

**COLLEGE PARK WATER AND SANITATION DISTRICT
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2023 AND 2022**

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
College Park Water and Sanitation District

Opinions

We have audited the accompanying financial statements of College Park Water and Sanitation District as of and for the year ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the College Park Water and Sanitation 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 College Park Water and Sanitation District as of December 31, 2023 and 2022, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 College Park Water and Sanitation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 College Park Water and Sanitation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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, including omissions, 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.

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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 of 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 College Park Water and Sanitation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about College Park Water and Sanitation District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 College Park Water and Sanitation District's basic financial statements. The budgetary comparison schedule – Non-GAAP basis, as listed 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. 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 Budgetary Comparison Schedule – Non-GAAP Basis is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Fort Collins, Colorado
July 15, 2024

Management's Discussion and Analysis

College Park Water and Sanitation District Jefferson County, CO

The College Park Water and Sanitation District's management discussion and analysis is intended to provide you, the reader and user of our financial statements, with (a) an understanding of the financial issues of the District: (b) and overview of the District's financial activities: (c) an explanation of the changes in the District's financial position: (d) an explanatory analysis of the variations of the annual, approved budget: and (e) an assessment of any future financial or operating issues of the District.

Because this discussion and analysis is intended to focus on the 2023 activities, resulting changes, and currently known facts and conditions, it should be read in conjunction with, and with reference to, the accompanying audited financial statements and related notes to the financial statements beginning on page 6.

Overview of the Financial Statements of the District

The audited financial statements of the District are: Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows, Notes to Financial Statements

These statements are on pages 6 through 15. These and the Other Supplementary Information, *Budgetary Comparison Schedule* on page 16 provide information about the District's financial position as of each December 31, its results of operations and the resulting cash flows for each year ended December 31, and information comparing actual revenues and expenditures with budgeted revenues and expenditures for the year. Except for the budgetary comparison schedule, these are presented with current year and prior year comparison.

The **Statement of Net Position** provides information about what is owned (assets) by the District, what is owed (liabilities) by the District, and what is the District's equity in its assets (Net Position). Over time, the comparison of changes in Net Position may provide a useful method of evaluating whether the financial position of the District is improving, deteriorating, or maintaining a status quo.

The **Statement of Revenues, Expenses, and Changes in Net Position** provides information about the components – Operating Revenues, Operating Expenses, Non-Operating Revenues and Expenses, and Capital Contributions – of the District's annual operating activities and how those activities affected Net Position.

The **Statement of Cash Flows** provides an analysis about the sources and uses of District cash during the year and how the operating, financing, and investment activities affected the District's cash balances.

The **Notes to Financial Statements** provide additional, required disclosures about the District, its accounting policies and practices, its financial position and operating activities, and other required information. The information included in these notes is essential to a full understanding of the information contained in the financial statements.

The **Budgetary Comparison Schedule** provides information comparing the budgeted revenue and expenditure activities with the actual revenue and expenditure activities. When applicable, there will be a comparison of the originally approved budget with the final amended budget.

Condensed Comparative Financial Information:

Statement of Net Position

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current Assets			
Cash and cash equivalents	\$ 1,839,512	\$ 1,534,873	\$ 1,831,333
Other current assets	7,168,890	6,772,621	6,837,965
	<u>9,008,402</u>	<u>8,307,494</u>	<u>8,669,298</u>
Non Current Assets			
Capital assets – net	1,654,280	1,485,929	1,556,698
Other Noncurrent assets	1,563,396	1,563,396	1,563,396
Total Assets	<u>12,226,078</u>	<u>11,356,819</u>	<u>11,789,392</u>
Current Liabilities	199,403	19,374	208,315
Total Liabilities	<u>199,403</u>	<u>19,374</u>	<u>208,315</u>
Deferred inflow of resources	<u>742,162</u>	<u>629,602</u>	<u>637,996</u>
Net Position			
Net investment in capital assets	3,217,676	3,049,325	3,120,094
Restricted	270,634	270,786	269,795
Unrestricted	7,796,203	7,387,732	7,553,192
Total Net Position	<u>\$ 11,284,513</u>	<u>\$ 10,707,843</u>	<u>\$ 10,943,081</u>

