CASTLE PINES METROPOLITAN DISTRICT

FINANCIAL STATEMENTS
DECEMBER 31, 2023

Table of Contents

Financial Section

Independent Auditors' Report 1
Management's Discussion and Analysis i

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position 4
Statement of Activities 5

Fund Financial Statements

Balance Sheet – Governmental Fund 6
Reconciliation of the Government Fund Balance Sheet to the Governmental Activities Statement of Net Position 7
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund 8
Reconciliation of the Government Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Governmental Activities Statement of Activities 9
Statement of Net Position – Proprietary Fund 10
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund 11
Statement of Cash Flows – Proprietary Fund 12

Notes to the Basic Financial Statements 13

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund 53
Infrastructure Condition and Maintenance Data 54
Schedule of the District's Proportionate Share of the Net Pension Liability 56
Schedule of the District's Contributions to the Pension Plan 57
Schedule of the District's Proportionate Share of the Net OPEB Liability 58
Schedule of the District's Contributions to the OPEB Plan 59

Supplementary Information

Governmental Fund

Comparative Balance Sheet – General Fund 60
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund 61

Proprietary Fund

Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Water and Sewer Fund 62

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Independent Auditors' Report

To the Board of Directors
Castle Pines Metropolitan District
Castle Rock, Colorado

Opinion
We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the major fund, of Castle Pines Metropolitan District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the major fund of Castle Pines Metropolitan District, as of December 31, 2023, 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 Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 opinion.

Emphasis of a Matter
As discussed in Note 16 to the financial statements, the 2022 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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 Castle Pines Metropolitan 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Castle Pines Metropolitan 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 Castle Pines Metropolitan 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 management's discussion and analysis, budgetary comparison for the general fund, infrastructure condition and maintenance data and pension-related schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Castle Pines Metropolitan District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Haynie & Company

Littleton, Colorado

June 14, 2024

Management's Discussion and Analysis

Within this section of Castle Pines Metropolitan District's (District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the calendar year ended December 31, 2023. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The District's assets and deferred outflows exceeded its liabilities and deferred inflows by $76,956,239 (net position) as of December 31, 2023 (page 4). This total net position is comprised of the following:

1. Net investment in capital assets of $46,804,148 includes property, equipment, and infrastructure, net of accumulated depreciation, reduced by outstanding debt related to the purchase or construction of capital assets.

2. Net position of $225,000 is restricted by constraints imposed from outside the District such as debt covenants, grantors, laws, or regulations.

3. Unrestricted net position of $29,927,091 represents the portion available to maintain the District's continuing obligations to citizens and creditors.

Investment interest rates influenced District operations during the year and is a recurring theme throughout this narrative. Unrealized gains of $803,854 and total investment earnings (including unrealized gains) of $2,681,967 were recorded in 2023 compared with 2022 unrealized loss of $1,321,096 and total investment loss of $617,364. This activity increased the market value of investments held on the Statement of Net Position (page 4) and investment earnings on the Statement of Activities (page 5).

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements. Comparative 2022 data is presented when available and applicable.

Government-wide Financial Statements

The District's annual report includes two government-wide financial statements (pages 4 & 5). These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position* (page 4). This is the government-wide statement of position presenting information that includes all District's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as net position. Over a period of time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District, as a whole, is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors, such as diversification of the taxpayer base or the condition of District infrastructure, in addition to the financial information provided in this report. The December 31, 2023 Statement of Net Position reflects the pension plan disclosures which were adopted in 2015, as well as the OPEB liability, which was adopted in 2018.

The second government-wide statement is the *Statement of Activities* (page 5), which reports how the District's net position changed during the current calendar year. All current-year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish functions of the District that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities (roads) of the District includes general government and public works. The business-type activities (water and sewer) of the District includes water and sewer services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. All of the District's funds are classified as major and are separately reported.

Governmental Funds. The District maintains one governmental fund, the General Fund. The basic governmental fund financial statements are presented on pages 6 - 9 of this report. Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental fund. These statements report short term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating the annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.

The *Proprietary Fund* is reported in the fund financial statements and generally reports services for which the District charges customers a fee. The District's proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. The District services approximately 1,877 homes inside the District boundaries. The basic enterprise fund financial statements are presented on pages 10 - 12 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 13 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget presentations and the modified approach for infrastructure. Budgetary comparison statements are included as "required supplementary information" for the general fund. A budgetary comparison schedule for the enterprise fund can be found in a later section of this report. These statements and schedules demonstrate compliance with the District's adopted and final revised budget. The schedule of the District's proportionate share of net pension and OPEB liability is also included in this section. Required supplementary information can be found on pages 53 - 59 of this report.

As discussed, the District reports major funds in the basic financial statements. The individual statements and schedules of these funds are presented in a subsequent section of this report on pages 60-62.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Over time, as year-to-year financial information is accumulated consistently, changes in net position may be observed and used to discuss the changing financial position of the District as a whole.

The District's net position at December 31, 2023 is $76,956,239 (page 4). The following table provides a summary of the District's net position:

	Governmental Activities				Business-Type Activities			
	2023	2022 Restated	$ Change	% Change	2023	2022 Restated	$ Change	% Change
Assets								
Current Assets	$ 16,353,284	$ 22,485,471	$ (6,132,187)	-27.3%	$ 16,107,493	$ 14,872,879	$ 1,234,614	8.3%
Capital Assets	15,204,018	15,228,623	(24,605)	-0.2%	36,945,591	35,792,689	1,152,902	3.2%
Other Noncurrent Assets		85,395	(85,395)	-100.0%	22,030,559	23,371,977	(1,341,418)	-5.7%
Total Assets	31,557,302	37,799,489	(6,242,187)	-16.5%	75,083,643	74,037,545	1,046,098	1.4%
Deferred Outflows	453,949	192,331	261,618	136.0%	491,777	145,092	346,685	238.9%
Total Assets and Deferred Outflows	32,011,251	37,991,820	(5,980,569)	-15.7%	75,575,420	74,182,637	1,392,783	1.9%
Liabilities								
Current Liabilities	485,484	430,069	55,415	12.9%	1,241,044	1,238,826	2,218	0.2%
Long-term Liabilities	911,733	88,457	823,276	930.7%	27,908,779	27,502,280	406,499	1.5%
Total Liabilities	1,397,217	518,526	878,691	169.5%	29,149,823	28,741,106	408,717	1.4%
Deferred Inflows	40,028	6,750,653	(6,710,625)	-99.4%	43,364	648,693	(605,329)	-93.3%
Total Liabilities and Deferred Inflows	1,437,245	7,269,179	(5,831,934)	-80.2%	29,193,187	29,389,799	(196,612)	-0.7%
Net Position								
Net Investment in Capital Assets	15,204,018	15,228,623	(24,605)	-0.2%	31,600,130	31,480,980	119,150	0.4%
Restricted - TABOR	225,000	207,000	18,000	8.7%				0.0%
Unrestricted	15,144,988	15,287,018	(142,030)	-0.9%	14,782,103	13,311,858	1,470,245	11.0%
Total Net Position	$ 30,574,006	$ 30,722,641	$ (148,635)	-0.5%	$ 46,382,233	$ 44,792,838	$ 1,589,395	3.5%

The District continues to maintain a healthy current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 33.7 to 1 while the current ratio for business activities is 13.0 to 1. For the District overall, the current ratio is 18.8 to 1.

Note that approximately 48.9% of the District's total assets are tied up in capital assets. The District uses these capital assets to provide services to its homeowners. Approximately 48.2% of the governmental activities total assets are included in capital assets, primarily consisting of infrastructure. With business-type activities, approximately 49.2% of its assets are capital assets. Capital assets in business-type activities provide water services, but they also generate fee-based revenues for this fund.

In 2023, the State of Colorado experienced a significant amount of debate around property tax rates including a failed ballot initiative and legislative discussions resulting in Senate Bill 23B-001 which temporarily extended the deadline for local governments to certify their mill levy from December 15, 2023 to January 10, 2024. Because this timing delay changed the District's legally enforceable claim on 2024 property taxes, the District did not record a property tax receivable or deferred inflow of resources for property taxes at December 31, 2023. While this legislation does not result in an impact to ending net position, a decrease from 2022 current assets and deferred inflows of $6,132,187 and $6,710,625, respectively, is notable in the Statement of Net Position as related to $8,236,963 of taxes certified on January 10, 2024.

The government-wide information is presented with comparative data for the prior year for better analysis and trends. The following table provides a summary of the District's changes in net position:

	Governmental Activities				Business-Type Activities			
	2023	2022 Restated	$ Change	% Change	2023	2022 Restated	$ Change	% Change
Revenues								
Program Revenues:								
Charges for Services & Sales	$ 189,230	$ 170,882	$ 18,348	10.7%	$ 5,960,819	$ 4,926,483	$ 1,034,336	21.0%
Total Program Revenues	189,230	170,882	18,348	10.7%	5,960,819	4,926,483	1,034,336	21.0%
General Revenues:								
Property Taxes	5,908,851	6,018,226	(109,375)	-1.8%				0.0%
Specific Ownership Taxes	546,276	533,400	12,876	2.4%				0.0%
Investment Earnings (Loss)	850,875	(678,484)	1,529,359	-225.4%	1,831,092	61,120	1,769,972	2895.9%
Gain on Sale of Capital Assets	42,491	7,105	35,386	498.0%				0.0%
Miscellaneous				0.0%	13,846	17,678	(3,832)	-21.7%
Total General Revenues	7,348,493	5,880,247	1,468,246	25.0%	1,844,938	78,798	1,766,140	2241.4%
Total Revenues	7,537,723	6,051,129	1,486,594	24.6%	7,805,757	5,005,281	2,800,476	56.0%
Program Expenses:								
General Government	1,809,400	2,074,002	(264,602)	-12.8%				0.0%
Public Works	5,516,958	5,114,037	402,921	7.9%				0.0%
Water and Sewer				0.0%	6,576,362	6,269,780	306,582	4.9%
Total Expenses	7,326,358	7,188,039	138,319	1.9%	6,576,362	6,269,780	306,582	4.9%
Excess or Deficiency before Transfers	211,365	(1,136,910)	1,348,275	-118.6%	1,229,395	(1,264,499)	2,493,894	-197.2%
Transfers	(360,000)	(360,000)		0.0%	360,000	360,000		0.0%
Change in Net Position	(148,635)	(1,496,910)	1,348,275	-90.1%	1,589,395	(904,499)	2,493,894	-275.7%
Net Position, Beginning of Year	30,722,641	32,219,551	(1,496,910)	-4.6%	44,792,838	45,697,337	(904,499)	-2.0%
Net Position, End of Year	$ 30,574,006	$ 30,722,641	$ (148,635)	-0.5%	$46,382,233	$ 44,792,838	$ 1,589,395	3.5%

At December 31, 2023, the District restated the prior year financial statements to correctly record deferred inflows of resources related to pension. While 2022 financial statements were not reissued, this correction shows as a restatement to the 2023 beginning net position in the basic financial statements impacting the governmental and business-type activities at the government-wide level and the proprietary fund at the fund level. Because deferred inflows of resources related to pension are not recorded at the governmental fund level, there is no impact to the general fund statements.

