

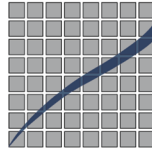
**FOUNTAIN SANITATION DISTRICT
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2023 AND 2022

**FOUNTAIN SANITATION DISTRICT
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YEARS ENDED DECEMBER 31, 2023 AND 2022**

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fountain Sanitation District
El Paso County, Colorado

Opinion

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Fountain Sanitation District ("District") as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the District as of December 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's 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 auditor's 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in

the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or provide any assurance thereon.

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

BiggsKofford, P.C.

Colorado Springs, Colorado
June 3, 2024

BASIC FINANCIAL STATEMENTS

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2023**

	Business-Type Activities - Enterprise Funds			
	Fountain Sanitation District			
	Fountain Sanitation	Jimmy Camp Creek Enterprise	Fountain Sanitation District Total	LFMSDD (Component Unit)
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 11,573,681	\$ 15,773,801	\$ 27,347,482	\$ 1,603,828
Cash and Cash Equivalents - Restricted	126,500	535,100	661,600	53,500
Accounts Receivable, Net of Allowance for Doubtful Accounts	169,140	169,284	338,424	25,036
Receivable from County Treasurer	10,726	-	10,726	-
Property Taxes Receivable	1,397,196	-	1,397,196	-
Intergovernmental Receivable	-	59,370	59,370	119,849
Inventory	44,148	23,772	67,920	53,452
Total Current Assets	<u>13,321,391</u>	<u>16,561,327</u>	<u>29,882,718</u>	<u>1,855,665</u>
CAPITAL ASSETS				
Capital Assets Not Being Depreciated	450,064	-	450,064	291,375
Capital Assets, Net of Accumulated Depreciation	<u>10,859,902</u>	<u>4,532,492</u>	<u>15,392,394</u>	<u>33,136,199</u>
Total Capital Assets	<u>11,309,966</u>	<u>4,532,492</u>	<u>15,842,458</u>	<u>33,427,574</u>
Total Assets	<u>\$ 24,631,357</u>	<u>\$ 21,093,819</u>	<u>\$ 45,725,176</u>	<u>\$ 35,283,239</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts and Contracts Payable	\$ 20,483	\$ 8,547	\$ 29,030	\$ 61,210
Accrued Liabilities	273,578	201,194	474,772	18,094
Accrued Compensated Absences	266,929	124,921	391,850	-
Intergovernmental Payable	-	119,849	119,849	59,370
Current Maturities of Long-Term Obligations	-	337,064	337,064	-
Total Current Liabilities	<u>560,990</u>	<u>791,575</u>	<u>1,352,565</u>	<u>138,674</u>
LONG-TERM OBLIGATIONS	-	2,875,717	2,875,717	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	1,397,196	-	1,397,196	-
Total Deferred Inflows of Resources	<u>1,397,196</u>	<u>-</u>	<u>1,397,196</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	11,309,966	4,532,492	15,842,458	33,427,574
Restricted	126,500	535,100	661,600	53,500
Unrestricted	<u>11,236,705</u>	<u>12,358,935</u>	<u>23,595,640</u>	<u>1,663,491</u>
Total Net Position	<u>22,673,171</u>	<u>17,426,527</u>	<u>40,099,698</u>	<u>35,144,565</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 24,631,357</u>	<u>\$ 21,093,819</u>	<u>\$ 45,725,176</u>	<u>\$ 35,283,239</u>

See accompanying notes to Basic Financial Statements.

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2022**

	Business-Type Activities - Enterprise Funds			
	Fountain Sanitation District			
	Fountain Sanitation	Jimmy Camp Creek Enterprise	Fountain Sanitation District Total	LFMSDD (Component Unit)
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 8,983,188	\$ 15,141,869	\$ 24,125,057	\$ 1,300,183
Cash and Cash Equivalents - Restricted	114,900	501,800	616,700	47,400
Accounts Receivable, Net of Allowance for Doubtful Accounts	170,891	171,249	342,140	22,463
Receivable from County Treasurer	10,598	-	10,598	-
Property Taxes Receivable	1,298,092	-	1,298,092	-
Intergovernmental Receivable	-	60,697	60,697	109,626
Inventory	52,834	28,449	81,283	61,048
Total Current Assets	<u>10,630,503</u>	<u>15,904,064</u>	<u>26,534,567</u>	<u>1,540,720</u>
CAPITAL ASSETS				
Capital Assets Not Being Depreciated	145,768	-	145,768	291,375
Capital Assets, Net of Accumulated Depreciation	<u>10,638,914</u>	<u>3,906,802</u>	<u>14,545,716</u>	<u>34,152,473</u>
Total Capital Assets	<u>10,784,682</u>	<u>3,906,802</u>	<u>14,691,484</u>	<u>34,443,848</u>
Total Assets	<u>\$ 21,415,185</u>	<u>\$ 19,810,866</u>	<u>\$ 41,226,051</u>	<u>\$ 35,984,568</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts and Contracts Payable	\$ 25,806	\$ 9,605	\$ 35,411	\$ 61,794
Accrued Liabilities	13,623	201,145	214,768	18,094
Accrued Compensated Absences	241,336	123,885	365,221	-
Intergovernmental Payable	-	109,626	109,626	60,697
Current Maturities of Long-Term Obligations	-	337,779	337,779	-
Total Current Liabilities	<u>280,765</u>	<u>782,040</u>	<u>1,062,805</u>	<u>140,585</u>
LONG-TERM OBLIGATIONS	-	3,212,781	3,212,781	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	1,298,092	-	1,298,092	-
Total Deferred Inflows of Resources	<u>1,298,092</u>	<u>-</u>	<u>1,298,092</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	10,784,682	3,906,802	14,691,484	34,443,848
Restricted	114,900	501,800	616,700	47,400
Unrestricted	8,936,746	11,407,443	20,344,189	1,352,735
Total Net Position	<u>19,836,328</u>	<u>15,816,045</u>	<u>35,652,373</u>	<u>35,843,983</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 21,415,185</u>	<u>\$ 19,810,866</u>	<u>\$ 41,226,051</u>	<u>\$ 35,984,568</u>

See accompanying notes to Basic Financial Statements.

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023**

	Business-Type Activities - Enterprise Funds			
	Fountain Sanitation District			
	Fountain Sanitation	Jimmy Camp Creek Enterprise	Fountain Sanitation District Total	LFMSDD (Component Unit)
OPERATING REVENUES				
Charges for Services	\$ 1,784,931	\$ 2,461,079	\$ 4,246,010	\$ 1,709,398
Intergovernmental Revenue - LFMSDD	-	752,811	752,811	-
Miscellaneous	3,714	1,209	4,923	257
Total Operating Revenues	<u>1,788,645</u>	<u>3,215,099</u>	<u>5,003,744</u>	<u>1,709,655</u>
OPERATING EXPENSES				
Personnel Services	1,198,670	1,916,927	3,115,597	3,864
Depreciation and Amortization	590,728	261,154	851,882	1,040,686
Supplies	60,139	21,325	81,464	188,150
Repairs and Maintenance	84,695	38,243	122,938	135,018
Purchased Services	194,690	98,452	293,142	840,596
Utilities	177,115	65,595	242,710	204,836
Management Fees	-	-	-	134,814
Fixed Charges	135,997	-	135,997	51,445
Total Operating Expenses	<u>2,442,034</u>	<u>2,401,696</u>	<u>4,843,730</u>	<u>2,599,409</u>
OPERATING INCOME (LOSS)	(653,389)	813,403	160,014	(889,754)
NONOPERATING REVENUES (EXPENSES)				
Property Tax Revenue	1,296,390	-	1,296,390	-
Specific Ownership Taxes	138,833	-	138,833	-
County Treasurer's Fees	(19,469)	-	(19,469)	-
Interest Income	992,044	362,849	1,354,893	70,352
Gain (Loss) on Disposal of Capital Assets	-	-	-	-
Interest Expense	-	(64,726)	(64,726)	-
Note Payable Premium Amortization	-	9,983	9,983	-
Total Nonoperating Revenues	<u>2,407,798</u>	<u>308,106</u>	<u>2,715,904</u>	<u>70,352</u>
CAPITAL CONTRIBUTIONS				
Intergovernmental Contributions	-	(79,660)	(79,660)	119,984
Tap Fees	914,185	432,473	1,346,658	-
Developer Participation Contribution	168,341	-	168,341	-
Capital Contributions	-	136,068	136,068	-
Transfers (to) from Other Funds	(92)	92	-	-
Total Capital Contributions	<u>1,082,434</u>	<u>488,973</u>	<u>1,571,407</u>	<u>119,984</u>
CHANGE IN NET POSITION	2,836,843	1,610,482	4,447,325	(699,418)
Total Net Position - Beginning of Year	<u>19,836,328</u>	<u>15,816,045</u>	<u>35,652,373</u>	<u>35,843,983</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 22,673,171</u>	<u>\$ 17,426,527</u>	<u>\$ 40,099,698</u>	<u>\$ 35,144,565</u>

See accompanying notes to Basic Financial Statements.

