

PURGATOIRE RIVER WATER
CONSERVANCY DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2023

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Purgatoire River Water Conservancy District
Trinidad, Colorado

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Purgatoire River Water Conservancy District, as of December 31, 2023, and the respective changes in financial position and, where applicable, cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Purgatoire River Water Conservancy 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the Purgatoire River Water Conservancy 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 Purgatoire River Water Conservancy District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information 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 opinions on the financial statements that collectively comprise the Purgatoire River Water Conservancy District's basic financial statements. The individual fund financial statements and budget schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and budget schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



HANCOCK FROESE & COMPANY LLC

September 9, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Purgatoire River Water Conservancy District (the "District") financial performance provides an overview of the District's financial activities for the fiscal years ended December 31, 2023 and 2022. Readers are encouraged to consider the information presented here in conjunction with the financial statement information.

FINANCIAL HIGHLIGHTS

1. Assets of the District exceed its liabilities by \$1,043,605 of which \$52,533 is from the District's Business-type Activities. Unrestricted net position totaled \$871,230 and may be used to meet the District's on-going obligations.
2. Restricted net assets include \$16,300 required by TABOR, the emergency contingency required by Article X, Section 20 of the Colorado Constitution.
3. The District's Governmental Funds reported a combined ending fund balance of \$834,997 which is only the General Fund.
4. The Governmental Funds reported total unassigned fund balance of \$815,507.
5. The District's Proprietary Funds reported combined Total Net Position of \$52,533 of which the total net position is unrestricted.
6. The District's Proprietary Funds reported \$52,533 in cash.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management discussion and analysis (this section), the basic financial statements, required supplementary information and a section that presents individual fund financial statements and the budget statement for the PRWCD Enterprise Fund (other supplementary information). This discussion and analysis serves as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains required and other additional information in addition to the basic financial statements.

Government-wide Financial Statements

The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. They consist of two statements:

1. The **Statement of Net Position** presents information on all of the District's assets and liabilities, with the difference between the two reported as **net position**. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
2. The **Statement of Activities** presents information reporting how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statements for some items that will result in cash flows in future fiscal periods. Earned but unused vacation leave and accrued interest expense are examples of these types of items.

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 costs through user fees and charges (business-type activities). The governmental activities of the District includes the General Fund. The business-type activities of the District includes the PRWCD Enterprise Fund.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund Financial Statements

A Fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. All District funds can be divided into two categories:

- Governmental funds
- Proprietary funds

Governmental funds: Governmental funds account for essentially the same functions reported as governmental activities in the District-wide financial statements. Unlike the District-wide financial statements, however, governmental fund financial statements focus on how money flows into and out of those funds and the balances at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information provides a detailed short-term view of the District's general government operations and may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the District-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the District-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance.

The District maintains one individual governmental fund. Information is presented separately in the governmental fund Balance sheet and the Statement of Revenue, Expenditures, and Changes in Fund Balance for each fund.

Proprietary funds: The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions as business-type activities in the District-wide financial statements. The District uses the Enterprise Fund to account for the Water Activity Enterprise.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District. The District adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for all major funds to demonstrate compliance with the budget requirement.

Supplementary Information

The Individual financial statements are presented immediately following the required supplementary information.

Financial Analysis of the District as a Whole

Net Position

Net position may serve as useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$1,043,605 at the close of the most recent fiscal year.

Investment in capital assets (e.g., land, buildings, machinery, and equipment) less any accumulated depreciation and related debt to acquire those assets that is still outstanding makes up 15% of total net position. The District's uses these capital assets to provide services for water conservation activities; consequently, these assets are not available for future spending.

Restricted net position is designed to reflect the net position that is subject to restrictions beyond the District's control; restricted net position is 2% of total net position.

The largest portion of the District's net position 83% reflects the unrestricted portion of net position. Unrestricted net position may be used to meet the government's ongoing obligations to creditors.

The District is able to report positive balances in all three categories of net position for the government as a whole, as well as for its separate business-type activities.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table reflects the condensed Statement of Net Position.