The District continues to report a strong balance in net position for both governmental activities and business-type activities (page 5). During 2023, the District's overall financial position increased by $1,440,760. Net position decreased by $148,635 in governmental activities and increased by $1,589,395 in business-type activities. The District's governmental activities revenues were able to support all expenditures with an excess of $211,365 before transfers. The increase in net position of business-type activities in 2023 can be attributed to an increase in operating revenues of $1,034,336 over 2022 while operating expenses remained relatively steady with prior year. In addition, investment earnings in 2023 exceeded those in 2022 by $1,769,972, contributing to the increase in net position.

Governmental Activities

The District is dependent upon property tax to fund general governmental operations. Therefore taxes are reported as general revenue, rather than program revenue. Total taxable assessed valuation increased to $243,452,230 in 2023 from $174,107,700 in 2022. Property taxes are collectible by the District following the year of assessment. The County conducts a reassessment of property values every two years, in odd-numbered years. In 2023, the District had a decrease in property tax revenue of $109,375 or 1.8% from 2022.

The District reported program revenue (page 5) of $189,230 which consists of charges for services for landscape work. The District did not receive any developer contributions this year. Total general revenues in 2023 were $7,348,493, an increase of $1,468,246, or 25.0%, over 2022. Investment earnings was the primary contributor to the increase in general revenues in 2023, which increased by $1,529,359 over 2022.

The District's governmental fund reported a total ending fund balance of $15,869,300 this year (page 7). This compares to the prior year ending fund balance of $16,166,142 reflecting a decrease of $296,842 during the current year. This change in fund balance resulted from an excess of revenues over expenditures of $20,667, combined with a $360,000 transfer from the general fund to the proprietary fund and proceeds from disposal of assets of $42,491. At the end of the current calendar year, the unassigned fund balance for the General Fund was $15,638,561.

Business-Type Activities

Unlike governmental activities, business-type activities derive revenues primarily from program revenues. The District generates these revenues through direct usage and service fees to customers in the service area, which may be impacted by the number of customers in the service area, rate structure, and actual usage. In 2023, charges for services increased $1,034,336 or 21% from the prior year. General revenues increased by $1,766,140, or 2241.4%, from 2022 because of investment earnings during the year. Total expenses remained relatively flat with prior year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Fund

As discussed, governmental funds are reported in the individual fund statements using a focus on current financial resources. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The General Fund is the District's only governmental fund and is considered a major fund for reporting purposes. The General Fund reported ending fund balance of $15,869,300 (page 6). Of the total fund balance, $5,739 is nonspendable as inventory, and $225,000 is restricted by legislation for emergency reserves. The remaining $15,638,561 is unassigned balance and is available for operational spending.

Total revenues in the General Fund, before other financing sources and uses, increased by $1,451,208 or 24% from 2022. This increase is contributable to a strong return on investments of $850,875 during 2023 as compared to a net investment loss of $678,484 in 2022.

General Fund expenditures before other financing sources and uses increased only moderately in 2023 by $409,091 or 5.8%. The expenditure increase is due to continued investments in the District roads and is shown in the public works function. The General Fund also transferred $360,000 in 2023, which is consistent with 2022 transfers.

Total revenues exceeded total expenditures by $20,667 in 2023 demonstrating the health of the General Fund and its ability to sustain operational costs. When incorporating all financial activities of the fund, the fund balance decreased by $296,842 in 2023 compared to a $1,374,345 decrease in 2022.

Proprietary Fund

As an enterprise fund, the Water and Sewer Fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The majority of the revenue received in this fund is collected from water, sewer and stormwater fees. The District also reports bond-related activities in this fund because the bond was issued to support infrastructure required for fund operations.

Operating revenue in the Water and Sewer Fund increased by $1,034,336 or 21.0% compared to prior year. Charges for services was the primary driver with a 19.6% increase reflecting a new tiered rate structure and a budgeted increase in the capital improvement fee charged to customers. This increase in operating revenues combined with relatively flat operating expenditures resulted in an operating income of $559,254, reflecting a positive operational year when compared to an operating loss of $290,208 in 2022. Increased interest rates in 2023 resulted in healthy returns on investments and an overall net revenue of $670,141 in nonoperating activity.

These positive financial activities led to an increase in net position of $1,589,395 in 2023, a $2,022,913 positive change over 2022's decrease in net position of $433,518. Approximately 68.1%, or $31,600,130, of the ending fund balance is invested in capital assets (page 10) leaving the remaining $14,782,103 unrestricted and available for operations.

BUDGETARY HIGHLIGHTS

General Fund

There were no amendments to the original adopted budget in 2023 for the General Fund (page 53). Overall the District recorded total revenue of $449,906 or 6.4% more than budgeted; as discussed throughout this narrative, investment income was the primary driver for this variance.

Total expenditures were less than budgeted by $1,843,621 or 19.8% in 2023. Savings were realized in the public works function related to roadway and right of way improvements. In the capital outlay line, a dump truck budgeted for purchase was unable to be procured before year-end due to timing and will be expended in 2024, and capital contingency was not fully spent leaving $259,776 of the 2023 budget unspent.

Water and Sewer Fund

The District did not amend the 2023 budget for the Water and Sewer Fund (page 62). While charges for services in 2023 exceeded those of prior year, actual revenue in this line was under budget by $610,187 due to a rainy year and the District's water efficiency program, both contributing to lower water use than originally budgeted. Total expenses were less than budgeted by $5,765,750 because of timing of major capital projects. Most of the District's capital projects are multi-year and require formal bidding, contracting and design work prior to start of construction, which can extend the timeline of major construction projects. The unspent capital outlay budget will be reappropriated in 2024 to continue the ongoing work related to rehabilitation and new construction of water infrastructure.

The District is authorized to transfer revenue from the general fund and/or receive grants, as that term is defined in the C.R.S. § 37-45.1-102 in an amount less than 10% of the Enterprise Fund's annual revenues. In 2023 the District transferred $360,000 from the general fund to the enterprise fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2023, was $15,204,018 and $36,945,591 respectively. See Note 3 for additional information about changes in capital assets during the calendar year.

The following table provides a summary of capital asset activity:

	Governmental Activities		**Business-Type Activities**		**Total**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Land	$	$	$ 1,160,119	$ 1,160,119	$ 1,160,119	$ 1,160,119
Infrastructure	12,854,876	12,854,876			12,854,876	12,854,876
Construction in Progress	525,104	384,056	2,704,510	2,608,429	3,229,614	2,992,485
Buildings			6,164,517	6,164,517	6,164,517	6,164,517
Improvements Other Than Buildings	499,860	499,860	39,281,008	37,253,328	39,780,868	37,753,188
Machinery	4,432,515	4,328,256	10,143,931	9,765,080	14,576,446	14,093,336
Water Rights			2,694,232	2,694,232	2,694,232	2,694,232
Total Capital Assets	18,312,355	18,067,048	62,148,317	59,645,705	80,460,672	77,712,753
Accumulated Depreciation	(3,108,337)	(2,838,425)	(25,202,726)	(23,853,015)	(28,311,063)	(26,691,440)
Total Capital Assets, Net of Accumulated	$ 15,204,018	$ 15,228,623	$ 36,945,591	$ 35,792,690	$ 52,149,609	$ 51,021,313

On December 31, 2023, the District's total depreciable capital assets were 44.8% depreciated, compared to 44.0% on December 31, 2022.

Modified Approach to Infrastructure - The District has adopted the modified approach to report infrastructure in governmental-type activities. Under the modified approach, the expenditures incurred to preserve infrastructure, at or above the governmental designated condition levels, are not capitalized. Therefore, expenditures to improve infrastructures are recorded under the public works function. The actual expense for the street maintenance was over budget by $658,117. The District's policy is to achieve an 85 Pavement Condition Index (PCI) rating or higher on all streets; this rating allows for minor cracking and oxidation of the pavement with minor roughness that could be noticeable. An assessment of the District's PCI was performed during 2023 resulting in an average PCI of 83.25. This information will be used to prioritize roadway rehabilitation and construction in 2024. Refer to pages 54 - 55 for additional information.

Long-term Liabilities

At the end of the year, the District had long-term liabilities outstanding of $28,820,512. The total of the District's long-term liabilities represents balances of the 2022 Revenue Bond, Drinking Water Revolving Fund loans, the net pension and net OPEB liabilities, and compensated absences. See Note 5 for additional information.