Statement of Revenues, Expenses and Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating Revenues	\$ 21,145	\$ 6,337	\$ 23,250
Operating Expenses	479,675	554,554	530,495
Operating Income (Loss)	<u>(458,530)</u>	<u>(548,217)</u>	<u>(507,245)</u>
Non Operating Revenues (Expenses)	1,035,200	312,979	575,908
Change in Net Position	<u>576,670</u>	<u>(235,238)</u>	<u>68,663</u>
Net Position, Beginning of Year	<u>10,707,843</u>	<u>10,943,081</u>	<u>10,874,418</u>
Net Position, End of Year	<u>\$ 11,284,513</u>	<u>\$ 10,707,843</u>	<u>\$ 10,943,081</u>

Statement of Cash Flows

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash from (for) Operating Activities	\$ (210,555)	\$ (667,732)	\$ (298,221)
Cash from Non Capital Financing Activities	665,829	670,851	639,397
Cash from (for) Capital and Related Financing	(236,095)	-	(147,276)
Cash from (for) Investing Activities	85,460	(299,579)	9,983
Increase (Decrease)	<u>304,639</u>	<u>(296,460)</u>	<u>203,883</u>
Cash and Cash Equivalents, Beginning of Year	1,534,873	1,831,333	1,627,450
Cash and Cash Equivalents, End of Year	<u>\$ 1,839,512</u>	<u>\$ 1,534,873</u>	<u>\$ 1,831,333</u>

This foregoing information is a summary of the financial information contained in the District's financial statements. For more about the information contained in this condensed, comparative financial information, we recommend a close review of the accompanying audited financial statements beginning on page 6.

Analysis of Financial Position and Operating Results:

The total Net Position increased from \$10,707,843 in 2022 to \$11,284,513 in 2023, a difference of \$576,670. Operating revenues increased by \$14,808, due to higher charges for services in the current year. The District's operating expenses decreased by \$74,879, in 2023, to \$479,675 due to lower administration costs. As a result, the operating loss for the year was \$458,530. Net non-operating revenues, including capital contributions, were \$1,035,200 which resulted in a change in net position of \$576,670 for the year.

Cash and cash equivalents for 2023 increased by \$304,639 relating primarily to the change in operating activities. Net capital assets increased by \$168,351. See Note 4 of the Notes to Financial Statements. The District Liabilities decreased primarily attributable to normal operating activities and timing of payments.

For more information about these changes in Net Position, the operating activities, and cash flows please review the accompanying audited financial statements beginning on page 6.

Budgetary Discussion:

Actual revenues were \$91,711 lower than the 2023 budget, primarily due to lower than anticipated service charges. Actual expenditures were \$818,224 less than budgeted expenditures due to lower than anticipated capital outlay. The budget was not amended in 2023.

Capital Asset Discussion:

During 2023 the District incurred \$236,095 in capital additions. The District depreciates its infrastructure assets. See Note 1 of Notes to Financial Statements-*Summary of Significant Accounting Policies-Capital Assets* on page 10 and Note 4 of Notes to Financial Statements-Capital Assets on page 14. The District has capital asset activities in process relating to contracts for water rights.

Long Term Debt:

The District has no long-term debt.

Economic Factors and Next Year's Budget

Expenditures are expected to remain relatively the same, as administrative and legal efforts and management service costs are not expected to increase in 2024.

Requests for Information. This financial report is designed to provide a general overview of College Park Water and Sanitation District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the District at 2801 Youngfield Street Suite 370, Golden, CO 80401.

Basic Financial Statements

College Park Water and Sanitation District
Statement of Net Position
December 31, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,839,512	\$ 1,534,873
Investments	6,399,021	6,120,305
Due from county treasurer	2,792	2,821
Accounts receivable	-	700
Property taxes receivable	742,162	629,602
Prepaid expenses	6,253	5,755
Accrued interest receivable	18,662	13,438
Total Current Assets	9,008,402	8,307,494
Noncurrent Assets		
Capital Assets		
Depreciable		
Sewer Lines and equipment	3,989,793	3,755,045
Total Capital Assets	3,989,793	3,755,045
Less: Accumulated depreciation	(2,335,513)	(2,269,116)
Net Capital Assets	1,654,280	1,485,929
Other Assets		
Value assigned to water service contract	1,563,396	1,563,396
Total Noncurrent Assets	3,217,676	3,049,325
Total Assets	12,226,078	11,356,819
Liabilities		
Current Liabilities		
Accounts payable	199,403	19,374
Total Current Liabilities	199,403	19,374
Deferred Inflow of Resources		
Deferred property taxes	742,162	629,602
Total Deferred Inflow of Resources	742,162	629,602
Net Position		
Net Investment in capital assets	3,217,676	3,049,325
Restricted	270,634	270,786
Unrestricted	7,796,203	7,387,732
Total Net Position	11,284,513	10,707,843
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 12,226,078	\$ 11,356,819