FOUNTAIN SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

	Business-Type Activities - Enterprise Funds			
	Fountain Sanitation District			
	Fountain Sanitation	Jimmy Camp Creek Enterprise	Fountain Sanitation District Total	LFMSDD (Component Unit)
OPERATING REVENUES				
Charges for Services	\$ 2,176,051	\$ 2,198,326	\$ 4,374,377	\$ 1,558,648
Intergovernmental Revenue - LFMSDD	-	662,874	662,874	-
Miscellaneous	2,648	7,414	10,062	-
Total Operating Revenues	<u>2,178,699</u>	<u>2,868,614</u>	<u>5,047,313</u>	<u>1,558,648</u>
OPERATING EXPENSES				
Personnel Services	1,105,198	1,814,563	2,919,761	3,789
Depreciation and Amortization	608,525	239,806	848,331	1,043,355
Supplies	63,697	22,834	86,531	179,687
Repairs and Maintenance	57,743	52,642	110,385	8,699
Purchased Services	207,851	64,896	272,747	757,302
Utilities	153,376	52,434	205,810	219,196
Management Fees	-	-	-	132,197
Fixed Charges	134,867	-	134,867	51,921
Total Operating Expenses	<u>2,331,257</u>	<u>2,247,175</u>	<u>4,578,432</u>	<u>2,396,146</u>
OPERATING INCOME (LOSS)	(152,558)	621,439	468,881	(837,498)
NONOPERATING REVENUES (EXPENSES)				
Property Tax Revenue	1,226,174	-	1,226,174	-
Specific Ownership Taxes	129,601	-	129,601	-
County Treasurer's Fees	(18,412)	-	(18,412)	-
Interest Income	294,638	110,702	405,340	19,661
Gain (Loss) on Disposal of Capital Assets	117,883	-	117,883	-
Interest Expense	-	(71,488)	(71,488)	-
Note Payable Premium Amortization	-	10,770	10,770	-
Total Nonoperating Revenues	<u>1,749,884</u>	<u>49,984</u>	<u>1,799,868</u>	<u>19,661</u>
CAPITAL CONTRIBUTIONS				
Intergovernmental Contributions	-	(7,997)	(7,997)	31,322
Tap Fees	111,841	332,165	444,006	-
Developer Participation Contribution	-	-	-	-
Capital Contributions	-	386,365	386,365	-
Transfers (to) from Other Funds	(145,547)	145,547	-	-
Total Capital Contributions	<u>(33,706)</u>	<u>856,080</u>	<u>822,374</u>	<u>31,322</u>
CHANGE IN NET POSITION	1,563,620	1,527,503	3,091,123	(786,515)
Total Net Position - Beginning of Year	<u>18,272,708</u>	<u>14,288,542</u>	<u>32,561,250</u>	<u>36,630,498</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 19,836,328</u>	<u>\$ 15,816,045</u>	<u>\$ 35,652,373</u>	<u>\$ 35,843,983</u>

See accompanying notes to Basic Financial Statements.

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023**

	Business-Type Activities - Enterprise Funds		
	Fountain Sanitation District		
	Fountain Sanitation	Jimmy Camp Creek Enterprise	Fountain Sanitation District Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 1,790,396	\$ 3,217,064	\$ 5,007,460
Payments to Employees	(999,130)	(402,600)	(1,401,730)
Payments for Employee Benefits	(199,540)	(84,980)	(284,520)
Payments for Operating Expenses from LFMSDD	-	(1,429,346)	(1,429,346)
Payments to Suppliers	(363,853)	(207,362)	(571,215)
Net Cash Provided by Operating Activities	<u>227,873</u>	<u>1,092,776</u>	<u>1,320,649</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer (to) from Other Funds	(92)	92	-
Taxes Received	1,435,223	-	1,435,223
County Treasurer's Fees	(19,469)	-	(19,469)
Net Cash Provided by Noncapital Financing Activities	<u>1,415,662</u>	<u>92</u>	<u>1,415,754</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Fees Received as Contributions in Aid of Construction	1,082,526	432,473	1,514,999
Acquisitions and Construction of Capital Assets	(1,116,012)	(886,844)	(2,002,856)
Proceeds from Sales of Capital Assets	-	-	-
Capital Contributions	-	136,068	136,068
Interest Expense	-	(64,726)	(64,726)
Principal Paid on Note Payable	-	(327,796)	(327,796)
Net Cash Used by Capital and Related Financing Activities	<u>(33,486)</u>	<u>(710,825)</u>	<u>(744,311)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Intergovernmental Contributions	-	(79,660)	(79,660)
Interest Received	992,044	362,849	1,354,893
Net Cash Provided by Investing Activities	<u>992,044</u>	<u>283,189</u>	<u>1,275,233</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>2,602,093</u>	<u>665,232</u>	<u>3,267,325</u>
Cash and Cash Equivalents - Beginning of Year	<u>9,098,088</u>	<u>15,643,669</u>	<u>24,741,757</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 11,700,181</u>	<u>\$ 16,308,901</u>	<u>\$ 28,009,082</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Net Income (Loss) from Operations	\$ (653,389)	\$ 813,403	\$ 160,014
Adjustments to Reconcile Net Income (Loss) from Operations to Net Cash Flows Provided by Operating Activities:			
Depreciation/Amortization	590,728	261,154	851,882
Loss (Gain) on Disposal of Capital Assets	-	-	-
Net Change in Operating Assets and Liabilities:			
Accounts Receivable	1,623	1,965	3,588
Due from LFMSDD and JCCE	-	11,550	11,550
Inventory	8,686	4,677	13,363
Accounts Payable	(5,323)	(1,058)	(6,381)
Accrued Liabilities	259,955	49	260,004
Accrued Vacation and Sick Leave	25,593	1,036	26,629
Net Cash Provided by Operating Activities	<u>\$ 227,873</u>	<u>\$ 1,092,776</u>	<u>\$ 1,320,649</u>

NONCASH CAPITAL ACTIVITIES

During the year ended December 31, 2023, the District received sewer lines contributed by developers in the amount of \$136,068.

See accompanying notes to Basic Financial Statements.

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Business-Type Activities - Enterprise Funds		
	Fountain Sanitation District		
	Fountain Sanitation	Jimmy Camp Creek Enterprise	Fountain Sanitation District Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 2,154,352	\$ 2,899,923	\$ 5,054,275
Payments to Employees	(936,032)	(416,560)	(1,352,592)
Payments for Employee Benefits	(169,166)	(82,945)	(252,111)
Payments for Operating Expenses from LFMSDD	-	(1,315,057)	(1,315,057)
Payments to Suppliers	(737,283)	(270,821)	(1,008,104)
Net Cash Provided by Operating Activities	311,871	814,540	1,126,411
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer (to) from Other Funds	(145,547)	145,547	-
Taxes Received	1,355,775	-	1,355,775
County Treasurer's Fees	(18,412)	-	(18,412)
Net Cash Provided by Noncapital Financing Activities	1,191,816	145,547	1,337,363
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Fees Received as Contributions in Aid of Construction	111,841	332,165	444,006
Acquisitions and Construction of Capital Assets	(229,990)	(743,272)	(973,262)
Proceeds from Sales of Capital Assets	299,982	-	299,982
Capital Contributions	-	386,365	386,365
Interest Expense	-	(71,488)	(71,488)
Principal Paid on Note Payable	-	(327,796)	(327,796)
Net Cash Provided (Used) by Capital and Related Financing Activities	181,833	(424,026)	(242,193)
CASH FLOWS FROM INVESTING ACTIVITIES			
Intergovernmental Contributions	-	(7,997)	(7,997)
Interest Received	294,638	110,702	405,340
Net Cash Provided by Investing Activities	294,638	102,705	397,343
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,980,158	638,766	2,618,924
Cash and Cash Equivalents - Beginning of Year	7,117,930	15,004,903	22,122,833
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 9,098,088</u>	<u>\$ 15,643,669</u>	<u>\$ 24,741,757</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Net Income (Loss) from Operations	\$ (152,558)	\$ 621,439	\$ 468,881
Adjustments to Reconcile Net Income (Loss) from Operations to Net Cash Flows Provided by Operating Activities:			
Depreciation/Amortization	608,525	239,806	848,331
Loss (Gain) on Disposal of Capital Assets	(117,883)	-	(117,883)
Net Change in Operating Assets and Liabilities:			
Accounts Receivable	(24,021)	31,310	7,289
Due from LFMSDD and JCCE	-	(9,691)	(9,691)
Inventory	(26,729)	7,601	(19,128)
Accounts Payable	(3,590)	(3,423)	(7,013)
Accrued Liabilities	(69)	(79,115)	(79,184)
Accrued Vacation and Sick Leave	28,196	6,613	34,809
Net Cash Provided by Operating Activities	<u>\$ 311,871</u>	<u>\$ 814,540</u>	<u>\$ 1,126,411</u>
NONCASH CAPITAL ACTIVITIES			

During the year ended December 31, 2022, the District received sewer lines contributed by developers in the amount of \$386,365.