The following table summarizes the District's outstanding long term liabilities at December 31, 2023 and 2022:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
DWRF Loans	$	$	$ 1,400,296	$ 1,613,429	$ 1,400,296	$ 1,613,429
2022 Revenue Bonds			25,115,000	25,115,000	25,115,000	25,115,000
2022 Revenue Bond Premium			860,724	890,837	860,724	890,837
Compensated Absences	27,662	24,300	39,821	41,542	67,483	65,842
Net OPEB Liability	53,771	65,657	58,251	49,531	112,022	115,188
Net Pension Liability (Asset)	831,800	(85,395)	901,117	(64,420)	1,732,917	(149,815)
Total Long-Term Liabilities	$ 913,233	$ 4,562	$ 28,375,209	$ 27,645,919	$ 29,288,442	$ 27,650,481

The District's net pension liability increased by $1,882,732 during 2023 due to normal annual adjustments and correction of a 2022 error of $1,095,304 (Note 16).

ECONOMIC CONDITIONS AFFECTING THE DISTRICT

The District's economy is primarily residential, but also includes some commercial properties. Residential development continues to increase throughout the Denver metropolitan area as well as within the District boundaries. The District is nearly built out, at which point charges for services will begin to plateau year over year in the Water and Sewer Fund. Property taxes continue to be the major revenue source in the General Fund with a total of 33.834 mills levied in 2023.

The District continues progress on development of critical water infrastructure, which is heavily funded with the 2022 Revenue Bond. Extensive construction is anticipated for 2024 which will draw down funds that are invested and earning returns as of December 31, 2023. Use of these investments will reduce the District's cash and investments over time while simultaneously increasing capital assets in the Water and Sewer Fund. Market costs of construction materials and labor have dramatically increased since the pandemic, which will likely effect scope and timing of planned infrastructure projects in 2024.

Political uncertainties and economic recovery from the pandemic continue to influence the District's operations and the economy, in general. In 2023, the Federal Reserve performed a series of interest rate increases in an effort to stimulate the economy. These increases benefited the District while investment balances were high; this trend is continuing into mid-2024 with rate reductions expected in the third quarter. 2024 is a Presidential election year, which always brings legislative changes and uncertainty that the District cannot predict. In addition, local discussions around property tax rates could result in significant future impacts to residential and commercial tax collections state-wide in 2024 or beyond.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's financial activity, comply with finance related laws and regulations, and demonstrate the District's commitment to public accountability. Questions concerning any of the information provided in this report, or request for additional information should be addressed to Castle Pines Metropolitan District, Attn: Joshua Shackelford, 5880 Country Club Drive, Castle Rock, Colorado, 80108.

Basic Financial Statements

CASTLE PINES METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Current Assets			
Cash and Cash Equivalents	$ 28,148	$ 3,330,560	$ 3,358,708
Cash with Fiscal Agent	35,331		35,331
Investments	16,533,792	12,059,870	28,593,662
Accounts Receivable	48,733	418,604	467,337
Internal Balances	(298,459)	298,459	
Inventory	5,739		5,739
Total Current Assets	16,353,284	16,107,493	32,460,777
Noncurrent Assets			
Restricted Cash		3,412,246	3,412,246
Restricted Investments		18,618,313	18,618,313
Capital Assets			
Nondepreciable Capital Assets	13,379,980	3,864,629	17,244,609
Depreciable Capital Assets, Net	1,824,038	33,080,962	34,905,000
Total Noncurrent Assets	15,204,018	58,976,150	74,180,168
Total Assets	31,557,302	75,083,643	106,640,945
Deferred Outflows of Resources			
Deferred Outflows of OPEB	13,193	14,292	27,485
Deferred Outflows Pension	440,756	477,485	918,241
Total Deferred Outflows of Resources	453,949	491,777	945,726
Total Assets and Deferred Outflows of Resources	32,011,251	75,575,420	107,586,671
Liabilities and Deferred Inflows of Resources			
Liabilities			
Current Liabilities			
Accounts Payable	483,984	597,841	1,081,825
Customer Deposits		18,595	18,595
Accrued Interest Payable		100,086	100,086
Unearned Revenue		58,092	58,092
Compensated Absences Payable, Current	1,500	1,500	3,000
Loans Payable, Current		219,930	219,930
Bond Payable, Current		245,000	245,000
Total Current Liabilities	485,484	1,241,044	1,726,528
Long-Term Liabilities			
Compensated Absences Payable, Net of Current	26,162	38,321	64,483
Loans Payable, Net of Current		1,180,366	1,180,366
Bond Payable, Net of Current		24,870,000	24,870,000
Net OPEB Liabilitiy	53,771	58,251	112,022
Net Pension Liability	831,800	901,117	1,732,917
Bond Premium		860,724	860,724
Total Long-Term Liabiliites	911,733	27,908,779	28,820,512
Total Liabilities	1,397,217	29,149,823	30,547,040
Deferred Inflows of Resources			
Deferred Inflows OPEB	18,938	20,516	39,454
Deferred Inflows Pension	21,090	22,848	43,938
Total Deferred Inflows of Resources	40,028	43,364	83,392
Total Liabilities and Deferred Inflows of Resources	1,437,245	29,193,187	30,630,432
Net Position			
Net Investment in Capital Assets	15,204,018	31,600,130	46,804,148
Restricted for			
Emergency Reserve - TABOR	225,000		225,000
Unrestricted	15,144,988	14,782,103	29,927,091
Total Net Position	$ 30,574,006	$ 46,382,233	$ 76,956,239

See the notes to the basic financial statements.

CASTLE PINES METROPOLITAN DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

		Program Revenues			Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Function/Program							
Governmental Activities							
General Government	$ 1,809,400	$	$	$	$ (1,809,400)	$	$ (1,809,400)
Public Works	5,516,958	189,230			(5,327,728)		(5,327,728)
Total Governmental Activities	7,326,358	189,230			(7,137,128)		(7,137,128)
Business-Type Activities							
Water and Sewer	6,576,362	5,960,819				(615,543)	(615,543)
Total Business-Type Activities	6,576,362	5,960,819				(615,543)	(615,543)
Total Primary Government	$ 13,902,720	$ 6,150,049	$	$	(7,137,128)	$ (615,543)	$ (7,752,671)
		General Revenues					
		Property Taxes			5,908,851		5,908,851
		Specific Ownership Taxes			546,276		546,276
		Investment Earnings			850,875	1,831,092	2,681,967
		Gain on Sale of Capital Assets			42,491		42,491
		Miscellaneous				13,846	13,846
		Total General Revenues			7,348,493	1,844,938	9,193,431
		Transfers			(360,000)	360,000	
		Change in Net Position			(148,635)	1,589,395	1,440,760
		Net Position, Beginning of Year, Restated			30,722,641	44,792,838	75,515,479
		Net Position, End of Year			$ 30,574,006	$ 46,382,233	$ 76,956,239

See the notes to the basic financial statements.

CASTLE PINES METROPOLITAN DISTRICT

BALANCE SHEET - GOVERNMENTAL FUND

December 31, 2023

	General Fund
Assets	
Current Assets	
Cash and Cash Equivalents	$ 28,148
Cash with Fiscal Agent	35,331
Investments	16,533,792
Accounts Receivable	48,733
Inventory	5,739
Total Current Assets	16,651,743
Liabilities and Fund Balances	
Current Liabilities	
Accounts Payable	483,984
Interfund Payable	298,459
Total Current Liabilities	782,443
Fund Balance	
Nonspendable	
Inventory	5,739
Restricted	
Emergency Reserve - TABOR	225,000
Unassigned	15,638,561
Total Fund Balance	15,869,300
Total Liabilities and Fund Balances	$ 16,651,743

RECONCILIATION OF THE GOVERNMENT FUND BALANCE SHEET TO GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION
December 31, 2023

Total Governmental Fund Balance			$ 15,869,300
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds. However, in the statement of net position, the cost of these assets is capitalized and expensed over their estimated lives through annual depreciation expense.			
Cost of capital assets	$	5,457,479	
Less: Accumulated depreciation		(3,108,337)	2,349,142
Infrastructure donated by developers is not a financial resource and, therefore, not reported in the funds. However, in the statement of net position, the value of this asset is capitalized.			12,854,876
Pension plan accounts, such as deferred inflows/outflows and net pension liability, are not receivable or payable in the current period and, therefore, are not reported in the funds.			
Net pension liability			(831,800)
Deferred outflows of resources			440,756
Deferred inflows of resources			(21,090)
Deferred outflows/inflows and net OPEB liability, are not receivable or payable in the current period and, therefore, are not reported in the funds.			
Net OPEB liability			(53,771)
Deferred outflows of resources			13,193
Deferred inflows of resources			(18,938)
Liabilities that are not due and payable in the current period are not reported at the fund reporting level.			
Compensated absences			(27,662)
Net Position of Governmental Activities			$ 30,574,006

See the notes to the basic financial statements.