The accompanying notes are an integral part of these financial statements

College Park Water and Sanitation District
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2023 and 2022

	2023	2022
Operating Revenues		
Sewer charges	\$ 21,145	\$ 6,337
Total Operating Revenues	21,145	6,337
Operating Expenses		
Sewage treatment charges	208,131	218,245
Sewer operations	72,864	92,119
Administration expense	130,936	173,421
Depreciation	67,744	70,769
Total Operating Expenses	479,675	554,554
Operating Loss	(458,530)	(548,217)
Nonoperating Revenues (Expenses)		
Property taxes	630,203	636,552
Specific ownership taxes	45,056	43,797
Investment income	140,362	64,672
Unrealized gain (loss) on investments	229,038	(422,486)
Treasurer fees	(9,459)	(9,556)
Total Nonoperating Revenues (Expenses)	1,035,200	312,979
Change in Net Position	576,670	(235,238)
Net Position, beginning of year	10,707,843	10,943,081
Net Position, end of year	\$ 11,284,513	\$ 10,707,843

The accompanying notes are an integral part of these financial statements

College Park Water and Sanitation District
Statement of Cash Flows
For the Year Ended December 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Cash received from customers	\$ 21,845	\$ 5,637
Cash paid to suppliers	<u>(232,400)</u>	<u>(673,369)</u>
Net cash provided (used) by operating activities	<u>(210,555)</u>	<u>(667,732)</u>
Cash Flows From Non-Capital Financing Activities		
Property and ownership taxes	675,288	680,407
Treasurer fees paid	<u>(9,459)</u>	<u>(9,556)</u>
Net cash provided (used) by non-capital financing activities	<u>665,829</u>	<u>670,851</u>
Cash Flows From Capital Financing Activities		
Purchases of capital assets	<u>(236,095)</u>	-
Net cash provided (used) by non-capital financing activities	<u>(236,095)</u>	<u>-</u>
Cash Flows From Investing Activities		
Proceeds from sale of investments	630,322	273,318
Investments purchased	<u>(680,000)</u>	<u>(630,000)</u>
Investment income received	<u>135,138</u>	<u>57,103</u>
Net cash provided (used) by investing activities	<u>85,460</u>	<u>(299,579)</u>
Net increase (decrease) in cash and cash equivalents	304,639	(296,460)
Cash and cash equivalents, beginning of year	<u>1,534,873</u>	<u>1,831,333</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,839,512</u></u>	<u><u>\$ 1,534,873</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Loss	\$ (458,530)	\$ (548,217)
Adjustments to reconcile operating loss to cash provided / (used) by operating activities		
Depreciation	67,744	70,769
Changes in assets and liabilities		
Accounts receivable	700	(700)
Prepaid expenses	(498)	(643)
Accounts payable	<u>180,029</u>	<u>(188,941)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (210,555)</u></u>	<u><u>\$ (667,732)</u></u>
Non-cash transactions		
Market value adjustments Income / (Loss)	\$ 229,038	\$ (422,486)

The accompanying notes are an integral part of these financial statements

College Park Water and Sanitation District
Notes to Financial Statements
December 31, 2023 and 2022

Note 1 Summary of Significant Accounting Policies

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. The District has no employees and all operations are contracted. The District does not have any employees and all operations are contracted. The more significant accounting policies of the District are described as follows:

Financial Reporting Entity

College Park Water and Sanitation District (The District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Jefferson County, Colorado. The District was established to provide water and sanitation services to residents in the area of the District.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The District is not financially accountable for any other entity, nor is the District a component unit of any other governmental entity.