See accompanying notes to Basic Financial Statements.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Fountain Sanitation District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado was organized by order and decree of the District Court for El Paso County on January 1, 1955, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Section 1, Colorado Revised statutes). The District's service area is located in El Paso County, Colorado. The District was established to provide sewage services and treatment facilities for residents and businesses located within the District's boundaries, which are comprised of a specified portion of the city of Fountain, Colorado and certain surrounding areas.

As of December 31, 2023 and 2022, the District is comprised of two business-type activity funds, Fountain Sanitation (FS) and Jimmy Camp Creek Basin Wastewater Enterprise (JCCE). JCCE was established by a resolution of the District's Board of Directors on September 7, 2011 in order to facilitate funding of a new treatment plant which will provide service to residents and businesses located in the Jimmy Camp Creek Basin which is located within the boundaries of the District. The establishment of JCCE allowed the District to obtain additional financing to complete payment for its share of the new treatment plant, to adopt fees for wastewater services and for new taps to be added.

Based on the number of customers located in JCCE's boundaries and the miles of pipeline serving JCCE, the District has adopted a general allocation percentage of 55.56% of expenses and assets for JCCE and 44.44% for FS. The effective date for segregating the activities of JCCE from the District was September 1, 2011. As of the effective date, FS transferred the cash accounts established for the construction of the new treatment plant and 55.56% of the value of pipelines and equipment to JCCE, as well as a 55.56% allocation of certain other assets and liabilities. All revenues related to customers located in JCCE have been recorded in JCCE beginning in September of 2011, and operating expenses (excluding administrative expenses) were allocated to JCCE on a 55.56% basis through December 31, 2013. JCCE does not levy any property taxes.

On January 1, 2016, the District updated the allocation percentages based on current operations. All expenses related to sewage collection and transmission are allocated 64% to JCCE and 36% to FS. All expenses related to the District's sewage treatment plant are allocated 36% to JCCE and 64% to FS. All administrative expenses are allocated 100% to FS.

On January 1, 2019, the District updated the allocation percentages based on current operations. All expenses related to sewage collection and transmission are allocated 58% to JCCE and 42% to FS. All expenses related to the District's sewage treatment plant are allocated 35% to JCCE and 65% to FS. All administrative expenses are allocated 100% to FS.

On January 1, 2022, the District updated the allocation percentages based on current operations. All expenses related to sewage collection and transmission are allocated 50% to JCCE and 50% to FS. All expenses related to the District's sewage treatment plant are allocated 35% to JCCE and 65% to FS. All administrative expenses are allocated 100% to FS. There were no changes made to the allocation percentages during the year ended December 31, 2023.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not a component unit of any other primary governmental entity.

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

The District has been financially accountable for Lower Fountain Metropolitan Sewage Disposal District (LFMSDD) since 2003. LFMSDD is a component unit because the District appoints a voting majority of its Board of Directors, and therefore can control LFMSDD. LFMSDD is also financially dependent upon the District. LFMSDD's purpose is to construct and operate a new sewage treatment facility and interceptor sewer that will serve the future needs of the District and of other entities. LFMSDD's financial statements are presented as a discrete component unit. Financial statements for LFMSDD may be obtained by contacting Jim Heckman at the District offices (11545 Link Road, Fountain, Colorado 80817).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

Operating Revenues and Expenses

The District distinguishes between operating revenues and expenses and nonoperating items in the statements of revenues, expenses, and changes in net position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water and sanitation services to its customers. Operating revenues consist of charges to customers for service provided. Operating expenses include the cost of service, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

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

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivable consist of sewage collection services receivable. Accounts receivable are unsecured and stated at the amount the District expects to collect. The District maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer creditworthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. If the financial condition of the District's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. As of December 31, 2023 and 2022, allowances for doubtful accounts totaled \$1,361 for each year.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Inventory

Inventory is composed of various spare parts, replacement equipment and expendable supplies and materials used in the operations of the District. Inventory is valued at the lower of cost or market value under the first-in, first-out (FIFO) method.

Capital Assets

Capital assets, which include land, plant and buildings, distribution and collection systems, and machinery and equipment, are reported by the District. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Sewer Lines and Lagoons	20 to 50 Years
Building and Improvements	10 to 50 Years
Treatment Plant and Sewage Control	10 to 40 Years
Equipment	5 to 20 Years

Maintenance and repairs are charged to expense as incurred. At the time of retirement or disposition of depreciable property, the related cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in nonoperating revenues (expenses).

Costs of certain engineering, feasibility, environmental and other studies are capitalized until the projects become operational. When projects become operational, the costs are included in capital assets and depreciated over the estimated useful life of the related asset.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tap Fees and Contributed Lines

Tap fees are recorded as capital contributions when received. Lines contributed to the District by developers are recorded as capital contributions and additions to the systems at the estimated fair value when received. Capital contributions from charges for the years ended December 31, 2023 and 2022 were \$1,346,658 and \$444,006, respectively. Sewer lines contributed for the years ended December 31, 2023 and 2022 were \$136,068 and \$386,365, respectively.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Accordingly that item, deferred property tax revenue, is deferred and recognized as an inflow of resources in the period that the amounts become available.

Amortization – Original Issue Discount/Premium

Debt premiums and discounts are amortized over the respective terms of the borrowing using the interest method.

Compensated Absences

The District has a policy that allows all full-time employees to accumulate for vacation benefits at various rates, up to a maximum of 360 hours (45 days), based on their length of service.

Full-time employees are also entitled to accumulate personal leave at a rate of four hours every two weeks, up to a maximum of 720 hours (90 days). These accumulated hours are payable to the employee upon separation from the District.

Accrued vacation and personal leave totaling \$391,850 and \$365,221 represents the total actual vacation and personal leave hours accrued as of December 31, 2023 and 2022, respectively, for all employees.

Reclassifications

For comparability, certain 2022 amounts have been reclassified where appropriate to conform with the 2023 financial statement presentation.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 and 2022 are classified in the accompanying financial statements of the District as follows:

	2023	2022
Statement of Net Position:		
Cash and Cash Equivalents	\$ 27,347,482	\$ 24,125,057
Cash and Cash Equivalents - Restricted	661,600	616,700
Total Cash and Cash Equivalents	\$ 28,009,082	\$ 24,741,757

Cash and cash equivalents for the District as of December 31, 2023 and 2022 consist of the following:

	2023	2022
Cash on Hand	\$ 100	\$ 100
Deposits with Financial Institutions	694,311	622,336
Investments	27,314,671	24,119,321
Total Cash and Investments	\$ 28,009,082	\$ 24,741,757

Cash and investments as of December 31, 2023 and 2022 are classified in the accompanying financial statements of LFMSDD as follows:

	2023	2022
Statement of Net Position:		
Cash and Cash Equivalents	\$ 1,603,828	\$ 1,300,183
Cash and Cash Equivalents - Restricted	53,500	47,400
Total Cash and Cash Equivalents	\$ 1,657,328	\$ 1,347,583

Cash and cash equivalents for LFMSDD as of December 31, 2023 and 2022 consist of the following:

	2023	2022
Deposits with Financial Institutions	\$ 85,849	\$ 156,351
Investments	1,571,479	1,191,232
Total Cash and Investments	\$ 1,657,328	\$ 1,347,583

Deposits with Financial Institutions

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

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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

As of December 31, 2023, the District's cash deposits had a bank balance of \$752,176 and a carrying balance of \$694,411. As of December 31, 2022, the District's cash deposits had a bank balance of \$630,233 and a carrying balance of \$622,436.