CASTLE PINES METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND

For the Year Ended December 31, 2023

	General Fund
Revenues	
Property Taxes	$ 5,908,851
Specific Ownership Tax	546,276
Investment Income	850,875
Charges for Services	189,230
Total Revenues	7,495,232
Expenditures	
Current	
General Government	1,955,406
Public Works	5,273,852
Capital Outlay	245,307
Total Expenditures	7,474,565
Excess of Revenues Over Expenditures	20,667
Other Financing Sources (Uses)	
Transfers Out	(360,000)
Proceeds from Disposal of Assets	42,491
Total Other Financing Sources (Uses)	(317,509)
Net Change in Fund Balance	(296,842)
Fund Balance, Beginning of Year	16,166,142
Fund Balance, End of Year	$ 15,869,300

CASTLE PINES METROPOLITAN DISTRICT

RECONCILIATION OF THE GOVERNMENT FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO GOVERNMENTAL ACTIVITIES STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

Net Changes in Fund Balances - Total Governmental Fund	$	(296,842)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Depreciation expense		(269,912)
Capital outlay		254,212
Loss on disposal of assets		(8,905)
Pension and OPEB expense related to changes in the pension liability, deferred ourflows of resources and deferred inflows of resources of the cost-sharing multiple-employer defined benefit pension plan and health trust plan are recognized on a government-wide basis and not included in the fund statements.		
Pension		159,791
OPEB		16,383
Compensated absences 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.		
Liability at December 31, 2023		(27,662)
Liability at December 31, 2022		24,300
Change in Net Position of Governmental Activities	$	(148,635)

CASTLE PINES METROPOLITAN DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUND
December 31, 2023

	Water and Sewer Fund
Assets and Deferred Outflows of Resources	
Current Assets	
Cash and Cash Equivalents	$ 3,330,560
Investments	12,059,870
Accounts Receivable	418,604
Interfund Receivable	298,459
Total Current Assets	16,107,493
Noncurrent Assets	
Restricted Cash	3,412,246
Restricted Investments	18,618,313
Capital Assets	
Nondepreciable Capital Assets	3,864,629
Depreciable Capital Assets, Net	33,080,962
Total Noncurrent Assets	58,976,150
Total Assets	75,083,643
Deferred Outflows of Resources	
Deferred Outflows OPEB	14,292
Deferred Outflows Pension	477,485
Total Deferred Outflows of Resources	491,777
Total Assets and Deferred Outflows of Resources	75,575,420
Liabilities and Deferred Inflows of Resources	
Current Liabilities	
Accounts Payable	597,841
Customer Deposits	18,595
Accrued Interest Payable	100,086
Unearned Revenue	58,092
Compensated Absences Payable, Current	1,500
Loans Payable, Current	219,930
Bond Payable, Current	245,000
Total Current Liabilities	1,241,044
Long-Term Liabilities	
Compensated Absences Payable, Net of Current	38,321
Loans Payable, Net of Current	1,180,366
Bond Payable, Net of Current	24,870,000
Net OPEB Liability	58,251
Net Pension Liability	901,117
Bond Premium	860,724
Total Long-Term Liabilities	27,908,779
Total Liabilities	29,149,823
Deferred Inflows of Resources	
Deferred Inflows OPEB	20,516
Deferred Inflows Pension	22,848
Total Deferred Inflows of Resources	43,364
Total Liabilities and Deferred Inflows of Resources	29,193,187
Net Position	
Net Investment in Capital Assets	31,600,130
Unrestricted	14,782,103
Total Net Position	$ 46,382,233

See the notes to the basic financial statements.

CASTLE PINES METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND

For the Year Ended December 31, 2023

		Water and Sewer Fund
Operating Revenues		
Charges for Services, Pledged to Debt	$	5,726,180
Effluent Pumping		111,705
Miscellaneous		122,934
Total Operating Revenues		5,960,819
Operating Expenses		
Depreciation		1,349,711
Personnel Services		1,324,275
Contract Services		668,800
Utilities		501,188
Repairs and Maintenance		1,319,430
General Overhead		238,161
Total Operating Expenses		5,401,565
Operating Income		559,254
Nonoperating Revenues (Expenses)		
Interest and Fiscal Charges		(1,105,163)
Water Resources		(69,634)
Investment Earnings		1,831,092
Revenue Rebate		4,816
Meter Sales		9,030
Total Nonoperating Revenues		670,141
Income Before Transfers		1,229,395
Transfers In		360,000
Change in Net Position		1,589,395
Net Position, Beginning of Year, Restated		44,792,838
Net Position, End of Year	$	46,382,233

CASTLE PINES METROPOLITAN DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

For the Year Ended December 31, 2023

		Water and Sewer Fund
Cash Flows from Operating Activities		
Cash Received from Customers	$	5,889,817
Cash Payments to Employees		(996,113)
Cash Paid for Goods and Services		(3,298,695)
Net Cash from Operating Activities		1,595,009
Cash Flows from Noncapital Financing Activities		
Transfers from Other Funds		62,662
Cash Flows from Capital and Related Financing Activities		
Proceeds from Revenue Rebate		4,816
Proceeds from Meter Sales		9,030
Purchase of Water Resources		(69,634)
Principal Paid on Long-Term Liabilities		(213,133)
Interest Paid on Long-Term Liabilities		(1,137,841)
Purchase of Capital Assets and Construction in Progress		(2,502,612)
Net Cash from Capital and Related Financing Activities		(3,909,374)
Cash Flows from Investing Activities		
Net Sales of Investments		4,742,123
Interest Received		1,297,042
Net Cash from Investing Activities		6,039,165
Net Change in Cash and Cash Equivalents		3,787,462
Cash and Cash Equivalents, Beginning of Year		2,955,344
Cash and Cash Equivalents, End of Year	$	6,742,806
Cash and Cash Equivalents Consists of:		
Cash and Cash Equivalents	$	3,330,560
Restricted Cash		3,412,246
Total Cash and Cash Equivalents, End of Year	$	6,742,806
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating Income	$	559,254
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities		
Depreciation Expense		1,349,711
Changes in Assets and Deferred Outflows		
Accounts Receivable		(80,889)
Deferred Outflows		(346,685)
Changes in Liabilities and Deferred Inflows		
Accounts Payable		(247,201)
Unearned Revenue		9,887
Compensated Absences Payable		(1,721)
Customer Deposits		(16,275)
Net Pension and OPEB Liabilities		974,257
Deferred Inflows		(605,329)
Net Cash from Operating Activities	$	1,595,009
Schedule of Noncash Investing, Capital, and Financing Activities		
Unrealized Gain (Loss) on Investments	$	534,050

Notes to the Basic Financial Statements

1. Summary Of Significant Accounting Policies

Castle Pines Metropolitan District (the District) was organized by a court order on June 14, 1973 following an election by the property owners in the District and is governed by an elected five-member Board of Directors. As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the activities of the District, which is legally separate from and financially independent of other state and local governments.

The primary functions of the District are to provide street repair and maintenance, snow removal, road right-of-way maintenance, water treatment and distribution, sewer collection and storm drainage management services to the property owners of Castle Pines Village.

The financial statements of the District have been prepared in conformity with GAAP as applied to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the District's accounting policies are described below.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization or (2) the District is legally entitled to or can otherwise access the organization's resources, the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the District is obligated for the debt of the organization.

Component units also may include organizations that are fiscally dependent on the District in that the District approves the budget, levies their taxes or issues their debt. Based upon the above criteria, the reporting entity includes the District and does not include any component units, nor is the District a component unit of another entity.

Government-Wide Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government. The effect of interfund activity has been removed from the government-wide statements to minimize the duplication of internal activities with the exception of interfund services provided and used.

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

The statement of net position presents the financial position of the governmental and business-type activities of the District.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities and for each identifiable business-type activity of the District. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The District does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the District's services, (2) operating grants and contributions which finance annual operating activities, including restricted investment income and (3) capital grants and contributions which fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for service is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

Other revenue sources not properly included with program revenues are reported as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the District.

Fund Financial Statements: The District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported in separate columns.

Fund Accounting: The District uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The District uses two categories of funds: governmental and proprietary.

Governmental Fund: Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The District reports the difference between governmental fund assets, liabilities and deferred outflows and inflows of resources as fund balance. The following describes the District's major governmental fund:

General Fund: The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund's unassigned fund balance is available to the District for any purpose, provided it is expended or transferred according to the general laws of Colorado.

Proprietary Fund: Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The proprietary fund is classified as a major enterprise fund and is described below:

Water and Sewer Fund: This fund is used for the District's water distribution and sewer collection activities.

Measurement Focus

Government-Wide Financial Statements: The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities and deferred outflows and inflows of resources associated with the operation of the District are included in the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and certain deferred outflows and inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets, liabilities and deferred outflows and inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Basis Of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using 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. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. The proprietary fund uses the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual bases of accounting arise in the recognition of revenue, the recording of unearned revenue and certain expenditures and in the presentation of expenses versus expenditures.

Revenues - Exchange Transactions: Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, the phrase "available for exchange transactions" means expected to be received within 60 days of year end.

Revenues - Nonexchange Transactions: Nonexchange transactions, in which the District receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

Unearned Revenue: Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as unearned revenue or as deferred inflows of resources related to a timing eligibility requirement.

Expenses/Expenditures: On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

Cash, Cash Equivalents and Investments

For purposes of the statement of cash flows, cash and cash equivalents consist of cash on hand, amounts deposited in the bank and pooled state-regulated investment accounts subject to immediate withdrawal, purchased with an original maturity date of three months or less.

Investments are stated at fair value.

Receivables

Receivables consist of taxes receivable and accounts receivable (billings for user charges).

Receivables are recorded on the District's financial statements to the extent that the amounts are determined to be material and substantiated, not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation and, in the case of receivables, collectability.

Tap fees, user fees and similar fees set from time to time by the District's governing board constitute a perpetual lien on or against the property served until paid. Such liens may be foreclosed upon as provided by the laws of the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short term interfund loans are classified as "interfund receivables/interfund payables". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

Inventory

Inventories are valued at cost using the first-in/first-out method. The costs of inventories are recorded as expenditures when used (consumption method).

Capital Assets

Governmental capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The District reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements. Capital assets used by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise fund's statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, including infrastructure donated by developers, are recorded at acquisition value as of the date received. The District maintains a capitalization threshold of $5,000. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets used by the enterprise fund is capitalized.

The District's infrastructure consists of roads. The District uses the modified approach for reporting infrastructure for the governmental capital assets.

All reported capital assets are depreciated except for land, easements, construction in progress and infrastructure. Improvements are depreciated over the remaining useful lives of the related capital assets. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 - 60 years
Improvements Other than Buildings	20 – 100 years
Machinery and Equipment	1 – 20 years

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until then. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75).

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources until then. The District has recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for property tax revenue, GASB 68 and GASB 75.

Compensated Absences

Paid time off (PTO) benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through PTO or some other means. All compensated absence liabilities include salary-related payments, where applicable. Upon termination, employees receive pay for earned, unused vacation time and 50% of accrued, unused PTO time up to 160 hours at their current hourly rate.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and proprietary funds.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year.

Fund Balance Policies

Fund balance for governmental funds is reported in various categories based on the nature of limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment or an assignment. The following classifications describe the relative strength of the spending constraints:

Nonspendable: Includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted: Includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation

Committed: Includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Directors, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Directors.