District Combined Net Position as of December 31, 2023 and 2022

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
Assets						
Current assets	\$1,258,559	\$1,163,287	\$ 52,533	\$ 48,047	\$ 1,311,092	\$ 1,211,334
Capital assets	156,075	166,440	-	-	156,075	166,440
Total Assets	<u>1,414,634</u>	<u>1,329,727</u>	<u>52,533</u>	<u>48,047</u>	<u>1,467,167</u>	<u>1,377,774</u>
Liabilities						
Current liabilities	25,462	27,050	-	-	25,462	27,050
Non-current liabilities	-	-	-	-	-	-
Total liabilities	<u>25,462</u>	<u>27,050</u>	<u>-</u>	<u>-</u>	<u>25,462</u>	<u>27,050</u>
Deferred Inflows of resources						
Deferred rev.–property taxes	398,100	390,360	-	-	398,100	390,360
Net position						
Net investment in capital assets	156,075	166,440	-	-	156,075	166,440
Restricted	16,300	25,000	-	-	16,300	25,000
Unrestricted (deficit)	818,697	720,877	52,533	48,047	871,230	768,924
Total net position	<u>\$ 991,072</u>	<u>\$ 912,317</u>	<u>\$ 52,533</u>	<u>\$ 48,047</u>	<u>\$ 1,043,605</u>	<u>\$ 960,364</u>

Restrictions in the governmental activities include \$16,300 for statutory reserves for emergencies required by TABOR.

Changes in Net Position

The following table reflects a condensed summary of activities and changes in net position.

District's Condensed Changes in Net Position

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services	\$ 131,002	\$ 77,120	\$ 36,121	\$33,665	\$167,123	\$110,785
Operating Grants and Contributions	6,877	10,000	-	-	6,877	10,000
Capital Grants and Contributions	-	69,322	-	-	-	69,322
General Revenue:						
Property Taxes	411,779	379,513	-	-	411,779	379,513
Specific Ownership Taxes	59,181	69,352	-	-	59,181	69,352
Interest	14,082	2,228	-	-	14,082	2,228
Other	8,621	6,713	-	-	8,621	6,713
Total Revenues	<u>631,542</u>	<u>614,248</u>	<u>36,121</u>	<u>33,665</u>	<u>667,663</u>	<u>647,913</u>

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
Expenses						
Governmental Activity	552,787	556,836	-	-	552,787	556,836
Business Type Activity	-	-	31,635	13,956	31,635	13,956
Total Expenses	<u>552,787</u>	<u>556,836</u>	<u>31,635</u>	<u>13,956</u>	<u>584,422</u>	<u>570,792</u>
Revenues over (under) expenditures	78,755	57,412	4,486	19,709	83,241	77,121
Transfers in (out)	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Change in Net Position	78,755	57,412	4,486	19,709	83,241	77,121
Net Position, Beginning	<u>912,317</u>	<u>854,905</u>	<u>48,047</u>	<u>28,338</u>	<u>960,364</u>	<u>883,243</u>
Net Position, Ending	<u>\$ 991,072</u>	<u>\$ 912,317</u>	<u>\$ 52,533</u>	<u>\$ 48,047</u>	<u>\$ 1,043,605</u>	<u>\$ 960,364</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUND

The focus of the District governmental fund provides information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year. As of the end of the year, the District's governmental funds reported a combined fund balance of \$834,997. Of that fund balance, \$815,507 constitutes unassigned fund balance, which is available for spending at the government's discretion, \$3,190 is non-spendable for prepaid expenses and the remainder reflects a state constitution mandated emergency reserve of \$16,300.

PROPRIETARY FUND

The District's proprietary funds provide the same type of information found in the government-wide financial statements. The District's proprietary fund is a major fund. The net position is \$52,533 and is all unrestricted.

BUDGETARY HIGHLIGHTS

The General Fund's final budget was \$741,820 in Revenues and \$1,402,785 in Expenditures. The Actual amounts were \$631,542 in Revenues and \$542,422 in Expenditures.

The PRWCD Enterprise Fund's final budget was \$34,100 in Revenues and \$25,000 in Expenditures. The Actual amounts were \$36,121 in Revenues and \$31,635 in Expenditures.

Expenditures exceeded appropriations in the PRWCD Enterprise Fund.

ECONOMIC FACTORS AFFECTING FUTURE FINANCIAL CONDITIONS

The District's Board of Directors considered many factors when setting the fiscal year 2024 budget, tax rates, and fees that will be charged for business-type activities.