As of December 31, 2023, LFMSDD's cash deposits had a bank balance of \$134,117 and a carrying balance of \$85,849. As of December 31, 2022, LFMSDD's cash deposits had a bank balance of \$162,408 and a carrying balance of \$156,351.

Investments

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

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

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

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

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

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2023 and 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>	
		<u>2023</u>	<u>2022</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 24,269,793	\$ 21,601,439
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	3,044,878	2,517,882
Total		<u>\$ 27,314,671</u>	<u>\$ 24,119,321</u>

As of December 31, 2023 and 2022, LFMSDD had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>	
		<u>2023</u>	<u>2022</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 1,571,479	\$ 1,191,232

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable net asset value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for CSAFE’s portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE’s investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAaf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable net asset value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 CAPITAL ASSETS

Capital asset activity of the District for the year ended December 31, 2023 was as follows:

	Balance - December 31, 2022	Increases	Decreases	Balance - December 31, 2023
Capital Assets Not Being Depreciated:				
Land	\$ 145,768	\$ 304,296	\$ -	\$ 450,064
Total Capital Assets, Not Being Depreciated	145,768	304,296	-	450,064
Capital Assets Being Depreciated:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	11,981,105	1,539,457	-	13,520,562
Building and Improvements	6,682,060	-	-	6,682,060
Equipment	5,555,957	-	-	5,555,957
Land Improvements	1,842,345	145,009	-	1,987,354
Total Capital Assets Being Depreciated	29,765	14,093	-	43,858
Less Accumulated Depreciation For:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	(4,695,553)	(341,387)	-	(5,036,940)
Building and Improvements	(4,623,233)	(185,267)	-	(4,808,500)
Equipment	(698,599)	(179,417)	-	(878,016)
Land Improvements	(1,498,366)	(144,266)	-	(1,642,632)
Total Accumulated Depreciation	(29,765)	(1,544)	-	(31,309)
Total Capital Assets Being Depreciated	(11,545,516)	(851,881)	-	(12,397,397)
Total Capital Assets Being Depreciated	14,545,716	846,678	-	15,392,394
Capital Assets, Net	\$ 14,691,484	\$ 1,150,974	\$ -	\$ 15,842,458

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Capital asset activity of the District for the year ended December 31, 2022 was as follows:

	Balance - December 31, 2021	Increases	Decreases	Balance - December 31, 2022
Capital Assets Not Being Depreciated:				
Land	\$ 52,867	\$ 275,000	\$ 182,099	\$ 145,768
Total Capital Assets Not Being Depreciated	52,867	275,000	182,099	145,768
Capital Assets Being Depreciated:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	10,898,425	1,082,680	-	11,981,105
Control	6,682,060	-	-	6,682,060
Building and Improvements	5,830,957	-	275,000	5,555,957
Equipment	1,833,880	8,465	-	1,842,345
Land Improvements	29,765	-	-	29,765
Total Capital Assets Being Depreciated	25,275,087	1,091,145	275,000	26,091,232
Less Accumulated Depreciation For:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	(4,385,936)	(309,617)	-	(4,695,553)
Control	(4,437,966)	(185,267)	-	(4,623,233)
Building and Improvements	(519,182)	(179,417)	-	(698,599)
Equipment	(1,325,506)	(172,860)	-	(1,498,366)
Land Improvements	(29,765)	-	-	(29,765)
Total Accumulated Depreciation	(10,698,355)	(847,161)	-	(11,545,516)
Total Capital Assets Being Depreciated	14,576,732	243,984	275,000	14,545,716
Capital Assets, Net	<u>\$ 14,629,599</u>	<u>\$ 518,984</u>	<u>\$ 457,099</u>	<u>\$ 14,691,484</u>

Depreciation expense of the District for the years ended December 31, 2023 and 2022 was charged to the following operations:

	2023	2022
Sewer Lines and Lagoons	\$ 341,387	\$ 309,617
Treatment Plant and Sewage Control	185,267	185,267
Building and Improvements	179,417	179,417
Equipment	144,266	172,860
Land Improvements	1,544	-
Total Depreciation Expense	<u>\$ 851,881</u>	<u>\$ 847,161</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Capital asset activity of LFMSDD for the year ended December 31, 2023 was as follows:

	Balance - December 31, 2022	Increases	Decreases	Balance - December 31, 2023
Capital Assets Not Being Depreciated:				
Land	\$ 291,375	\$ -	\$ -	\$ 291,375
Total Capital Assets, Not Being Depreciated	291,375	-	-	291,375
Capital Assets Being Depreciated:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	8,461,114	-	-	8,461,114
Equipment	34,093,540	13,810	-	34,107,350
	125,992	10,602	-	136,594
Total Capital Assets Being Depreciated	42,680,646	24,412	-	42,705,058
Less Accumulated Depreciation For:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	(1,451,644)	(166,432)	-	(1,618,076)
Equipment	(7,005,480)	(852,339)	-	(7,857,819)
	(71,049)	(21,915)	-	(92,964)
Total Accumulated Depreciation	(8,528,173)	(1,040,686)	-	(9,568,859)
Total Capital Assets Being Depreciated	34,152,473	(1,016,274)	-	33,136,199
Capital Assets, Net	<u>\$ 34,443,848</u>	<u>\$ (1,016,274)</u>	<u>\$ -</u>	<u>\$ 33,427,574</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Capital asset activity of LFMSDD for the year ended December 31, 2022 was as follows:

	Balance - December 31, 2021	Increases	Decreases	Balance - December 31, 2022
Capital Assets Not Being Depreciated:				
Land	\$ 291,375	\$ -	\$ -	\$ 291,375
Total Capital Assets Not Being Depreciated	291,375	-	-	291,375
Capital Assets Being Depreciated:				
Sewer Lines	8,321,603	139,511	-	8,461,114
Treatment Plant and Sewage Control	34,085,760	7,780	-	34,093,540
Equipment	119,702	6,290	-	125,992
Total Capital Assets Being Depreciated	42,527,065	153,581	-	42,680,646
Less Accumulated Depreciation For:				
Sewer Lines and Lagoons	(1,285,212)	(166,432)	-	(1,451,644)
Treatment Plant and Sewage Control	(6,153,336)	(852,144)	-	(7,005,480)
Equipment	(46,270)	(24,779)	-	(71,049)
Total Accumulated Depreciation	(7,484,818)	(1,043,355)	-	(8,528,173)
Total Capital Assets Being Depreciated	35,042,247	(889,774)	-	34,152,473
Capital Assets, Net	<u>\$ 35,333,622</u>	<u>\$ (889,774)</u>	<u>\$ -</u>	<u>\$ 34,443,848</u>

Depreciation expense of LFMSDD for the years ended December 31, 2023 and 2022 was charged to the following operations:

	2023	2022
Sewer Lines and Lagoons	\$ 341,387	\$ 309,617
Treatment Plant and Sewage Control	185,267	185,267
Building and Improvements	179,417	179,417
Equipment	144,266	172,860
Land Improvements	1,544	-
Total Depreciation Expense	<u>\$ 851,881</u>	<u>\$ 847,161</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LONG-TERM OBLIGATIONS

Long-term obligation activity for the years ended December 31, 2023 and 2022 was as follows:

	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023	Amounts Due Within One Year
2011 CWRPDA Loan	\$ 3,488,686	\$ -	\$ 327,796	\$ 3,160,890	\$ 327,796
Plus Loan Premium	61,874	-	9,983	51,891	9,268
Total Long-Term Obligations	<u>\$ 3,550,560</u>	<u>\$ -</u>	<u>\$ 337,779</u>	<u>\$ 3,212,781</u>	<u>\$ 337,064</u>
	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Amounts Due Within One Year
2011 CWRPDA Loan	\$ 3,816,482	\$ -	\$ 327,796	\$ 3,488,686	\$ 327,796
Plus Loan Premium	72,644	-	10,770	61,874	9,983
Total Long-Term Obligations	<u>\$ 3,889,126</u>	<u>\$ -</u>	<u>\$ 338,566</u>	<u>\$ 3,550,560</u>	<u>\$ 337,779</u>

Loan Agreements

On November 3, 2011, the District entered into an agreement to borrow \$7,097,680 from the Colorado Water Resources and Power Development Authority (CWRPDA) repayable in initial semi-annual installments of \$202,374 escalating to \$207,659 including servicing fee, principal and interest, at a gross interest rate of 2.23% per annum, maturing August 1, 2032, and secured by District revenues. In May of 2021, CWRPDA refunded certain bonds to generate savings for the District. The refunding savings for the District totaled \$244,760 and will be applied as payment credits to the District's upcoming loan repayments.