Basis of Presentation

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 payment of debt is recorded as a reduction in liabilities. System development charges are recorded as non-operating revenue.

The District distinguishes between operating revenues and expenses and non-operating items in the Statements of Revenues, Expenses and Changes in Net Position. Operating revenues and expenses generally result from providing sanitation services to its customers. Operating revenues consist of charges to customers for services provided. Operating expenses include the cost of service, administrative expenses, and depreciation of assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expense or capital contributions.

Property Taxes

Property taxes attach an enforceable lien on property as of January 1st. Taxes are levied on January 1st and are payable either in one installment on or before April 30th, or in two installments due on or before February 28th and June 15th of each year. The collections and assessments are done by Jefferson County and are remitted to the District monthly. District property taxes which are due to be paid in the next period, and representing an enforceable lien at January 1st of the next year, have been recorded as a receivable and a deferred revenue.

**College Park Water and Sanitation District
Notes to Financial Statements (Continued)
December 31, 2023 and 2022**

Note 1 Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

Budgets are adopted on a cash basis except for accrual of current vendor invoices and utility billings. The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. The budget includes proposed expenditures and the means of financing them.
- Prior to December 31, the budget is adopted by formal resolution.
- Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The District Board must approve revisions that alter the total expenditures of any fund.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the District Board or revised by the District Board.

In accordance with the State Budget Law, the District's Board of Directors holds public hearings each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget and appropriations resolutions upon completion of notification and publication requirements. The total appropriation is at the total fund expenditures level and lapses at year end.

Allowance of Doubtful Accounts

No allowance is made for bad debts in the accompanying financial statements as substantially all revenues of the district originate from charges to the owners within the District, and the District has the ability to place liens on the property.

Assets and Liabilities

Investments – investments are recorded at fair value, which approximates cost.

Receivables – all receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital assets – which include contributed and purchased sewer lines are reported by the District. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 on the sewer lines using the straight-line method over the estimated economic useful life of 40 years.

Deferred Outflows / Inflows of Resources

The District implemented the provisions of GASB No. 65 Items Previously Reported as Assets and Liabilities (GASB 65). As a result, in addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of

**College Park Water and Sanitation District
Notes to Financial Statements (Continued)
December 31, 2023 and 2022**

Note 1 Summary of Significant Accounting Policies (Continued)

resources. This separate financial statement element represents a consumption of net position that applies to a future period (deferred outflow) or the acquisition of net position that applies to future periods (deferred inflows).

Net Position

Equity is classified as Net Position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position – consists of Net Position with constraints placed on the use either by (1) external groups, such as creditors, grantors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Position – all other Net Position that do not meet the definition of “restricted” or “net investment in capital assets” The District utilizes restricted Net Position before using unrestricted Net Position when an expenditure is available for both purposes.

Restricted Net Position

At December 31, 2023 and 2022, respectively, the District considers \$250,376 and \$250,376 of its net position to be restricted for capital outlay, and as a reserve required by TABOR (see note 7) in the amount of \$20,258 and \$20,410. Of this amount \$250,376 and \$250,376 is specifically restricted for the Northwest Interceptor project which is a shared transmission line repair in coordination with Northwest Lakewood Sanitation District as approved on January 1, 2011.

Cash Equivalents

For purposes of the statement of cash flows, and the statement of net position, the District defines cash equivalents as cash demand deposits, investment pools and other highly liquid investments with a maturity of three months or less when purchased.

Use of Estimates in the Preparation of Financial Statements

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 the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Cash and Investments

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under 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 equal to the aggregate uninsured deposits.

**College Park Water and Sanitation District
Notes to Financial Statements (Continued)
December 31, 2023 and 2022**

Note 2 Cash and Investments (Continued)

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023 and 2022 the District's cash deposits had a book balance of \$51,739 and \$81,961 and a bank balance of \$61,162 and \$84,948, respectively. Of this amount \$61,162 and \$84,948 was insured by the FDIC, respectively. The District had \$0 and \$0 collateralized under PDPA at December 31, 2023 and 2022, respectively.