Assigned: Includes amounts the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the District Manager.

Unassigned: Includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund

The District considers restricted fund balance to be depleted before using any of the components of unrestricted fund balance (the total of committed, assigned and unassigned fund balance). When an 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 of Directors or District Manager provided otherwise in its commitment or assignment actions.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. This net position amount also is adjusted by any debt premiums and discounts. Net position is reported as restricted when there are limitations imposed on its use, either through the enabling legislation adopted by the District or other government or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

Outlays may be incurred for purposes for which both restricted and unrestricted resources are available. In order to calculate the amounts to report in the government-wide and propriety fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The District considers restricted net position to be depleted before unrestricted net position.

During 2022, the Board established a water and sewer rate stabilization reserve. This is funded from additional revenues and is intended to offset any future rate increases. During the year ended December 31, 2023, total revenues were less than budget by $601,627.

Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges for services for water and sewer. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Property Taxes

Property taxes are levied on December 15 of each year and attach as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year and are payable in two equal installments due February 28 and June 15, if paid in installments, or April 30, if paid in a single payment. Taxes are delinquent as of August 1. If the taxes are not paid within subsequent statutory periods, the property will be sold at public auction. Douglas County bills and collects the property taxes and remits collections to the District on a monthly basis. No provision has been made for uncollected taxes, as all taxes are deemed collectible. The District levied 33.834 mills for property taxes collected in 2023.

For property taxes collectible in 2024, there was a delay in certification by the County Commissioners and the 2024 Certification of Tax Levies was not officially levied until after 2023 year end. Due to this delay, property taxes receivable and deferred property taxes have been omitted from the 2023 financial statements.

Contributions Of Capital

Contributions of capital in government-wide and proprietary fund financial statements arise from outside contributions of capital assets, tap fees or from other outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the nonoperating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budgetary Information

Formal budgetary integration is employed as a management control device during the year for all the funds. Formal budgetary integration is also employed to comply with the Local Government Budget Law of the State of Colorado. The Board of Directors adopted the District's budget in accordance with the Colorado Revised Statutes (C.R.S.). Appropriation for all funds lapses at year end.

The appropriated budget is prepared by fund, function and department. The District's department head may recommend a transfer of appropriations within a department function. Transfer of appropriations between funds requires the approval of the Board of Directors.

The budget for the General Fund is adopted on a basis which is consistent with GAAP. The budget for the proprietary fund is adopted on a basis which differs from GAAP in that depreciation on capital assets and pension expenses are not provided, and debt principal payments and capital expenditures are included in the budget. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Total fund expenditure amounts, including transfers out, determine the level at which expenditures may not legally exceed appropriations. C.R.S. requires the District to adopt a balanced budget. The District's Board of Directors can amend the budget and adopt supplemental budgets in accordance with C.R.S. The District did not amend the 2023 budget.

Pensions

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multi-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense information about the fiduciary net position (FNP) and additions to/deductions from the FNP of LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit (OPEB) Plan

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

2. Cash And Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by 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 State Regulatory Commission for banks and savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Federal Deposit Insurance Corporation (FDIC) coverage for government accounts is $250,000 per official custodian. At December 31, 2023, the District had uninsured bank deposits collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by PDPA.

Investments

The District's investment policy limits investment instruments to the following:

- United States Treasury and agency issues
- Government sponsored enterprises
- State and Local Government Debt Issues
- Corporate debt under C.R.S. 24-75-601.l(m)(III)
- Local government investment pools authorized under C.R.S. 24-75-702
- Money market funds authorized under C.R.S. 24-75-601.l(l)(k)
- Certificates of deposit in state or national banks or in state or federally chartered savings banks as authorized by C.R.S. Section 24-75-603, et seq., are insured by FDIC. The selected bank(s) shall collateralize certificates of deposit that exceed the FDIC-insured amount in accordance with PDPA, C.R.S. 11-10.5-101, et seq.
- Repurchase agreements and reverse repurchase agreements
- U.S. member supranational debt

As of December 31, 2023, the District had invested $3,376,745 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST is valued using the net asset value per share (or its equivalent) of the investments, which approximates fair value. COLOTRUST investments do not have any unfunded commitments, redemption restrictions or redemption notice periods.

This investment pool was established for local government entities in Colorado to pool surplus funds for investment purposes by state statute. These funds operate similarly to a money market fund, and each share is equal in value to $1.00. Investments in local government investment pools are not evidenced by securities that exist in physical or book form. Investments consist of U.S. Treasury bills, notes and repurchase agreements collateralized by U.S. Treasury securities. Designated custodian banks provide safekeeping and depository services to the trusts. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. Financial statements for COLOTRUST may be obtained at www.colotrust.com. The State Securities Commissioner administers and enforces all state statutes governing COLOTRUST.

Interest Rate Risk: The District's investment policy states that the District will appropriately diversify the investment portfolio among investment types and maturities as a means of limiting its exposure to fair value losses arising from changes in interest rates.

Credit Risk: The District's investment policy limits investments in higher risk instruments, such as derivatives. The policy does not specifically address nationally recognized credit ratings for investments.

Concentration Of Credit Risk: The District's investment policy limits over concentration in securities from specific issuers, a business sector, excluding U.S. Treasury Securities, or a single class of securities. District investments as of December 31, 2023 consisted of 7.07% Federal Home Loan Bank investments.

Fair Value - The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs and are valued using matrix pricing model. Level 3 inputs are significant unobservable inputs.

The District has the following fair value measurements as of December 31, 2023:

		Fair Value Measurements Using		
Investments by Fair Value Level	**December 31, 2023**	**Level 1**	**Level 2**	**Level 3**
Corporate Bonds	$ 3,213,429	$	$ 3,213,429	$
Commercial Paper	3,075,694		3,075,694	
US Agency Obligations	5,379,355		5,379,355	
US Treasury Notes	19,757,329		19,757,329	
Municipal Bonds	15,536,546		15,536,546	
Money Market Funds	249,622	249,622		
Total Investments by Fair Value Level	47,211,975	$ 249,622	$ 46,962,353	$
Investments Not Required to be Categorized				
COLOTRUST	3,376,745			
Total Investments	$ 50,588,720			

At December 31, 2023, the District had the following investments and maturities:

Investment Type	**Fair Value**	**S&P Rating**	**Maturity**
Corporate Bonds	$ 3,213,429	AA- - AAA	2024 - 2025
Commercial Paper	3,075,694	N/A	2024
US Agency Obligations	5,379,355	AA+	2024 - 2028
US Treasury Notes	19,757,329	N/A	2023 - 2027
Municipal Bonds	15,536,546	AA- - AAA	2024 - 2026
Money Market Funds	249,622	N/A	N/A
Subtotal Investments	47,211,975		
COLOTRUST	3,376,745	N/A	N/A
Total Investments	$ 50,588,720		

Investments in COLOTRUST are classified as cash and cash equivalents for financial statement presentation due to the liquid nature of the investments. Cash, cash equivalents and investments reported on the statement of net position at December 31, 2023 are as follows:

	Governmental Fund Balance Sheet	Proprietary Fund Statement of Net Position
Cash and Cash Equivalents	$ 28,148	$ 3,330,560
Cash with Fiscal Agent	35,331	
Restricted Cash		3,412,246
Total Cash and Cash Equivalents	63,479	6,742,806
Investments	16,533,792	12,059,870
Restricted Investments		18,618,313
Total Investments	16,533,792	30,678,183
Total Cash and Investments	$ 16,597,271	$ 37,420,989

Investment income (loss) for the year ended December 31, 2023 are as follows:

	Governmental Fund	Proprietary Fund	Total
Investment Earnings	$ 581,071	$ 1,297,042	$ 1,878,113
Unrealized Gain	269,804	534,050	803,854
Total Investment Earnings	$ 850,875	$ 1,831,092	$ 2,681,967

3. Capital Assets

Governmental activities capital asset activity for the year ended December 31, 2023 was as follows:

	Balance December 31, 2022	Additions	Deductions	Balance December 31, 2023
Governmental Activities				
Capital Assets Not Being Depreciated				
Infrastructure	$ 12,854,876	$	$	$ 12,854,876
Construction In Progress	384,056	149,953	(8,905)	525,104
Total Capital Assets Not Being Depreciated	13,238,932	149,953	(8,905)	13,379,980
Depreciable Capital Assets				
Building and Improvements	499,860			499,860
Machinery and Equipment	4,328,256	104,259		4,432,515
Total Depreciable Capital Assets	4,828,116	104,259		4,932,375
Accumulated Depreciation				
Building and Improvements	(124,088)	(25,117)		(149,205)
Machinery and Equipment	(2,714,337)	(244,795)		(2,959,132)
Total Accumulated Depreciation	(2,838,425)	(269,912)		(3,108,337)
Total Capital Assets Being Depreciated, Net	1,989,691	(165,653)		1,824,038
Governmental Activities Capital Assets, Net	$ 15,228,623	$ (15,700)	$ (8,905)	$ 15,204,018

Business-type activities capital asset activity for the year ended December 31, 2023 was as follows:

	Balance December 31, 2022	Additions	Deductions	Balance December 31, 2023
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	$ 1,160,119	$	$	$ 1,160,119
Construction In Progress	2,608,429	1,228,409	(1,132,328)	2,704,510
Total Capital Assets Not Being Depreciated	3,768,548	1,228,409	(1,132,328)	3,864,629
Depreciable Capital Assets				
Building	6,164,517			6,164,517
Improvements Other than Building	37,253,328	2,027,680		39,281,008
Machinery and Equipment	9,765,080	378,851		10,143,931
Water Rights	2,694,232			2,694,232
Total Depreciable Capital Assets	55,877,157	2,406,531		58,283,688
Accumulated Depreciation				
Building and Improvements	(3,046,541)	(149,092)		(3,195,633)
Improvements Other than Building	(15,133,421)	(1,107,411)		(16,240,832)
Machinery and Equipment	(4,772,561)	(64,810)		(4,837,371)
Water Rights	(900,492)	(28,398)		(928,890)
Total Accumulated Depreciation	(23,853,015)	(1,349,711)		(25,202,726)
Total Capital Assets Being Depreciated, Net	32,024,142	1,056,820		33,080,962
Governmental Activities Capital Assets, Net	$ 35,792,690	$ 2,285,229	$ (1,132,328)	$ 36,945,591

Depreciation Expense by Function	
Governmental Activities:	
General Government	$ 26,806
Public Works	243,106
Total Governmental Activities Depreciation Expense	$ 269,912
Business-Type Activities:	
Water and Sewer	$ 1,349,711
Total Business-Type Activities Depreciation Expense	$ 1,349,711

Infrastructure

Historically, infrastructure assets were not reflected within the accounting records, nor was consumption of these assets measured. This category of assets typically includes roads, curbs and gutters, drainage systems, etc.

GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis For State And Local Governments,* provides an alternative approach to depreciation for measuring the value of infrastructure assets and the related costs incurred to maintain their service lives at a locally established minimum standard. In order to adopt this alternative method, the District has elected to use the modified approach and has developed an asset management system which will determine if the minimum standards are being maintained. Total infrastructure recorded in the government-wide governmental activities capital assets is $12,854,876 at December 31, 2023.

4. Interfund Balances

Interfund balances reported on the statement of net position at December 31, 2023 consisted of the following amounts and represented charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period and (3) payments between funds are made.

	Due From	Due To
General Fund	$	$ 298,459
Water and Sewer Fund	298,459	
Total	$ 298,459	$ 298,459

Interfund transfers represent annual funds transferred from the General Fund to the Water and Sewer Fund.

	Transfer In	Transfer Out
General Fund	$	$ 360,000
Water and Sewer Fund	360,000	
Total	$ 360,000	$ 360,000

5. Long-Term Liabilities

Changes in the District's long-term liabilities consisted of the following for the year ended December 31, 2023 (see the next section for explanation of Drinking Water Revolving Fund (DWRF) loans and Revenue Bond):

	Balance December 31, 2022	Additions	Deductions	Balance December 31, 2023	Due Within One Year
Governmental Activities					
Compensated Absences	$ 24,300	$ 61,428	$ 58,066	$ 27,662	$ 1,500
Net OPEB Liability	65,657		11,886	53,771	
Net Pension Liability (Asset)	(85,395)	917,195		831,800	
Total Governmental Activities	4,562	978,623	69,952	913,233	1,500
Business-Type Activities					
Direct Placement Loan					
DWRF Loan - May 2006 (a)	534,335		126,234	408,101	131,012
DWRF Loan - November 2006 (b)	73,829		15,357	58,472	15,938
DWRF Loan - October 2014 (c)	1,005,265		71,542	933,723	72,980
Bonded Debt Obligations					
2022 Revenue Bond	25,115,000			25,115,000	245,000
2022 Revenue Bond Premium	890,837		30,113	860,724	
Other Obligations					
Compensated Absences	41,542	85,362	87,083	39,821	1,500
Net OPEB Liability	49,531	8,720		58,251	
Net Pension Liability (Asset)	(64,420)	965,537		901,117	
Total Business-Type Activities	$ 27,645,919	$ 1,059,619	$ 330,329	$ 28,375,209	$ 466,430

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, typically by allocation of the job description between the General Fund and Enterprise Fund.

Business-Type Activities

a. On May 25, 2006, the District entered into a DWRF loan with the Colorado Water Resources and Power Development Authority (CWRPDA) in the principal amount of $2,000,000 for 20 years at an annual interest rate of 3.75% for construction of a transfer station and associated piping to enable the transfer of raw water between the District's water treatment plants. The loan is payable from and collateralized by the District's water and sewer revenues in the amount of approximately $1,160,790 through 2026. Principal and interest paid for the current year and pledged revenues received were each $145,099. The proportion of the pledged revenue to total water and sewer revenues is not estimable because annual total fees collected fluctuate. The repayment schedule for the loan as of December 31, 2023, including interest, is as follows:

Year	Principal	Interest	Total
2024	$ 131,012	$ 14,087	$ 145,099
2025	135,971	9,128	145,099
2026	141,118	3,981	145,099
Total	$ 408,101	$ 27,196	$ 435,297

b. On November 6, 2006, the District obtained an additional DWRF loan with CWRPDA in the principal amount of $250,000 for 20 years at an annual interest rate of 3.75% for additional costs associated with the project. The loan is payable from and collateralized by the District's water and sewer revenues in the amount of approximately $152,855 through 2027. Principal and interest paid for the current year and pledged revenues received were each $17,983. The proportion of the pledged revenue to total water and sewer revenues is not estimable because annual total fees collected fluctuate. The repayment schedule for the loan as of December 31, 2023, including interest, is as follows:

Year	Principal	Interest	Total
2024	$ 15,938	$ 2,045	$ 17,983
2025	16,541	1,441	17,982
2026	17,167	815	17,982
2027	8,826	165	8,991
Total	$ 58,472	$ 4,466	$ 62,938

c. On October 30, 2014, the District obtained an additional DWRF loan with CWRPDA for principal authorized up to $1,800,000 for 20 years at an annual interest rate of 2.00% for construction of a water transfer line. Repayment of the loan began November 1, 2015. On April 4, 2016, the District obtained a revised loan repayment schedule for the original DWRF loan of $1,800,000 with a loan reduction amount of $328,515. The District completed construction on the water transfer line in December 2015; however, the loan funds were not drawn from CWRPDA until 2016. The loan is payable from and collateralized by the District's water and sewer revenues in the amount of approximately $1,506,314 through 2035. Principal and interest paid for the current year and pledged revenues received were each $91,292. The proportion of the pledged revenue to total water and sewer revenues is not estimable because annual total fees collected fluctuate. The repayment schedule for the loan as of December 31, 2023, including interest, is as follows:

Year	Principal	Interest	Total
2024	$ 72,980	$ 18,312	$ 91,292
2025	74,447	16,845	91,292
2026	75,944	15,348	91,292
2027	77,470	13,822	91,292
2028	79,027	12,265	91,292
2029 - 2033	419,611	36,847	456,458
2034 - 2035	134,244	2,694	136,938
Total	$ 933,723	$ 116,133	$ 1,049,856

d. On May 22, 2022, the District issued $25,115,000 of Water and Wastewater Enterprise Revenue Bonds, Series 2022, with interest ranging from 4% to 5%. The purpose of this bond is to pay for capital improvements over the next five years. The bond is payable from and collateralized by the District's net pledged revenue, which is defined as gross revenue less operation and maintenance expenses. Principal and interest payments are due June 1 and December 1 in varying amounts through December 1, 2052. Interest paid for the current year was $1,096,200. The repayment schedule for the bond as of December 31, 2023, including interest, is as follows:

Year	Principal	Interest	Total
2024	$ 245,000	$ 1,096,200	$ 1,341,200
2025	260,000	1,083,950	1,343,950
2026	270,000	1,070,950	1,340,950
2027	440,000	1,057,450	1,497,450
2028	470,000	1,035,450	1,505,450
2029 - 2033	2,730,000	4,799,750	7,529,750
2034 - 2052	20,700,000	9,523,200	30,223,200
Total	$ 25,115,000	$ 19,666,950	$ 44,781,950

Covenants

The DWRF loans and Series 2022 Revenue Bonds have rate covenants requiring sufficient rates and service charges for use of the water system to produce gross revenue, defined by the loan and bond document, for each calendar year sufficient to pay the sum of operations and maintenance costs, defined by the loan and bond document, plus 110% of the debt service due on the outstanding bond and debt service coming due during the calendar year on any obligations secured by a lien on the pledged property. In addition, an amount is to be paid each year into any debt service reserve account and a sum equal to the debt service on any obligations secured by pledged property, as well as amounts necessary to pay and discharge all charges and liens or other indebtedness not described above payable out of revenues during the year.

6. Defined Benefit Pension Plan

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the LGDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2022. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.

- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of December 31, 2022: Eligible employees of the District and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of 01/01/2023 through 12/31/2023 are summarized in the table below:

	January 1, 2023 through June 30, 2023	July 1, 2023 through December 31, 2023
Employee contribution	9.00%	9.00%

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements are summarized in the table below:

	January 1, 2023 through December 31, 2023
Employer contribution rate	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the LGDTF	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.06%
Total employer contribution rate to the LGDTF	**13.74%**

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were $210,782 for the year ended December 31, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for the LGDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The District's proportion of the net pension liability was based on District contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers.

At December 31, 2023, the District reported a liability of $1,732,917 for its proportionate share of the net pension liability.

At December 31, 2022, the District's proportion was .17285%, which was a decrease of .00189% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the District recognized pension expense of $66,016. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 8,639
Net difference between projected and actual earnings on pension plan investments	707,459	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	35,299
Contributions subsequent to the measurement date	210,782	N/A
Total	**$ 918,241**	**$ 43,938**

$210,782 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended December 31	
2024	$ (112,861)
2025	102,895
2026	258,964
2027	414,524
Total	$ 663,522

Actuarial assumptions. The TPL in the December 31, 2021, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than State Troopers	3.20% - 11.30%
State Troopers	3.20% - 12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 01/01/2007 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/2006[1]	Financed by the AIR

[1] Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The TPL for the LGDTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions for members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.
Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.

- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long- term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	Expected Geometric Real Rate of Return
Global equity	54.00%	5.60%
Fixed income	23.00%	1.30%
Private equity	8.50%	7.10%
Real estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Castle Pines Metropolitan District proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25)
Proportionate share of the net pension	$ 2,909,131	$ 1,732,917	$ 748,231

Pension plan fiduciary net position. Detailed information about the LGDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

7. Defined Benefit Other Post Employment Benefit (OPEB) Plan

General Information about the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 *et seq.* specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure. The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF on behalf of benefit recipients not covered by Medicare Part A.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $14,362 for the year ended December 31, 2023.