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under the Loan Agreement:

- i. Failure by the District to pay, or cause to be paid, any Loan Repayment set forth in Schedule C of the Loan Agreement, required to be paid hereunder when due, which failure shall continue for a period often (10) days;
- ii. Failure by the District to make, or cause to be made, any required payments of principal of, redemption premium, if any, and interest on any bonds, notes or other obligations of the District for borrowed money (other than the Loan and the District Bond), after giving effect to the applicable grace period, the payments of which are secured by the Pledged Property;

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default (Continued)

- iii. Failure by the District to pay, or cause to be paid, the Administrative Fee or any portion thereof when due or to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraph (a) of this Section 5.01 and other than a failure to comply with the provisions of Section 2.03 of the Loan Agreement, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the District by the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in such notice is correctable but cannot be corrected within the applicable period the Trustee may not unreasonably withhold its consent to an extension of such time up to sixty (60) days from the delivery of the Written notice referred to above if corrective action is instituted by the District within the applicable period and diligently pursued until the Event of Default is corrected;
- iv. A petition is filed by or against the District under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the District such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal; or the District shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee of the District or any of its property) shall be appointed by court order to take possession of the District or its property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

Notice of Default

The District shall give the Trustee and CWRPDA prompt telephonic notice of the occurrence of any Event of Default referred to in Section 5.01(d) of the Loan Agreement, and of the occurrence of any other event or condition that constitutes an Event of Default at such time as any senior administrative or financial officer of the District becomes aware of the existence thereof. Such notice to be given to the person(s) at the telephone number(s) as identified by CWRPDA from time to time. Any telephonic notice pursuant to this Section 5.02 shall be confirmed in writing by the end of the next Business Day (as defined in the Bond Resolution).

Remedies of Default

Whenever an Event of Default referred to in Section 5.01 of the Loan Agreement shall have occurred and be continuing, CWRPDA shall have the right to take or to direct the Trustee to take any action permitted or required pursuant to the Loan Agreement and to take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the performance and observance of any duty, covenant, obligation or agreement of the District hereunder, including, without limitation, to obtain ex parte the appointment of a receiver of the System.

As of December 31, 2023, the District was not in default.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The components of interest expense for this loan for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Interest	\$ 15,881	\$ 22,643
Administrative Fee	48,845	48,845
Total	\$ 64,726	\$ 71,488

The District's long-term obligations will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 327,796	\$ 36,736	\$ 364,532
2025	333,650	34,168	367,818
2026	333,650	31,796	365,446
2027	339,503	29,263	368,766
2028	339,503	24,321	363,824
2029-2032	1,486,788	49,395	1,536,183
Total	\$ 3,160,890	\$ 205,679	\$ 3,366,569

In addition to principal and interest, the District pays \$48,845 annually in administration/servicing fees, which are reduced in 2030, 2031, and 2032 to \$36,634, \$24,423, and \$12,211, respectively. There are a number of covenants and restrictions contained in the note payable agreement, including a provision that a reserve equal to three months of operations and maintenance expenses be maintained by the District. The District was in compliance with all covenants and restrictions as of December 31, 2023 and 2022.

NOTE 6 INTERGOVERNMENTAL AGREEMENTS

City of Fountain Colorado

February 1, 2012 and as amended March 11, 2015, the District has a service contract with the city of Fountain Colorado, a municipal corporation and home rule city on behalf of its utility enterprise, the city of Fountain Electric, Water, and Wastewater Enterprise (the City). Under the terms of the contract, the City through its utility enterprise performs billing, collection, customer service turn on and turn offs, reports, and new account sign up for the District. For the years ended December 31, 2023 and 2022, the City service fees were \$65,578 for each year.

Lower Fountain Metropolitan Sewage Disposal District

Intergovernmental Agreement

On February 10, 2016 and amended December 14, 2022, the District is party to an intergovernmental agreement with LFMSDD. The agreement obligates the District to fund its proportionate share of the cost of constructing and operating a regional treatment facility and interceptor sewer, which will increase the treatment capacity of the District to meet anticipated future needs. The District contributed \$79,660 and \$7,997 to LFMSDD for the years ended December 31, 2023 and 2022, respectively.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Lower Fountain Metropolitan Sewage Disposal District (Continued)

Operating Services Agreement

On May 11, 2010, the District entered into an operating services agreement with LFMSDD. The District agrees to provide management and operational services for LFMSDD as set forth in the agreement. The initial term of this agreement shall end on December 31, 2010. Contingent upon the appropriation of funds necessary to meet the responsibilities of each party to this agreement, the agreement shall be automatically extended for successive one-year terms, commencing January 1 of each year, unless notice of nonrenewal is given by either party not less than one hundred eighty (180) days prior to the end of the existing term. LFMSDD paid the District a total of \$747,647 and \$654,876 for operating and administrative services during the years ended December 31, 2023 and 2022, respectively.

NOTE 7 NET POSITION

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

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023 and 2022, the District had the following net investment in capital assets, calculated as follows:

	2023	2022
Net Investment in Capital Assets:		
Invested in Capital Assets	\$ 28,239,855	\$ 26,237,000
Less Depreciation	(12,397,397)	(11,545,516)
Net Investment in Capital Assets	\$ 15,842,458	\$ 14,691,484

Restricted assets include net position that are restricted for use either externally by creditors, granters, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2023 and 2022 as follows:

	2023	2022
Restricted Net Position:		
Emergency Reserves	\$ 126,500	\$ 114,900
Note Payable Requirements	535,100	501,800
Total Restricted Net Position	\$ 661,600	\$ 616,700

LFMSDD has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 7 NET POSITION (CONTINUED)

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023 and 2022, LFMSDD had the following net investment in capital assets, calculated as follows:

	2023	2022
Net Investment in Capital Assets:		
Invested in Capital Assets	\$ 42,996,433	\$ 42,972,021
Less: Depreciation	(9,568,859)	(8,528,173)
Net Investment in Capital Assets	\$ 33,427,574	\$ 34,443,848

Restricted assets include net position that are restricted for use either externally by creditors, granters, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. LFMSDD had restricted net position as of December 31, 2023 and 2022 as follows:

	2023	2022
Restricted Net Position:		
Emergency Reserves	\$ 53,500	\$ 47,400

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

NOTE 8 BOARD-DESIGNATED CASH BALANCES

The District's Board of Directors has chosen to designate the unrestricted cash balance for specific future needs to reflect the expected future use of available resources. These designations are nonbinding and subject to change.

- Designated for capital outlay – Represents an amount reserved for future capital outlay.
- Designated for renewal and replacement – Represents amounts to be used to secure financing for aging infrastructure within the existing system.
- Designated for note payable and liabilities – Represents amounts needed in the future to repay note payable and other liabilities.
- Designated for operations – Represents amounts set aside for operational expenses as determined by the Board of Directors.
- Designated for LFMSDD – Represents amounts designated to be used to fund construction and improvements of the treatment plant and interceptor sewer.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 8 BOARD-DESIGNATED CASH BALANCES (CONTINUED)

Cash balances designated by the Board of Directors are as follows:

	<u>Balance 1/1/23</u>	<u>Additions/ Dispositions</u>	<u>Balance 12/31/23</u>
Capital Outlay	\$ 10,643,612	\$ 3,068,171	\$ 13,711,783
Renewal and Replacement	3,529,633	61,034	3,590,667
Notes Payable and Liabilities	4,291,172	(62,890)	4,228,282
Operations	2,646,861	(1,662,718)	984,143
LFMSDD	3,012,179	2,481,211	5,493,390
Total	<u>\$ 24,123,457</u>	<u>\$ 3,884,808</u>	<u>\$ 28,008,265</u>

NOTE 9 RETIREMENT PLANS

Defined Contribution Pension Plan

The District participates in the Colorado County Officials and Employees Retirement Association (CCOERA), a multiple employer defined contribution plan, to which permanent employees contribute. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees become plan members after one year of regular full-time, or regular part-time service. Under this plan, 5% of the plan members' compensation is withheld and remitted to the plan administrator along with a matching payment of 5% from the District. Both the District and employees match are 100% vested at the time of contribution.

Contributions to the retirement plan for the years ended December 31, 2023 and 2022 were \$56,115 and \$54,144, respectively.

There is no liability for benefits under the plan beyond the District's matching payments.

Deferred Compensation Plan

The District maintains a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is administered by CCOERA. The plan allows the employee to defer a portion of their salary until future years. Effective January 1, 2020, the District will contribute up to a maximum of 3% of the employee's annual salary provided the employee contributes up to 3% of their salary. The assets held are not material to the statements of net position. There is no liability for benefits under the plan beyond the District's payments. Plan provisions and contribution requirements are established and may be amended by the District's Board of Directors.