Factors that have a potential to significantly impact the District's 2024 budget include the ongoing rising cost of health insurance, the fluctuation in fuel and energy costs, increase in Colorado's minimum wage and pay increases for employees and contract laborers, and the decision to increase rates charged in the PRWCD Enterprise Fund. The District will consider spending additional funds for the head gate project and construction repayment next year if funds are available.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

REQUESTS FOR INFORMATION

This financial report is designed to provide our taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions about this report and requests for additional information can be obtained by contacting the Secretary of the Board, 3590 East Main Street, Suite 3, Trinidad, CO 81082.

BASIC FINANCIAL STATEMENTS

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

STATEMENT OF NET POSITION

DECEMBER 31, 2023

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 802,362	\$ 52,533	\$ 854,895
RECEIVABLES - NET			
ACCOUNTS	54,907	-	54,907
PROPERTY TAXES	398,100	-	398,100
REIMBURSEMENT	-	-	-
PREPAID EXPENSES	3,190	-	3,190
CAPITAL ASSETS - NET			
EQUIPMENT	156,075	-	156,075
TOTAL ASSETS	\$ 1,414,634	\$ 52,533	\$ 1,467,167
LIABILITIES			
ACCOUNTS PAYABLE	\$ 21,500	\$ -	\$ 21,500
ACCRUED EXPENSES	3,962	-	3,962
UNEARNED REVENUES	-	-	-
TOTAL LIABILITIES	25,462	-	25,462
DEFERRED INFLOWS OF RESOURCES			
DEFERRED REVENUES - PROPERTY TAXES	398,100	-	398,100
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	156,075	-	156,075
RESTRICTED FOR			
EMERGENCIES - TABOR	16,300	-	16,300
UNRESTRICTED	818,697	52,533	871,230
TOTAL NET POSITION	991,072	52,533	1,043,605
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 1,414,634	\$ 52,533	\$ 1,467,167

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

STATEMENT OF ACTIVITIES

DECEMBER 31, 2023

	PROGRAM REVENUES				CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
FUNCTIONS							
GOVERNMENTAL ACTIVITIES							
GENERAL GOVERNMENT	\$ 552,787	\$ 131,002	\$ 6,877	\$ -	\$ (414,908)	\$ -	\$ (414,908)
BUSINESS-TYPE ACTIVITIES							
WATER CONSERVATION	31,635	36,121	-	-	-	4,486	4,486
TOTAL PRIMARY GOVERNMENT	<u>\$ 584,422</u>	<u>\$ 167,123</u>	<u>\$ 6,877</u>	<u>\$ -</u>	<u>(414,908)</u>	<u>4,486</u>	<u>(410,422)</u>
GENERAL REVENUES							
PROPERTY TAXES					411,779	-	411,779
SPECIFIC OWNERSHIP TAXES					59,181	-	59,181
INTEREST REVENUE					14,082	-	14,082
OTHER REVENUE					8,621	-	8,621
TOTAL GENERAL REVENUES					<u>493,663</u>	<u>-</u>	<u>493,663</u>
CHANGE IN NET POSITION					78,755	4,486	83,241
NET POSITION - BEGINNING					<u>912,317</u>	<u>48,047</u>	<u>960,364</u>
NET POSITION - ENDING					<u>\$ 991,072</u>	<u>\$ 52,533</u>	<u>\$ 1,043,605</u>

SEE NOTES TO FINANCIAL STATEMENTS

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

BALANCE SHEET

GOVERNMENTAL FUND

DECEMBER 31, 2023

	<u>GENERAL FUND</u>
ASSETS	
CASH AND CASH EQUIVALENTS	\$ 802,362
RECEIVABLES	
ACCOUNTS	54,907
PROPERTY TAXES	398,100
PREPAID EXPENSES	<u>3,190</u>
TOTAL ASSETS	<u>\$ 1,258,559</u>
LIABILITIES	
ACCOUNTS PAYABLE	\$ 21,500
ACCRUED EXPENSES	<u>3,962</u>
TOTAL LIABILITIES	<u>25,462</u>
DEFERRED INFLOWS OF RESOURCES	
DEFERRED REVENUES - PROPERTY TAXES	<u>398,100</u>
FUND BALANCE	
NONSPENDABLE:	
PREPAID EXPENSES	3,190
RESTRICTED:	
EMERGENCIES - TABOR	16,300
UNASSIGNED	<u>815,507</u>
TOTAL FUND BALANCE	<u>834,997</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 1,258,559</u>