Investments

Colorado statutes specify in which investment instruments the units of local government may invest:

- Obligations of the United States and certain United States government agency securities.
- Certain international agency securities.
- General obligation and revenue bonds of United States local government entities.
- Bankers' acceptances of certain banks.
- Commercial paper.
- Local government investment pools.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.

The District does not have a formal investment policy however, it follows state statutes regarding investments. At December 31, 2023, the District had the following investments:

<u>Investment Type</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Federal Home Loan Bank Bonds	1.57	\$ 3,984,238
Federal Home Loan Mortgages	Less than one year	2,414,783
Total Fair Value		<u>\$ 6,399,021</u>

At December 31, 2022 the District had the following investments:

<u>Investment Type</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
Federal Home Loan Bank Bonds	2.24	\$ 3,801,322
Federal Home Loan Mortgage Corporation Notes	1.70	2,318,983
Total Fair Value		<u>\$ 6,120,305</u>

As of December 31, 2023, and 2022 the federal home loan bank bonds, federal home loan mortgage corporation notes and the U.S. governments agency securities were rated AA+ by Standard and Poors. The money market accounts were not rated.

At December 31, 2023 and 2022, the District had \$1,770,268 and \$1,438,878, respectively, 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 offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

**College Park Water and Sanitation District
Notes to Financial Statements (Continued)
December 31, 2023 and 2022**

Note 2 Cash and Investments (Continued)

COLOTRUST PRIME and COLOTRUST PLUS+ - The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. 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 section 24-75-601, C.R.S., as amended.

COLOTRUST EDGE - The Trust operates similarly to a money market fund and each share is equal in value to \$10.00. The portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2023, and 2022, none of the District's bank deposits were exposed to custodial credit risk.

Interest Rate Risk

Colorado revised statutes generally limit investment maturities to five years or less unless formally approved by the Board of Directors. Revenue bonds of U.S. local governments, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

Concentrations of Credit Risk

The District does not have a policy that addresses limitations on the amount that can be invested in any one issuer. As of December 31, 2023, and 2022, respectively, more than 5% of the District's cash and investments were invested in the Federal Home Loan Bank (48%) and (50%) and Federal Home Loan Mortgage Association (29%) and (30%).

	<u>2023</u>	%	<u>2022</u>	%
Cash in checking (cash and cash equivalent)	\$ 51,739	1%	\$ 81,961	1%
Colotrust (cash and cash equivalent)	1,770,268	21%	1,438,878	19%
Money markets (cash and cash equivalent)	17,505	0%	14,034	0%
Federal Home Loan Bank Bonds	3,984,238	48%	3,801,322	50%
Federal Home Loan Mortgages	2,414,783	29%	2,318,983	30%
Total cash and investments	<u>\$ 8,238,533</u>		<u>\$ 7,655,178</u>	
Cash and Cash Equivalents	\$ 1,839,512		\$ 1,534,873	
Investments	6,399,021		6,120,305	
Total	<u>\$ 8,238,533</u>		<u>\$ 7,655,178</u>	

The money market account was not rated.

College Park Water and Sanitation District
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 3 Accounts Receivable

Accounts receivable balance at December 31, 2023 and 2022, respectively, were comprised of the following:

	2023	2022
Fees for services	\$ -	\$ 700
Less: Allowance for doubtful accounts	-	-
Net Accounts Receivable	\$ -	\$ 700

Note 4 Value Assigned to Water Service Contract

The District has a water service contract ("Water Service Contract") with Consolidated Mutual Water Company (Company) whereby the Company provides water service to the area located within the District's boundaries, subject to certain conditions and special provisions, as more particularly set forth in the Water Service Contract. Pursuant to the Water Service Contract, all water distribution facilities and related equipment used to provide water service to residents of the District and property located within the District's boundaries are owned, operated, maintained, and replaced by the Company. *The Company has agreed to provide water service within the District to the same extent, and subject to the same terms and conditions applicable to all stockholders of the Company.* At any time uniformity of service is not possible, the Company will endeavor to operate its system in the most equitable manner possible under the circumstances, including times of water shortage.