Contributions to the retirement plan for the years ended December 31, 2023 and 2022 were \$40,497 and \$28,737, respectively.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2023 and 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

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

Prior to TABOR, sewer tap fees paid by customers were treated as contributions in aid of construction in fund equity. With the passing of TABOR, the appropriate treatment of tap fees was ambiguous. On May 7, 1996, an election was held whereby the voters in the District authorized the District to retain and spend revenues collected in 1993 and thereafter, which were in excess of the spending limits previously established by TABOR. Accordingly, tap fees have been classified as capital contributions.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an Enterprise will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**FOUNTAIN SANITATION DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES
FOUNTAIN SANITATION –
BUDGET COMPARED TO ACTUAL – CASH BASIS
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Sewage Charges	\$ 2,025,615	\$ 1,784,931	\$ (240,684)
Property Taxes	1,298,638	1,296,390	(2,248)
Specific Ownership Taxes	45,000	138,833	93,833
Tap Fees	30,000	914,185	884,185
Developer Participation Contribution	-	168,341	168,341
Interest Income	39,533	992,044	952,511
Miscellaneous Income	250	3,714	3,464
Total Revenues	<u>3,439,036</u>	<u>5,298,438</u>	<u>1,859,402</u>
EXPENDITURES			
Sewage Collection and Transmission:			
Personnel Services	310,500	243,784	66,716
Supplies	19,713	11,142	8,571
Repairs and Maintenance	115,578	22,220	93,358
Purchased Services	139,304	32,628	106,676
Utilities	8,232	5,663	2,569
System Renewal and Replacement Projects	309,350	588,302	(278,952)
Capital Outlay	295,751	96,573	199,178
Total Sewage Collection and Transmission	<u>1,198,428</u>	<u>1,000,312</u>	<u>198,116</u>
Sewer Treatment Plant:			
Personnel Services	430,140	412,690	17,450
Supplies	36,561	18,910	17,651
Repairs and Maintenance	88,499	38,947	49,552
Purchased Services	151,394	98,703	52,691
Utilities	90,188	111,484	(21,296)
Facility Renewal and Replacement Projects	263,532	19,993	243,539
Capital Outlay	126,781	109,365	17,416
Total Sewer Treatment Plant	<u>1,187,095</u>	<u>810,092</u>	<u>377,003</u>
Sewage Administration:			
Personnel Services	518,679	542,196	(23,517)
Supplies	30,450	30,087	363
Repairs and Maintenance	23,925	14,842	9,083
Purchased Services	168,420	64,059	104,361
Utilities	84,481	59,968	24,513
Fixed Charges	165,718	135,997	29,721
County Treasurer's Fees	28,050	19,469	8,581
Renewal and Replacement Projects	17,290	32,662	(15,372)
Capital Outlay	16,500	304,296	(287,796)
Transfer from JCC	-	92	(92)
Total Sewage Administration	<u>1,053,513</u>	<u>1,203,668</u>	<u>(150,155)</u>
Total Expenditures	<u>3,439,036</u>	<u>3,014,072</u>	<u>424,964</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 2,284,366</u>	<u>\$ 2,284,366</u>
Funds Available - Beginning of Year	-	-	-
FUNDS AVAILABLE - END OF YEAR	<u>\$ -</u>	<u>\$ 2,284,366</u>	<u>\$ 2,284,366</u>

**FOUNTAIN SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF REVENUES
AND EXPENDITURES – FOUNTAIN SANITATION
YEAR ENDED DECEMBER 31, 2023**

The accompanying Supplementary Schedule of Revenues and Expenditures – Budget Compared to Actual for Fountain Sanitation on page 29 presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of differences in revenues and expenditures for the year ended December 31, 2023 is presented below.

Total Revenue per Financial Statements (Operating and Nonoperating Revenue)	\$ 5,298,438
Add:	
Revenue Accruals and Noncash Adjustments at December 31, 2022	174,835
Less:	
Revenue Accruals and Noncash Adjustments at December 31, 2023	<u>(174,835)</u>
Total Actual Revenue and Receipts per the Budget	<u>\$ 5,298,438</u>
Total Expenses and Capital Expenditures per Financial Statements	\$ 2,461,595
Add:	
Expenses and Capital Expenditures Accruals and Noncash Adjustments at December 31, 2022	172,473
Capital Expenditures	1,116,012
Less:	
Expenses and Capital Expenditures Accruals and Noncash Adjustments at December 31, 2023	(145,280)
Depreciation and Amortization Expenses	<u>(590,728)</u>
Total Actual Expenses and Capital Expenditures per the Budget	<u>\$ 3,014,072</u>

**FOUNTAIN SANITATION DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES –
JIMMY CAMP CREEK ENTERPRISE –
BUDGET COMPARED TO ACTUAL – CASH BASIS
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Sewage Charges	\$ 2,514,743	\$ 2,461,079	\$ (53,664)
Tap Fees	346,782	432,473	85,691
IGA Contract Service Revenue - LFMSDD	637,674	747,647	109,973
Interest Income	33,812	362,849	329,037
Miscellaneous Income	250	1,209	959
Total Revenues	<u>3,533,261</u>	<u>4,005,257</u>	<u>471,996</u>
EXPENDITURES			
Sewage Collection and Transmission:			
Personnel Services	310,500	238,118	72,382
Supplies	19,713	11,142	8,571
Repairs and Maintenance	55,578	23,359	32,219
Purchased Services	87,304	31,761	55,543
Utilities	8,232	5,566	2,666
System Renewal and Replacement Projects	259,350	654,242	(394,892)
Capital Outlay	223,733	94,923	128,810
Capital Contributions LFMSDD	7,805	-	7,805
Total Sewage Collection and Transmission	<u>972,215</u>	<u>1,059,111</u>	<u>(86,896)</u>
Sewer Treatment Plant:			
Personnel Services	1,764,050	1,653,134	110,916
Supplies	19,688	10,183	9,505
Repairs and Maintenance	45,023	10,206	34,817
Purchased Services	81,520	66,692	14,828
Utilities	48,562	60,030	(11,468)
Facility Renewal and Replacement Projects	66,901	-	66,901
Capital Outlay	41,344	3,635	37,709
Capital Contributions LFMSDD	67,500	74,496	(6,996)
Total Sewer Treatment Plant	<u>2,134,588</u>	<u>1,878,376</u>	<u>256,212</u>
Sewage Administration:			
Personnel Services	33,936	25,675	8,261
Debt Service Payments	392,522	392,522	-
Transfer to FSD	-	(92)	92
Total Sewage Administration	<u>426,458</u>	<u>418,105</u>	<u>8,353</u>
Total Expenditures	<u>3,533,261</u>	<u>3,355,592</u>	<u>177,669</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 649,665</u>	<u>\$ 649,665</u>
Funds Available - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ -</u>	<u>\$ 649,665</u>	<u>\$ 649,665</u>

**FOUNTAIN SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF REVENUES
AND EXPENDITURES – JIMMY CAMP CREEK ENTERPRISE
YEAR ENDED DECEMBER 31, 2023**

The accompanying Supplementary Schedule of Revenues and Expenditures – Budget Compared to Actual for Jimmy Camp Creek Enterprise on page 31 presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of differences in revenues and expenditures for the year ended December 31, 2023 is presented below.