SEE NOTES TO FINANCIAL STATEMENTS

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION
ARE DIFFERENT BECAUSE:

Governmental funds total fund balances	\$ 834,997
Capital assets and right-to-use assets used in governmental funds are not considered current financial resources and, therefore, not reported in the governmental funds.	207,433
Accumulated depreciation is not recognized in the governmental funds because capital assets and right-to-use assets are expensed at the time of acquisition.	<u>(51,358)</u>
Governmental activities net position	<u><u>\$ 991,072</u></u>

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2023

	<u>GENERAL FUND</u>
REVENUES	
TAXES	\$ 470,960
CHARGES FOR SERVICES	131,002
INTEREST	14,082
OTHER	8,621
REIMBURSEMENT	6,877
TOTAL REVENUES	631,542
EXPENDITURES	
GENERAL GOVERNMENT	
IRRIGATION ADMINISTRATION	542,422
TOTAL EXPENDITURES	542,422
REVENUES OVER (UNDER) EXPENDITURES	89,120
FUND BALANCE JANUARY 1	745,877
FUND BALANCE DECEMBER 31	\$ 834,997

SEE NOTES TO FINANCIAL STATEMENTS

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
ARE DIFFERENT BECAUSE:

Governmental funds changes in fund balances		\$	89,120
<p>Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount by which capital outlays differ from depreciation in the current period.</p>			
Capitalized expenditures		\$	-
Depreciation expense			(10,365)
			(10,365)
Governmental activities change in net position		\$	78,755

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUND

DECEMBER 31, 2023

	<u>PRWCD</u> <u>ENTERPRISE FUND</u>
CURRENT ASSETS	
CASH & CASH EQUIVALENTS	\$ 52,533
ACCOUNTS RECEIVABLE	-
TOTAL CURRENT ASSETS	<u>\$ 52,533</u>
CURRENT LIABILITIES	
ACCOUNTS PAYABLE	\$ -
TOTAL CURRENT LIABILITIES	<u>-</u>
NET POSITION	
NET INVESTMENT IN CAPITAL ASSETS	-
UNRESTRICTED	<u>52,533</u>
TOTAL NET POSITION	<u>52,533</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 52,533</u>

SEE NOTES TO FINANCIAL STATEMENTS

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2023

	<u>PRWCD ENTERPRISE FUND</u>
REVENUES	
WATER STORAGE AND SALES	\$ 33,521
OTHER REVENUE	2,600
TOTAL REVENUES	<u>36,121</u>
OPERATING EXPENSES	
WATER STORAGE AND PURCHASES	30,000
OTHER	1,635
TOTAL OPERATING EXPENSES	<u>31,635</u>
OPERATING INCOME	4,486
NONOPERATING REVENUES (EXPENSES)	<u>-</u>
CHANGE IN NET POSITION	4,486
NET POSITION JANUARY 1	<u>48,047</u>
NET POSITION DECEMBER 31	<u><u>\$ 52,533</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

DECEMBER 31, 2023

	<u>PRWCD</u> <u>ENTERPRISE FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
CASH RECEIVED FROM CUSTOMERS & USERS	\$ 36,121
CASH PAYMENTS TO VENDORS	<u>(31,635)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>4,486</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
ACQUISITION OF CAPITAL ASSETS	<u>-</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>
NET CHANGE IN CASH AND RESTRICTED CASH	4,486
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>48,047</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 52,533</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
OPERATING INCOME (LOSS)	\$ 4,486
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET	
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
DEPRECIATION	-
CHANGE IN ASSETS AND LIABILITIES	
ACCOUNTS RECEIVABLE	-
ACCOUNTS PAYABLE	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 4,486</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Purgatoire River Water Conservancy District (the "District") was formed pursuant to Colorado Revised Statutes on June 3, 1960, for the administration of the irrigation capacity in Trinidad Reservoir and the distribution of water to the District's irrigable area comprised of eleven existing independent irrigation systems. The District designates a nine-member Board of Directors to act as the governing authority. The accounting policies of the Purgatoire River Water Conservancy District conform to generally accepted accounting principles as applicable to governments. The District's reporting entity applies all relevant Government Accounting Standards Board (GASB) pronouncements. A summary of significant policies is as follows:

Financial Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial reporting Entity" amended by GASB Statement No. 39, describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

The District is not included in any other governmental "reporting entity" as defined in GASB No. 14. As required by accounting principles generally accepted in the United States of America, these basic financial statements present the District (the primary government) and its component units if applicable. Currently no component units have been included in the District's reporting entity because of a lack of significant operational or financial relationship with the District.

