	484,797	44,654
Outside Services	200,078	82,035	118,043
Operational	98,771	94,930	3,841
Special Projects	1,263,273	590,546	672,727
Miscellaneous	57,897	60,173	(2,276)
Total Expenditures	<u>2,149,470</u>	<u>1,312,481</u>	<u>836,989</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,818,505	2,960,290	1,141,785
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(128,530)</u>	<u>(133,055)</u>	<u>(4,525)</u>
NET CHANGE IN FUND BALANCE	1,689,975	2,827,235	1,137,260
Fund Balance - Beginning of Year	<u>3,899,514</u>	<u>3,950,003</u>	<u>66,800</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 5,589,489</u></u>	<u><u>\$ 6,777,238</u></u>	<u><u>\$ 1,204,060</u></u>

OTHER SUPPLEMENTARY INFORMATION

**ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION (BUDGET AND ACTUAL) – WATER ACTIVITY ENTERPRISE FUND
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Variance with Final Budget
	Original and Final	Actual	Positive (Negative)
REVENUES			
Augmentation Membership Fees	\$ 116,530	\$ 123,906	\$ 7,376
Water Rental	18,590	14,029	(4,561)
Intergovernmental Revenue	188,360	78,416	(109,944)
Earnings on Investments	220	894	674
Transfers In	128,530	133,055	4,525
Total Revenues	452,230	350,300	(101,930)
EXPENSES			
Administration	47,240	46,282	958
Outside Services	208,000	161,474	46,526
Operational	221,680	33,186	188,494
Loan Principal	5,050	236,155	(231,105)
Loan Interest and Fees	-	1,870	(1,870)
Total Expenses	481,970	478,967	3,003
EXCESS OF REVENUES OVER (UNDER) EXPENSES	(29,740)	(128,667)	(98,927)
CHANGE IN NET POSITION - BUDGETARY BASIS	\$ (29,740)	(128,667)	\$ (98,927)
ADJUSTMENTS TO GAAP BASIS			
Loan Principal		236,155	
CHANGE IN NET POSITION - GAAP BASIS		107,488	
Net Position - Beginning of Year		5,720,238	
NET POSITION - END OF YEAR		\$ 5,827,726	



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.