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2023, the District reported a liability of $112,022 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The District's proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the District's proportion was .014%, which was an increase of .0004% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the District recognized OPEB expense of $5,197. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 15	$ 27,091
Changes of assumptions or other inputs	1,800	12,363
Net difference between projected and actual earnings on OPEB plan investments	6,842	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	4,466	-
Contributions subsequent to the measurement date	14,362	-
Total	**$ 27,485**	**$ 39,454**

$14,362 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended December 31	
2024	$ (7,501)
2025	(7,649)
2026	(4,057)
2027	(3,689)
2028	(2,935)
Thereafter	(500)
Total	**$ (26,331)**

Actuarial assumptions. The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% - 11.30%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% for 2022, gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4/50% in 2029

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$1,704	$1,450	$583	$496	$1,923	$1,634
70	$1,976	$1,561	$676	$534	$2,229	$1,761
75	$2,128	$1,681	$728	$575	$2,401	$1,896

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$6,514	$5,542	$4,227	$3,596	$6,752	$5,739
70	$7,553	$5,966	$4,901	$3,872	$7,826	$6,185
75	$8,134	$6,425	$5,278	$4,169	$8,433	$6,657

The 2022 Medicare Part A premium is $499 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.

- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.

- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for State and Local Government Divisions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.

- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.

- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
Global equity	54.00%	5.60%
Fixed income	23.00%	1.30%
Private equity	8.50%	7.10%
Real estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	**100.00%**	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Sensitivity of the Castle Pines Metropolitan District proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 108,851	$ 112,022	$ 115,472

[1]For the January 1, 2023 plan year.

Discount rate. The discount rate used to measure the TOL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Castle Pines Metropolitan District proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	**Current Discount Rate (7.25%)**	**1% Increase (8.25%)**
Proportionate share of the net OPEB liability	$ 129,867	$ 112,022	$ 96,759

OPEB plan fiduciary net position. Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

8. Defined Contribution Pension Plans

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description – Employees of the Castle Pines Metropolitan District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended December 31, 2023, program members contributed $40,784 for the PERAPlus 401(k) Plan.

Defined Contribution Retirement Plan (PERA DC Plan)

Plan Description – Eligible employees of the LGDTF hired on or after January 1, 2019, have the option to participate in the LGDTF, a cost-sharing multiple-employer defined benefit pension plan, or the Defined Contribution Retirement Plan (PERA DC Plan).

The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The PERA DC Plan is also included in PERA's ACFR as referred to above.

Funding Policy – All participating employees in the PERA DC Plan and the District are required to contribute a percentage of the participating employees' PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates for the period 01/01/2023 through 12/31/2023 are summarized in the tables below:

	January 1, 2023 through December 31, 2023
Employee Contribution Rates:	
Employees	9.00%
Employer Contribution Rates:	
On behalf of all	10.00%

**Contribution rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Additionally, the employers are required to contribute AED, SAED, and other statutory amounts for employees to the LGDTF, as follows:

	January 1, 2023 through December 31, 2023
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
Automatic Adjustment Provision (AAP) as specified in C.R.S. § 24-51-413	1.00%
Additional Contribution Supplement as specified in C.R.S. § 24-51-401 and § 24-51-415	0.06%
Total employer contribution rate to the LGDTF	**4.76%**

**Contribution rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50% vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10%. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. Participating employees in the PERA DC Plan contributed $32,746 and the District recognized pension expense and a liability of $36,384 and $0, respectively, for the PERA DC Plan.

9. Deferred Compensation Plan (PERAPlus 457 Plan)

Plan Description – Employees of the Castle Pines Metropolitan District may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 of the C.R.S., as amended, assigns authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Plan Description – Employees of the Castle Pines Metropolitan District may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 of the C.R.S., as amended, assigns authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended. The Castle Pines Metropolitan District does not contribute to the Plan. Members are immediately vested in their own contributions and investment earnings. For the year ended December 31, 2023, program members contributed $7,560 for the PERAPlus 457 Plan.

10. Inter-Governmental Agreement

In 1989, the District, the Town of Castle Rock, Colorado, and Castle Pines North Metropolitan District agreed to establish the Plum Creek Water Reclamation Authority (PCWRA). The purpose of PCWRA is to provide wastewater treatment within the region to the members and other local governments. The District transferred title of the Castle Pines Wastewater plant to PCWRA in June 1990. During 2023, PCWRA charged the District $327,528 for the treatment of the District's wastewater, with $27,294 payable to PCWRA as of December 31, 2023.

11. Net Investment in Capital Assets

The net investment in capital assets amounts reported on the government-wide statement of net position as of December 31, 2023 are determined as follows:

	Governmental Activities	Business-Type Activities	Total
Cost of Capital Assets	$ 18,312,355	$ 62,148,317	$ 80,460,672
Less: Accumulated Depreciation	(3,108,337)	(25,202,726)	(28,311,063)
Capital Assets, Net of Accumulated Depreciation	15,204,018	36,945,591	52,149,609
Add: Unexpended Capital Debt Proceeds		22,030,559	22,030,559
Less: Capital-Related Borrowings		(27,376,020)	(27,376,020)
Net Investment in Capital Assets	$ 15,204,018	$ 31,600,130	$ 46,804,148

12. 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, for which the District carries commercial insurance. Claims have not exceeded coverage in any of the three preceding years.

In October 2002, the District joined the Colorado Special Districts Property and Liability Pool (the Pool), a public entity risk pool currently operating as a common risk management and insurance program for member special districts in Colorado. The District pays annual premiums to the Pool for defined property and liability coverage.

The Pool agreement also gives the Board of Directors of the Pool the power to establish additional contributions, at such times and in such amounts as the Board of Directors determines are needed for the purposes of the Pool. The Board of Directors may decide to distribute surplus funds among members; however, the District did not receive any such distribution for the year ended December 31, 2023.

13. TABOR Amendment

Colorado voters passed an amendment to the State Constitution in 1992. Article X, Section 20, (the Taxpayer Bill of Rights, otherwise known as TABOR) which has several limitations, including revenue raising, spending abilities and other specific requirements for state and local governments. The District's financial activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District is of the opinion that water and sewer operations of the District qualify for this exclusion.

Fiscal year spending and revenue limits are determined based on the prior-year's spending, adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. In effect, it has been generally interpreted that fiscal year spending approximates nonexempt revenue or receipts. Spending excludes spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax or implementing a tax policy change directly causing a· net tax revenue gain to any local government. Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal-year debt or other financial obligations without voter approval or irrevocably pledging present cash reserves for all future payments.

TABOR requires that emergency reserves be established. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service) in 1995 and thereafter. Emergency reserves as of December 31, 2023 totaling $225,000 have been presented as a restriction of fund balance in the General Fund.

The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary benefit increases.

Revenue in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenue. On May 2, 2000, citizens voted to allow the District to collect, spend and retain all revenues and proceeds generated from any source since December 31, 1998 without regard to any limitation under TABOR. The citizens also authorized the permanent waiver of the 5.5% statutory limit.

14. Litigation

From time to time, the District is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the net position and change in net position of the District. Events could occur that would change this estimate materially in the near term.

15. Subsequent Events

Management evaluates subsequent events through the date the financial statements are available to be issued, which is the date of the Independent Auditors' Report.

16. Correction of an Error in Previously Issued Financial Statements

The District has restated the prior year financial statement to correctly record deferred inflows pension related to PERA. During fiscal year 2023, the District determined that deferred inflows pension related to PERA were understated in both the Governmental and Business-Type Activities in the prior year. This restatement impacts the Statement of Net Position – Proprietary Fund for the Water and Sewer Fund, the Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund and the Governmental Activities and Business-Type Activities Statement of Net Position and Statement of Activities. The restatement is summarized as follows:

	12/31/2022 as Previously Reported	Error Correction	12/31/2022 as Restated
Government-Wide			
Governmental Activities	$ 31,346,964	$ (624,323)	$ 30,722,641
Business-Type Activities	45,263,819	(470,981)	44,792,838
Total Primary Government	**$ 76,610,783**	**$ (1,095,304)**	**$ 75,515,479**
Proprietary Fund			
Water and Sewer Fund	$ 45,263,819	$ (470,981)	$ 44,792,838
Total Proprietary Fund	**$ 45,263,819**	**$ (470,981)**	**$ 44,792,838**

Required Supplementary Information

CASTLE PINES METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2023

	Original/Final Budget	Actual	Variance
Revenues			
Property Taxes	$ 5,903,960	$ 5,908,851	$ 4,891
Specific Ownership Tax	511,500	546,276	34,776
Investment Income	450,000	850,875	400,875
Charges for Services	179,866	189,230	9,364
Total Revenues	7,045,326	7,495,232	449,906
Expenditures			
Current			
General Government	2,411,282	1,955,406	455,876
Public Works	6,401,821	5,273,852	1,127,969
Capital Outlay	505,083	245,307	259,776
Total Expenditures	9,318,186	7,474,565	1,843,621
Excess of Expenditures Over Revenues	(2,272,860)	20,667	2,293,527
Other Financing Sources (Uses)			
Transfer Out	(360,000)	(360,000)	
Proceeds From the Disposal of Capital Assets	48,500	42,491	(6,009)
Total Other Financing Sources (Uses)	(311,500)	(317,509)	(6,009)
Net Changes in Fund Balance	(2,584,360)	(296,842)	2,287,518
Fund Balance, Beginning	15,969,121	16,166,142	197,021
Fund Balance, Ending	$ 13,384,761	$ 15,869,300	$ 2,484,539

Notes:

The basis of budgeting is the same as GAAP.

The schedule is presented on a modified-accrual basis.