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property and specific ownership taxes, interest revenues, and charges for services are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grants, reimbursements, and entitlement awards are recorded as revenue when earned. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District has the following major funds:

Governmental Fund:

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

Proprietary Fund:

PRWCD Enterprise Fund – The PRWCD Enterprise Fund accounts for the activities of the District's water storage, sales, and purchases. It accounts for transactions that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the costs and expenses of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through charges. The fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing or delivering goods in connection with the fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Budgets and Budgetary Accounting

The District adheres to the following procedures in establishing budgeting data reflected in the financial statements:

Public hearings are held to obtain taxpayer comment.

Prior to December 31, the budget is adopted by formal resolution.

Revisions that alter the total expenditures of any fund generally must be approved by the Board of Directors.

Appropriations lapse at year end and any open purchase items must be re-appropriated in the following year.

Expenditures may not legally exceed appropriations at the fund level.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because at the present time it is not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

Cash and Cash Equivalents

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

State statutes authorize the District to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, banker's acceptances, and mutual funds composed of otherwise legal investments. All investments of the District are certificates of deposits in the District's name. Investments are recorded at cost (the fair value at December 31, 2023).

Interfund Receivables/Payables

Outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Capital Assets

Capital assets, which include property, plant, and equipment are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment	5-20

Property Tax Revenues Recognition

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied November 15 and are due and payable in full by April 30 or in two equal installments due February 28 and June 15 of the ensuing year to the County Treasurers.

Water Leases

The right to use water from certain canal companies and reservoirs in the area is leased from the stockholders of these entities for a period designated in the leases. The District in turn rents the right to the water to individuals or entities that wish to use the water for a fee. The lease is amortized into expense over the term of the lease, usually one year. The revenue from the use of the water is recognized as earned based on the terms of the lease.

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefits Amounts

Accumulated unpaid vacation, sick pay, and other employee benefits amounts should be accrued when incurred in proprietary funds (using the accrual basis of accounting). Such amounts would not be accrued in governmental funds (using the modified accrual basis of accounting). Accrued vacation and sick leave payable would be reflected in the statement of net position for all governmental fund types.

Long – Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund statements, long-term debt is reported as liabilities in the applicable financial statements. Bond premiums and discounts, as well as issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred. Lease payables and other long-term obligations that will be paid from the General Fund are not recognized as a liability in the fund financial statement until due. The District's lease payables in the General Fund are serviced from property taxes and other revenues.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report 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. The government has only one type of item that qualifies for reporting in this category. Deferred revenue – property taxes, represents unavailable revenues that are deferred and recognized in the period that the amounts become available.

Net Position / Fund Position

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

Net investment in capital assets – This amount consists of capital assets, net of accumulated depreciation, reduced by outstanding debt, if applicable, attributed to the acquisition, construction, or improvement of those assets.

Restricted net position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted net position – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position”

GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position / Fund Position (Continued)

Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or required to be maintained intact;

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;

Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the General Fund.

The Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established through the adoption or amendment of the budget as intended for specific purposes.

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, followed by committed fund balance, assigned fund balance and unassigned fund balance.

Restricted Fund Balance

Emergency Reserves have been provided for as required by article X, Section 20 of the Constitution of the State of Colorado. A portion of the fund balance has been restricted in compliance with this requirement.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

Credit Risk - The District may invest in bonds or other interest-bearing obligations issued by or unconditionally guaranteed by the United States, bonds that are the direct obligation of the State of Colorado or any county, city or school district in the State. The District may also invest in repurchase agreements of any marketable security otherwise authorized by law, where the market value of such security is at all times at least equal to the monies involved and there is assignment of such security pursuant to current depository regulations. Investments are carried at fair value as determined by published stock quotes.

Interest Risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to loss resulting from increasing interest rates. The Colorado Revised Statute 24-75-601 limits investment maturities to five years or less without governing board approval.