Total Revenue per Financial Statements (Operating and Nonoperating Revenue)	\$ 4,156,564
Add:	
Revenue Accruals and Noncash Adjustments at December 31, 2022	260,072
Less:	
Revenue Accruals and Noncash Adjustments at December 31, 2023	(275,311)
Capital Contributions	<u>(136,068)</u>
Total Actual Revenue and Receipts per the Budget	<u>\$ 4,005,257</u>
Total Expenses and Capital Expenditures per Financial Statements	\$ 2,546,082
Add:	
Principal Payment on Bonds	327,796
Amortization on Bond Premium	9,983
Expenses and Capital Expenditures Accruals and Noncash Adjustments at December 31, 2022	576,387
Capital Expenditures	886,844
Less:	
Expenses and Capital Expenditures Accruals and Noncash Adjustments at December 31, 2023	(730,346)
Depreciation and Amortization Expenses	<u>(261,154)</u>
Total Actual Expenses and Capital Expenditures per the Budget	<u>\$ 3,355,592</u>

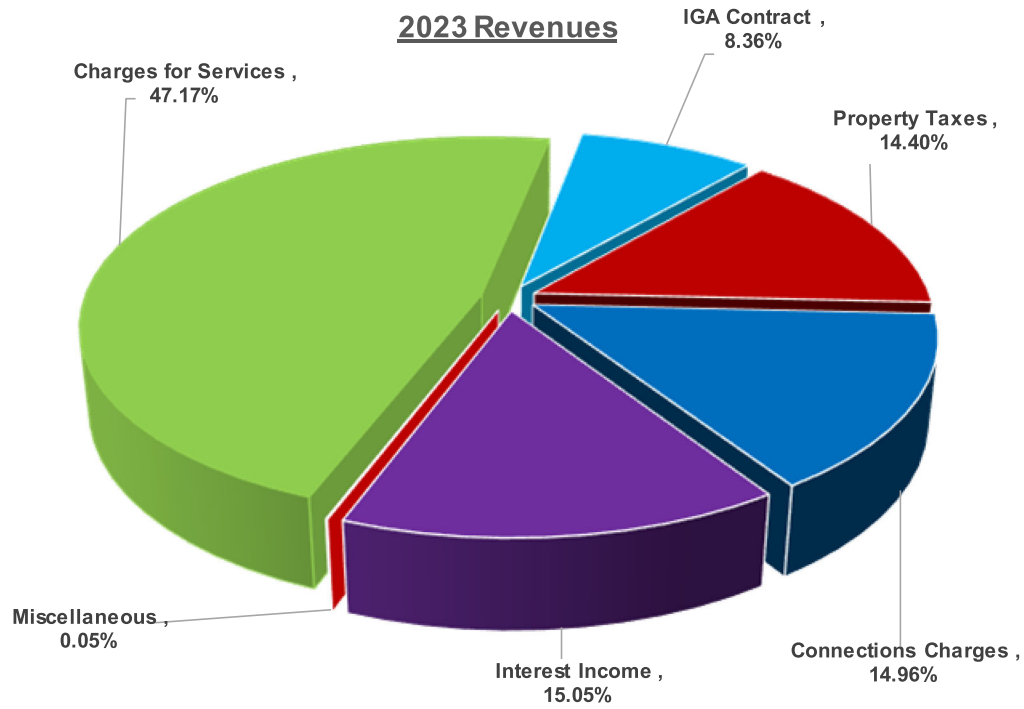
OTHER INFORMATION

**FOUNTAIN SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2023**

\$6,860,303 Loan Dated
November 1, 2011 Colorado
Water Resources and Power
Development Authority Gross Rates of
2.23% Principal and
Interest Payable February 1
and August 1

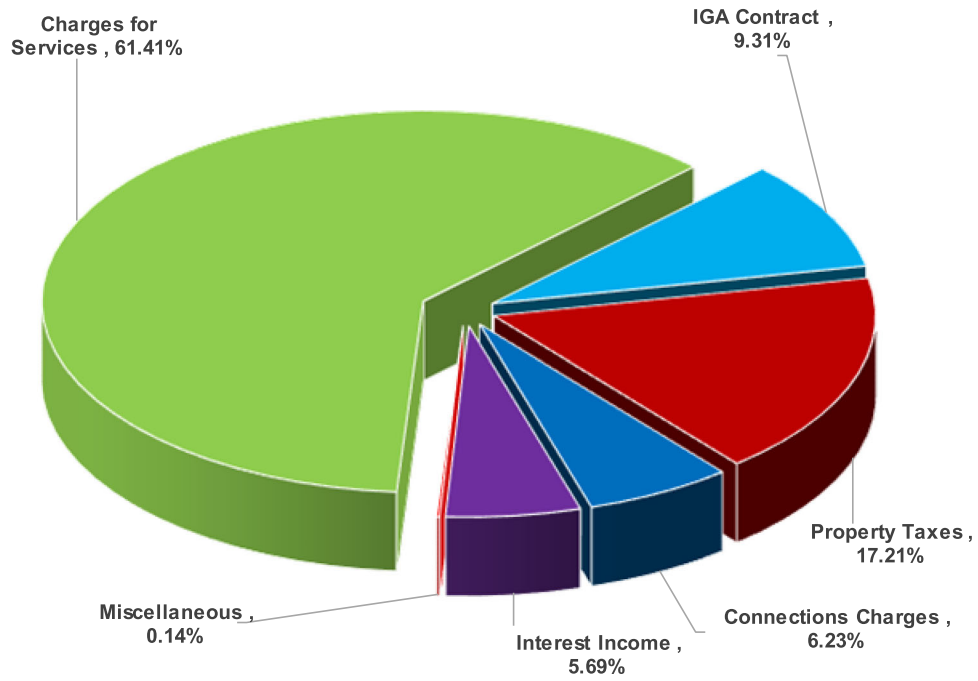
<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 327,796	\$ 36,736	\$ 364,532
2025	333,650	34,168	367,818
2026	333,650	31,796	365,446
2027	339,503	29,263	368,766
2028	339,503	24,321	363,824
2029	345,357	19,528	364,885
2030	362,917	14,803	377,720
2031	380,478	9,996	390,474
2032	398,036	5,068	403,104
Total	<u>\$ 3,160,890</u>	<u>\$ 205,679</u>	<u>\$ 3,366,569</u>

**FOUNTAIN SANITATION DISTRICT
SCHEDULE I
REVENUES BY CATEGORY
YEARS ENDED DECEMBER 31, 2023 AND 2022**



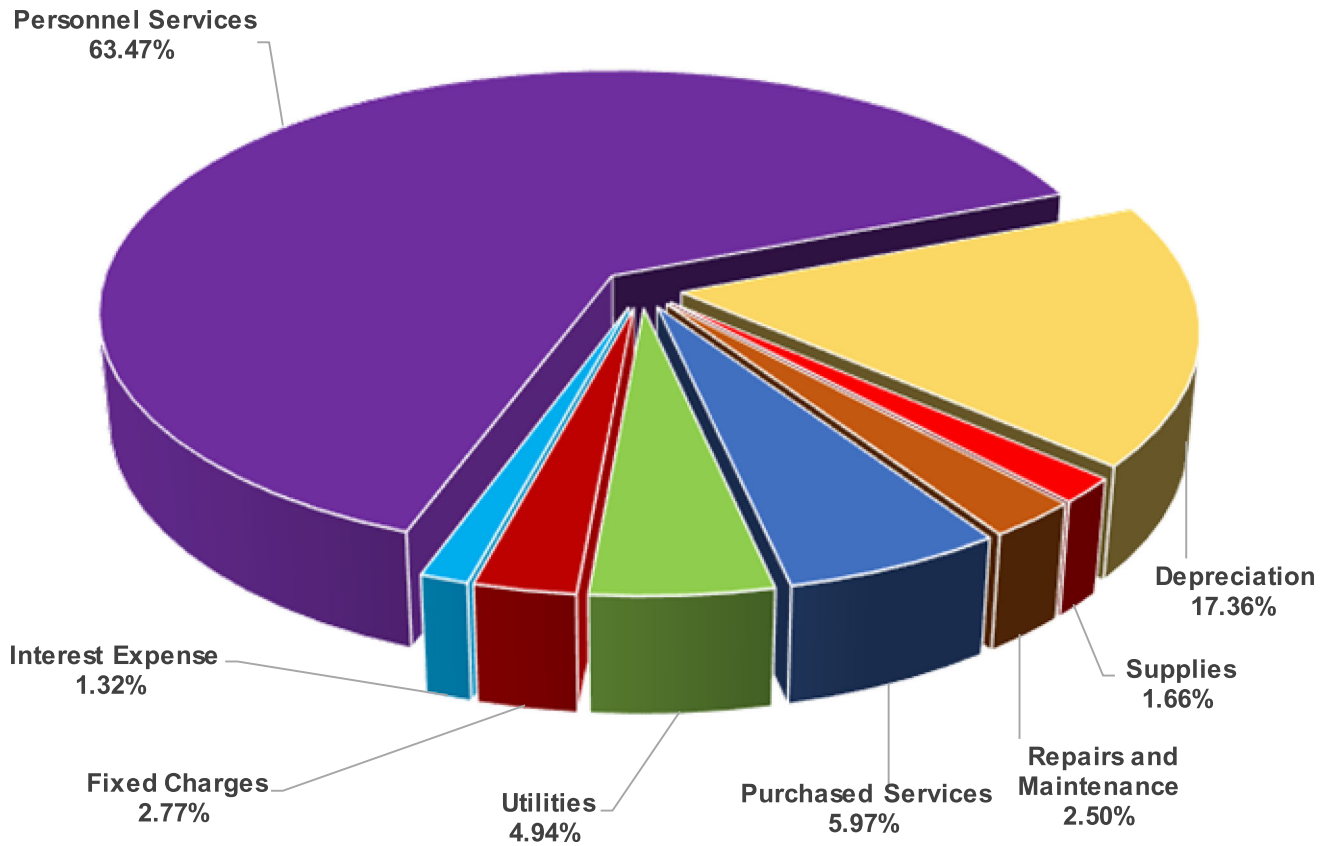
**FOUNTAIN SANITATION DISTRICT
SCHEDULE I
REVENUES BY CATEGORY
YEARS ENDED DECEMBER 31, 2023 AND 2022**