INFRASTRUCTURE CONDITION AND MAINTENANCE DATA
December 31, 2023

MODIFIED APPROACH FOR CASTLE PINES METRO STREETS - INFRASTRUCTURE CAPITAL ASSETS

In accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), Castle Pines Metropolitan District (the District) is required to account for and report infrastructure capital assets. The District has several major infrastructure systems including the street system. Each major infrastructure system can be divided into subsystems. For example, the streets can be divided into concrete and asphalt pavements, concrete curb and gutters, streetlights, traffic control devices (signs, signals, and pavement markings), and land. Subsystem detail is not presented in these basic financial statements; however, the District maintains detailed information on these subsystems.

The District has elected to use the modified approach as defined by GASB 34 for infrastructure reporting for its street pavement system. Under GASB 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The District manages the eligible infrastructure capital assets using PAVER Pavement Management System with characteristics of (1) maintaining an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale and (3) estimating the annual amount to maintain and preserve at the established condition assessment level.

- The District documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level. The District's Pavement Management System conducts condition assessment surveys annually based on priority of the District's road classification and input from the District's Board and residents. The District's streets are classified based on traffic utilization into the following classifications: Primary (Arterials), Secondary (Collectors), Tertiary (Locals). Each street was assigned a physical condition based on potential defects.

Condition	Rating
Good	86 – 100 PCI
Satisfactory	71 – 85 PCI
Fair	56 – 70 PCI

The District's goal is to maintain an average rating of 85 PCI or higher on all 89.67 lane miles of streets. This rating allows appropriate roadway budgets to be determined each year. Assessments of the road are normally conducted annually or biannually. The District's three most recent average pavement condition indexes are as follows:

	2023	2021	2018
Average PCI for District roadways	83.25	84.83	91.80

The most recent roadway assessment was be completed in 2023.

Condition Distribution	**2023**	**2021**	**2018**
Good	40.8%	43.97%	89.26%
Satisfactory	53.3%	52.58%	10.02%
Fair	5.9%	3.44%	.72%

The District's streets are constantly deteriorating resulting from the following four factors: (1) traffic using the streets; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development interests trenching operations; and (4) winter freeze thaw conditions and water damage from both natural and other urban run-off.

The District expended $3,638,717 and $3,201,371 in 2023 and 2022, respectively, on street maintenance and street rehabilitation. These expenditures improve the overall street system. A schedule of estimated and actual annual expenditures for street maintenance for the last five years is presented below:

Year	**Maintenance Estimate**	**Actual**
2019	$ 960,412	$ 923,426
2020	$ 1,215,000	$ 43,334
2021	$ 1,490,000	$ 1,918,952
2022	$ 2,740,628	$ 3,201,371
2023	$ 2,980,600	$ 3,638,717

CASTLE PINES METROPOLITAN DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

For the Year Ended December 31, 2022 (Measurement Date)

Employee Pension Plan Year Nine [1]

	December 31								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's portion of the net pension liability (asset)	0.17285%	0.17474%	0.20362%	0.17724%	0.16159%	0.17058%	0.16787%	0.19044%	0.20481%
District's proportionate share of the net pension liability (asset)	$ 1,732,917	$ (149,815)	$ 1,061,122	$ 1,296,334	$ 2,031,536	$ 1,899,329	$ 2,266,790	$ 2,097,812	$ 1,835,756
District's covered payroll	$ 1,517,134	$ 1,340,710	$ 1,488,744	$ 1,239,599	$ 1,115,237	$ 1,017,491	$ 1,076,115	$ 1,017,197	$ 1,122,283
liability (asset) as a percentage of its covered payroll	114.2%	-11.2%	71.3%	104.6%	182.2%	186.7%	210.6%	206.2%	163.6%
Plan fiduciary net position as a percentage of the total pension liability	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.60%	76.90%	80.70%

[1] This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

CASTLE PINES METROPOLITAN DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE PENSION PLAN

For the Year Ended December 31, 2023

Employee Pension Plan Year Nine [1]

	December 31								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 210,782	$ 206,064	$ 177,805	$ 192,575	$ 157,136	$ 133,865	$ 136,452	$ 129,022	$ 136,738
Contributions in relation to the contractually required contribution	210,782	206,064	177,805	192,575	157,136	133,865	136,452	129,022	136,738
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,408,027	$ 1,517,134	$ 1,340,710	$ 1,488,744	$ 1,239,599	$ 1,115,237	$ 1,017,491	$ 1,076,115	$ 1,017,197
Contributions as a percentage of covered payroll	14.97%	13.58%	13.26%	12.94%	12.68%	12.00%	13.41%	11.99%	13.44%

[1] This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

CASTLE PINES METROPOLITAN DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

For the Year Ended December 31, 2022 (Measurement Date)

Employee Pension Plan Year Six [(1)]

	December 31					
	2022	2021	2020	2019	2018	2017
District's portion of the net OPEB liability (asset)	0.0140%	0.0134%	0.0153%	0.0135%	0.0125%	0.0133%
District's proportionate share of the net OPEB	$ 112,022	$ 115,188	$ 145,296	$ 151,614	$ 170,494	$ 172,264
District's covered payroll	$ 1,517,134	$ 1,340,710	$ 1,488,744	$ 1,239,599	$ 1,115,237	$ 1,017,491
District's proportionate share of the net OPEB	7.4%	8.6%	9.8%	12.2%	15.3%	16.9%
Plan fiduciary net position as a percentage of the total OPEB liability	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

CASTLE PINES METROPOLITAN DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE OPEB PLAN

For the Year Ended December 31, 2023

Employee Pension Plan Year Six [1]

	December 31					
	2023	**2022**	**2021**	**2020**	**2019**	**2018**
Contractually required contribution	$ 14,362	$ 15,475	$ 13,675	$ 15,185	$ 12,644	$ 11,375
Contributions in relation to the contractually required contribution	14,362	15,475	13,675	15,185	12,644	11,375
Contribution Deficiency (Excess)	$	$	$	$	$	$
District's covered payroll	$ 1,408,027	$ 1,517,134	$ 1,340,710	$ 1,488,744	$ 1,239,599	$ 1,115,237
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

[1] This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

Supplementary Information

CASTLE PINES METROPOLITAN DISTRICT

COMPARATIVE BALANCE SHEET - GENERAL FUND

December 31, 2023

(With Summarized Comparative Information for the Year Ended December 31, 2022)

	2023	2022
Assets		
Current Assets		
Cash and Cash Equivalents	$ 25,410	$ 317,505
Cash with Fiscal Agent	35,331	38,265
Investments	16,536,530	16,032,837
Receivables		
Accounts	48,733	202,576
Property Taxes		5,890,760
Inventory	5,739	4,649
Total Current Assets	16,651,743	22,486,592
Liabilities, Deferred Inflows of Resources and Fund Balances		
Current Liabilities		
Accounts Payble	483,984	428,569
Interfund Payable	298,459	1,121
Total Current Liabilities	782,443	429,690
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes		5,890,760
Fund Balances		
Nonspendable		
Inventory	5,739	4,649
Restricted		
Emergency Reserve - TABOR	225,000	207,000
Unassigned	15,638,561	15,954,493
Total Fund Balances	15,869,300	16,166,142
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 16,651,743	$ 22,486,592

CASTLE PINES METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GENERAL FUND

For the Year Ended December 31, 2023

(With Summarized Financial Information for the Year Ended December 31, 2022)

	2023	2022
Revenues		
Property Taxes	$ 5,908,851	$ 6,018,226
Specific Ownership Tax	546,276	533,400
Investment Income (Loss)	850,875	(678,484)
Charges for Services	189,230	170,882
Total Revenues	7,495,232	6,044,024
Expenditures		
Current		
General Government	1,955,406	1,989,049
Public Works	5,273,852	4,874,874
Capital Outlay	245,307	201,551
Total Expenditures	7,474,565	7,065,474
Excess of Expenditures Over Revenues	20,667	(1,021,450)
Other Financing Sources (Uses)		
Transfers Out	(360,000)	(360,000)
Proceeds from Disposal of Assets	42,491	7,105
Total Other Financing Sources (Uses)	(317,509)	(352,895)
Net Change in Fund Balance	(296,842)	(1,374,345)
Fund Balance, Beginning of Year	16,166,142	17,540,487
Fund Balance, End of Year	$ 15,869,300	$ 16,166,142

CASTLE PINES METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
NON-GAAP BUDGETARY BASIS - WATER AND SEWER FUND
For the Year Ended December 31, 2023

	Original/Final Budget	Actual	Variance
Revenues			
Charges for Services	$ 6,336,367	$ 5,726,180	$ (610,187)
Effluent Pumping	244,695	111,705	(132,990)
Investment Earnings	1,798,100	1,831,092	32,992
Revenue Rebate	5,000	4,816	(184)
Meter Sales, Net	15,050	9,030	(6,020)
Miscellaneous	28,800	122,934	94,134
Transfers In	360,000	360,000	
Total Revenues	8,788,012	8,165,757	(622,255)
Expenses			
Personnel Services	1,207,386	1,302,032	(94,646)
Contract Services	784,794	668,800	115,994
Utilities	842,464	501,188	341,276
Repairs and Maintenance	1,191,149	1,319,430	(128,281)
General Overhead	297,181	238,161	59,020
Water Resources	123,310	69,634	53,676
Capital Outlay	9,019,874	3,634,940	5,384,934
Debt Principal	213,133	213,133	
Debt Interest & Amortization	1,138,940	1,105,163	33,777
Total Expenses	14,818,231	9,052,481	5,765,750
Net Changes in Net Position (Non-GAAP)	(6,030,219)	(886,724)	$ 5,143,495
Fund Balance, Beginning	14,705,317		
Fund Balance, Ending	$ 8,675,098		

Reconciliation of Revenues and Expenses - GAAP Basis to Budgetary Basis	
Adjustments	
Expenses which are not expenditures for budgetary purposes:	
Depreciation	(1,349,711)
Pension	(15,026)
OPEB	(7,217)
Expenditures for budgetary purposes:	
Capital Outlay	3,634,940
Principal Payments on Revenue Bonds and Loans	213,133
Net Change in Net Position - GAAP Basis	$ 1,589,395