Concentration of Credit Risk – The District does not have a formal policy restricting the amount that can be invested in any issuer.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)

Deposits as of December 31, 2023, had a bank balance of \$827,794 with a corresponding carrying balance as follows:

Insured Deposits	\$ 407,252
Covered by Public Deposit Protection Act	<u>420,542</u>
Total Cash Insured	<u>\$ 827,794</u>

Cash and Cash Equivalents is reported as follows:

Cash	\$ 827,794
Cash with County Treasurer	<u>27,101</u>
Total Cash and Cash Equivalents	<u>\$ 854,895</u>

The District may invest in bonds or other interest-bearing obligations issued by or unconditionally guaranteed by the United States, bonds that are the direct obligation of the State of Colorado, or any county, city or school district in the State. The District may also invest in repurchase agreements of any marketable security otherwise authorized by law, where the market value of such security is at all times at least equal to the moneys involved and there is assignment of such security pursuant to current deposit regulations.

NOTE 3 – PROPERTY TAXES RECEIVABLE AND DEFERRED REVENUES

Taxes receivable represents 2023 property tax assessments, which are due in 2024. Deferred revenue in the same amount has also been recognized.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2023 was as follows:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
<u>Governmental Activities</u>				
Depreciable Assets:				
Equipment	\$ 207,433	\$ -	\$ -	\$ 207,433
Accumulated Depreciation	<u>(40,993)</u>	<u>(10,365)</u>	<u>-</u>	<u>(51,358)</u>
Governmental Activities				
Capital Assets - Net	<u>\$ 166,440</u>	<u>\$ (10,365)</u>	<u>\$ -</u>	<u>\$ 156,075</u>

For the year ended December 31, 2023, depreciation/amortization expense of \$10,365 was charged to general government in the governmental activities.

NOTE 5 – COMPENSATED ABSENCES

The District did not have any compensated absence payable as of December 31, 2023.

NOTE 6 – DEFINED CONTRIBUTION PLAN

Plan Description – The District’s employees participate in the District’s Simple – IRA plan, whereby the District will match contributions up to 3% of all employee’s wages who contribute. The District is the trustee of the plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plan. The Plan is administered by Vanguard.

Funding Policy – There is no waiting period for employees to participate and there are no vesting terms or forfeitures associated with the plan. The plan requires that the District match employee contributions up to 3% of the employees’ annual compensation. The District’s contributions to the plan in 2023 were \$1,350. As of December 31, 2023, there was no liability outstanding related to the plan.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – CONTINGENCIES – TAX, SPENDING, AND DEBT LIMITATIONS

In November 1992, the voters of Colorado passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue-raising, spending abilities, and other specific requirements of state and local governments.

The entity's financial activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth.

Fiscal year spending and revenue limits are determined based on the prior years' 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.

The Amendment 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, the Amendment specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or irrevocable pledging present cash reserves for all future payments.

The Amendment requires that Emergency Reserves be established. These reserves must be at least 3 percent of Fiscal Year Spending (excluding bonded debt service). Emergency reserves have been presented as a reservation of fund balance in the General Fund. The entity is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 6, 2018, the authorized voters of the District voted to authorize the District to collect, retain, and expend all revenues and other funds collected beginning in 2018, from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution, effective January 1, 2019 provided that no local tax rate or mill levy shall be increased without further voter approval.

The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations in the amendment's language in order to determine its compliance.

NOTE 8– INTER-FUND RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between the District funds for the reimbursement of expenditures. Related inter-fund receivables and payables are classified as “due from the other fund” and “due to other fund” on the balance sheet and statement of net position and will be settled within one year. As of December 31, 2023, the inter-fund receivable and payable was \$0, respectively.

NOTE 9– CONTRACT BETWEEN THE UNITED STATES AND THE PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

The Purgatoire River Water Conservancy District acts as the administrative entity on behalf of irrigation ditch companies for the repayment of construction costs to the United States associated with the Trinidad Reservoir Project. Annual payments contingent upon water supply and prices are assessed to the District by the United States; and the District, in turns, assesses the irrigation ditch companies. Annual payment requirements cannot exceed \$140,000 or be less than \$20,000 by agreement.

The total construction repayment requirement for the Trinidad Project is \$6,435,600 to be paid over 75-year period. The District has paid \$2,484,351 during the 39-year period ending December 31, 2023, leaving a balance due of \$3,951,249 over the remaining 36 years of the repayment period.