2022 Revenues



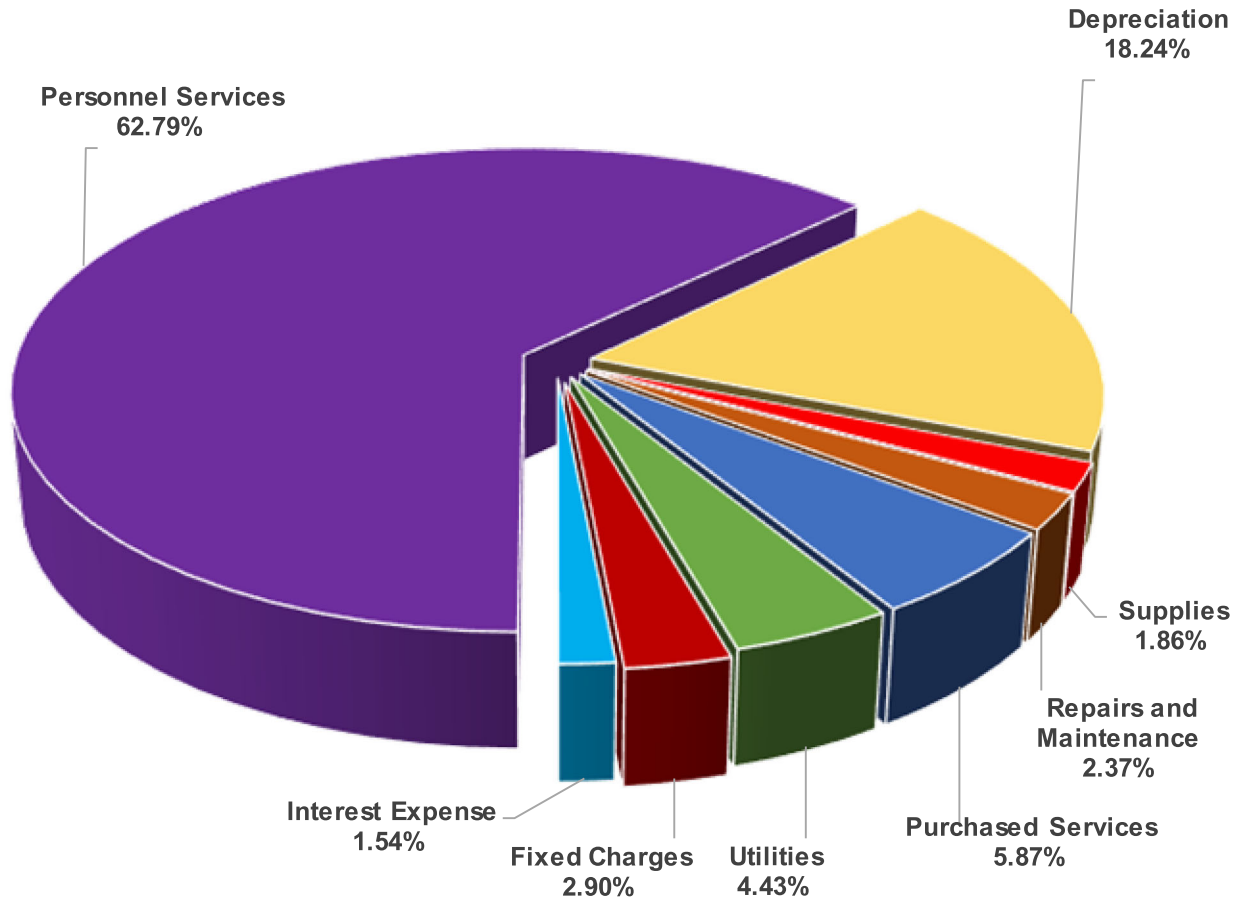
**FOUNTAIN SANITATION DISTRICT
SCHEDULE II
EXPENSES BY CATEGORY
YEARS ENDED DECEMBER 31, 2023 AND 2022**

2023 Expenses



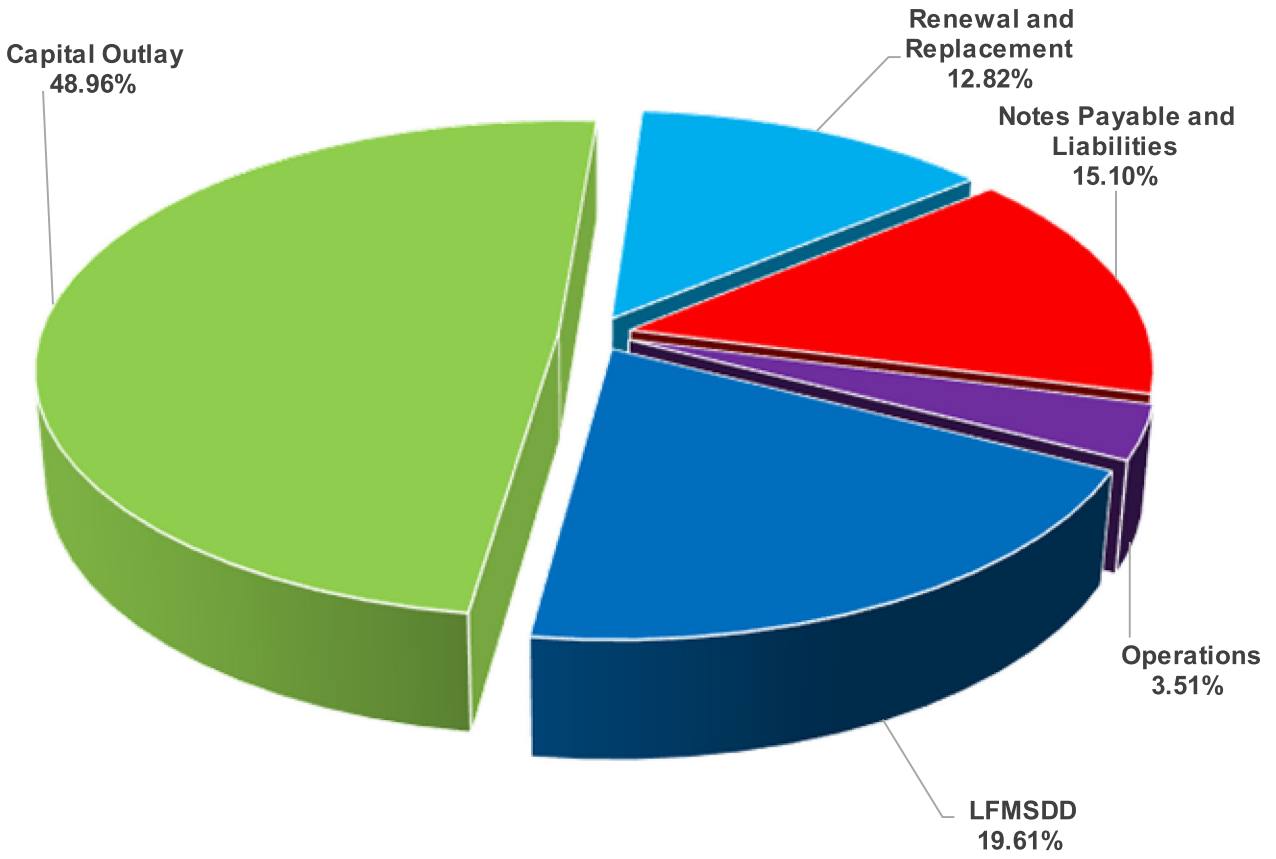
**FOUNTAIN SANITATION DISTRICT
SCHEDULE II
EXPENSES BY CATEGORY
YEARS ENDED DECEMBER 31, 2023 AND 2022**

2022 Expenses



**FOUNTAIN SANITATION DISTRICT
SCHEDULE III
CASH BALANCES DESIGNATED BY BOARD OF DIRECTORS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

2023 Cash Balances



**FOUNTAIN SANITATION DISTRICT
SCHEDULE III
CASH BALANCES DESIGNATED BY BOARD OF DIRECTORS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

2022 Cash Balances