At the time the Water Service Contract was entered into in 1998, the District paid the Company to extend its water distribution system within the District's boundaries. *The District records the value of this investment on its books and records as a value assigned to the Water Service Contract.*

Note 5 Capital Assets

A summary of changes to capital assets for 2023 and 2022 is as follows:

	Balance at 12/31/2022	Additions	Deletions	Balance at 12/31/2023
Depreciable				
Sewer lines	\$ 1,885,210	\$ 236,095	\$ (1,347)	\$ 2,119,958
Contributed sewer lines	1,869,835	-	-	1,869,835
Total Nondepreciable	3,755,045	236,095	(1,347)	3,989,793
Less Accumulated Depreciation	(2,269,116)	(67,744)	1,347	(2,335,513)
Net Capital Assets	\$ 1,485,929	\$ 168,351	\$ -	\$ 1,654,280

	Balance at 12/31/2021	Additions	Deletions	Balance at 12/31/2022
Depreciable				
Sewer lines	\$ 1,885,210	\$ -	\$ -	\$ 1,885,210
Contributed sewer lines	1,869,835	-	-	1,869,835
Total Nondepreciable	3,755,045	-	-	3,755,045
Less Accumulated Depreciation	(2,198,347)	(70,769)	-	(2,269,116)
Net Capital Assets	\$ 1,556,698	\$ (70,769)	\$ -	\$ 1,485,929

**College Park Water and Sanitation District
Notes to Financial Statements (Continued)
December 31, 2023 and 2022**

Note 6 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District is a participant in the Colorado Special District Association Property and Liability Pool. The Pool was formed by an agreement by member special districts of the Special District Association as a separate and independent governmental and legal entity pursuant to the provisions of Article XIV, Section 18(2) of the Colorado Constitution and Sections 29-1-201 et. seq., 8-44-101(1)(c) and (3), 8-44-204, 24-10-115.5, and 29-13-102, C.R.S, as amended. Membership is restricted to Colorado special districts which are members of the Special District Association.

The purpose of the Pool is to provide defined property, liability, workers' compensation and associated coverages, and claims and risk management services related thereto, for member special districts through a self-insurance pool. The Pool has contracted with other third parties to operate, administer and manage the Pool. In the event aggregated losses incurred by the Pool exceed amounts recoverable from the reinsurance contracts and capital and surplus accumulated by the Pool, additional contributions may be required from the Pool members. Settled claims have not exceeded commercial coverage in any of the last three years.

Note 7 Tax, Spending, and Debt Limitation

Article X, Section 20 of the Colorado Constitution, The Taxpayer's Bill of Rights (TABOR), contains several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. On November 4, 2004 the District obtained voter approval to retain and spend all revenues collected from a 6.786 operation and maintenance mill levy without regard to any limitation imposed by TABOR or any other law.

Note 8 Reclassifications

Certain items have been reclassified from the previous year to conform with the presentation of the current years financial statements.

Other Supplementary Information

College Park Water and Sanitation District
Budgetary vs. Actual Comparison - Non GAAP Basis
For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 629,602	\$ 630,203	\$ 601
Specific ownership taxes	45,000	45,056	56
Sewer service fees	201,375	21,145	(180,230)
Investment income	50,000	140,362	90,362
Miscellaneous income	2,500	-	(2,500)
Total Revenues	<u>928,477</u>	<u>836,766</u>	<u>(91,711)</u>
Expenses			
Sewer treatment charges	215,000	208,131	6,869
Legal	50,000	33,550	16,450
Audit, accounting and management	56,200	48,802	7,398
Director's fees	6,000	5,700	300
Operator in responsible charge	5,200	5,088	112
Office expense	12,050	6,042	6,008
Insurance	6,000	4,867	1,133
Repairs and maintenance	685,000	50,413	634,587
Locates and inspections	25,000	17,363	7,637
Utilities	2,000	1,911	89
Engineering	45,000	30,064	14,936
Miscellaneous	1,000	-	1,000
Treasurer fees	9,759	9,459	300
Capital outlay	357,500	236,095	121,405
Total Expenses	<u>1,475,709</u>	<u>657,485</u>	<u>818,224</u>
Revenues over Expenditures	<u>\$ (547,232)</u>	<u>\$ 179,281</u>	<u>\$ 726,513</u>
Reconciliation to Net Income			
Depreciation		(67,744)	
Unrealized gain (loss) on investments		229,038	
Net Income		<u>\$ 576,670</u>	

See the Independent Auditor's Report