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – RISK MANAGEMENT

The District carries commercial insurance for their risks. These risks are business interruption, property losses, natural disasters and injuries to employees. The District did not have any claims that exceeded coverage in the last three years.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

REQUIRED SUPPLEMENTARY INFORMATION

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON A BUDGETARY BASIS

GENERAL FUND

YEAR ENDED DECEMBER 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
TAXES				
GENERAL PROPERTY	\$ 390,360	\$ 390,360	\$ 411,779	\$ 21,419
SPECIFIC OWNERSHIP	68,000	68,000	59,181	(8,819)
CHARGES FOR SERVICES				
OPERATIONS AND MAINTENANCE	141,000	141,000	111,002	(29,998)
CONSTRUCTION REPAYMENTS	20,000	20,000	20,000	-
MISCELLANEOUS				
REIMBURSEMENTS	112,400	112,400	6,877	(105,523)
EARNINGS ON INVESTMENTS	2,300	2,300	14,082	11,782
RENT	6,660	6,660	6,660	-
OTHER	1,100	1,100	1,961	861
TOTAL REVENUES	741,820	741,820	631,542	(110,278)
EXPENDITURES				
GENERAL GOVERNMENT				
OFFICE	17,000	17,000	22,497	(5,497)
INSURANCE	8,412	8,412	11,345	(2,933)
DIRECTORS AND TRAVEL	19,000	19,000	17,848	1,152
ADMINISTRATIVE COST	2,100	2,100	6,984	(4,884)
TREASURER FEE	6,000	6,000	7,328	(1,328)
SALARIES AND BENEFITS	49,845	49,845	49,815	30
PROFESSIONAL FEES	133,111	133,111	122,246	10,865
OPERATIONS & MAINTENANCE CONTRA	209,000	209,000	179,202	29,798
CONSTRUCTION REPAYMENTS	106,000	106,000	105,000	1,000
PROJECT & SATELLITE MAINTENANCE	10,100	10,100	68	10,032
CAPITAL OUTLAY	126,800	126,800	20,089	106,711
CONTINGENCY RESERVE	715,417	715,417	-	715,417
TOTAL EXPENDITURES	1,402,785	1,402,785	542,422	860,363
REVENUES OVER (UNDER) EXPENDITURES	(660,965)	(660,965)	89,120	750,085
FUND BALANCE JANUARY 1	745,877	745,877	745,877	-
FUND BALANCE DECEMBER 31	\$ 84,912	\$ 84,912	\$ 834,997	\$ 750,085

SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT

SUPPLEMENTARY INFORMATION

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

BALANCE SHEET

GENERAL FUND

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CASH & CASH EQUIVALENTS	\$ 802,362	\$ 743,626
RECEIVABLES		
ACCOUNTS	54,907	26,660
PROPERTY TAXES	398,100	390,360
PREPAID EXPENSES	<u>3,190</u>	<u>2,641</u>
TOTAL ASSETS	<u>\$ 1,258,559</u>	<u>\$ 1,163,287</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ 21,500	\$ 24,501
ACCRUED EXPENSES	<u>3,962</u>	<u>2,549</u>
TOTAL LIABILITIES	<u>25,462</u>	<u>27,050</u>
DEFERRED INFLOWS OF RESOURCES		
DEFERRED REVENUES - PROPERTY TAXES	<u>398,100</u>	<u>390,360</u>
FUND BALANCE		
NONSPENDABLE:		
PREPAID EXPENSES		
RESTRICTED:		
EMERGENCIES - TABOR	3,190	2,641
UNASSIGNED	16,300	25,000
	<u>815,507</u>	<u>718,236</u>
TOTAL FUND BALANCE	<u>834,997</u>	<u>745,877</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 1,258,559</u>	<u>\$ 1,163,287</u>

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUES		
TAXES		
GENERAL PROPERTY	\$ 411,779	\$ 379,513
SPECIFIC OWNERSHIP	59,181	69,352
CHARGES FOR SERVICES		
OPERATIONS AND MAINTENANCE	111,002	62,853
CONSTRUCTION REPAYMENTS	20,000	14,267
MISCELLANEOUS		
REIMBURSEMENTS	6,877	79,322
EARNINGS ON INVESTMENTS	14,082	2,228
RENT	6,660	6,660
OTHER	1,961	53
	631,542	614,248
TOTAL REVENUES		
EXPENDITURES		
GENERAL GOVERNMENT		
OFFICE	22,497	18,494
INSURANCE	11,345	11,137
DIRECTORS AND TRAVEL	17,848	16,047
ADMINISTRATIVE COST	6,984	4,557
TREASURER FEE	7,328	7,356
SALARIES AND BENEFITS	49,815	47,995
PROFESSIONAL FEES	122,246	118,933
OPERATIONS & MAINTENANCE CONTRACT	179,202	194,364
CONSTRUCTION REPAYMENTS	105,000	110,000
PROJECT & SATELLITE MAINTENANCE	68	17,592
CAPITAL OUTLAY	20,089	133,990
	542,422	680,465
TOTAL EXPENDITURES		
REVENUES OVER (UNDER) EXPENDITURES	89,120	(66,217)
FUND BALANCE JANUARY 1	745,877	812,094
FUND BALANCE DECEMBER 31	\$ 834,997	\$ 745,877

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

STATEMENT OF NET POSITION

PRWCD ENTERPRISE FUND

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
CASH & CASH EQUIVALENTS	\$ 52,533	\$ 48,047
ACCOUNTS RECEIVABLE	<u>-</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>52,533</u>	<u>48,047</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	<u>\$ -</u>	<u>\$ -</u>
TOTAL CURRENT LIABILITIES	<u>-</u>	<u>-</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	-	-
UNRESTRICTED	<u>52,533</u>	<u>48,047</u>
TOTAL NET POSITION	<u>52,533</u>	<u>48,047</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 52,533</u></u>	<u><u>\$ 48,047</u></u>

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PRWCD ENTERPRISE FUND
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
OPERATING REVENUES		
WATER STORAGE & SALES	\$ 33,521	\$ 30,465
OTHER REVENUE	2,600	3,200
TOTAL OPERATING REVENUES	36,121	33,665
OPERATING EXPENSES		
WATER STORAGE & PURCHASES	30,000	12,500
OTHER	1,635	1,456
TOTAL OPERATING EXPENSES	31,635	13,956
OPERATING INCOME	4,486	19,709
NONOPERATING REVENUES (EXPENSES)	-	-
CHANGE IN NET POSITION	4,486	19,709
NET POSITION JANUARY 1	48,047	28,338
NET POSITION DECEMBER 31	\$ 52,533	\$ 48,047

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT

STATEMENT OF CASH FLOWS

PRWCD ENTERPRISE FUND

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS & USERS	\$ 36,121	\$ 33,665
CASH PAYMENTS TO VENDORS	(31,635)	(14,668)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	4,486	18,997
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
INTERFUND ACTIVITY	-	(1,659)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	(1,659)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	-
NET CHANGE IN CASH AND RESTRICTED CASH	4,486	17,338
CASH AND RESTRICTED CASH - BEGINNING OF YEAR	48,047	30,709
CASH AND RESTRICTED CASH - END OF YEAR	<u>\$ 52,533</u>	<u>\$ 48,047</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ 4,486	\$ 19,709
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
DEPRECIATION	-	-
CHANGE IN ASSETS AND LIABILITIES		
ACCOUNTS RECEIVABLE	-	-
ACCOUNTS PAYABLE	-	(712)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 4,486</u>	<u>\$ 18,997</u>

PURGATOIRE RIVER WATER CONSERVANCY DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -
 BUDGET AND ACTUAL ON A BUDGETARY BASIS

PRWCD ENTERPRISE FUND
 YEAR ENDED DECEMBER 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
WATER STORAGE & SALES	\$ 30,000	\$ 30,000	\$ 33,521	\$ 3,521
OTHER REVENUE	4,100	4,100	2,600	(1,500)
TOTAL REVENUES	34,100	34,100	36,121	2,021
EXPENDITURES				
WATER STORAGE & PURCHASES	25,000	25,000	30,000	(5,000)
OTHER	-	-	1,635	(1,635)
CAPITAL OUTLAY	-	-	-	-
TOTAL EXPENDITURES	25,000	25,000	31,635	(6,635)
REVENUE OVER (UNDER) EXPENDITURES	\$ 9,100	\$ 9,100	4,486	\$ (4,614)
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
CAPITALIZED ASSETS			-	
CHANGE IN NET POSITION			4,486	
NET POSITION JANUARY 1			48,047	
NET POSITION DECEMBER 31			\$ 52,533	