



**CRESTVIEW WATER & SANITATION DISTRICT**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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# CHARLES POYSTI LLC

## Independent Auditor's Report

Board of Directors  
Crestview Water and Sanitation District  
Denver, Colorado

### **Report on the Audit of the Financial Statements**

#### **Opinions**

I have audited the accompanying basic financial statements of Crestview Water and Sanitation District (the District), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

I am 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 I 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, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual departmental schedules listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements. The individual departmental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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



February 12, 2024  
Denver, Colorado

CRESTVIEW WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE DISTRICT

This section of the Annual Financial Report for Crestview Water and Sanitation District (District) presents a discussion and analysis of the District's financial condition and operating results during the period from January 1, 2023 to December 31, 2023. It is provided as a narrative introduction and overview of the financial statements contained in the following Annual Financial Report and should be read in conjunction with the District's financial statements.

The Crestview Water and Sanitation District, formerly the Baker Metropolitan Water and Sanitation District, is a quasi-municipal corporation and a political subdivision of the State of Colorado organized and existing under and by the virtue of the laws of the State of Colorado. The District was established by Order and Decree of the District Court of Adams County, Colorado, June 30, 1949.

The District encompasses approximately four-square miles (2,600 acres) largely in an unincorporated portion of southwest Adams County, and includes within its boundaries small portions of the cities of Arvada and Westminster.

The District was created for the purpose of providing water and sanitation service for the inhabitants of the District. The District, governed by a five-member board, operates the water and sanitary sewer systems pursuant to the laws of the State of Colorado, particularly Title 32, Article 1, C.R.S. 1973, as amended.

Water is provided to the District by Denver Water in accordance with Distributor Contract No. M236. The District serves approximately 5,409 residential, commercial, industrial and public customer taps. The distribution system is operated and maintained by the District and encompasses approximately 60 miles of piping and 4 elevated storage tanks. Meters are read monthly for billing purposes.

Wastewater treatment for the District is performed by Metro Water Recovery (Metro) pursuant to the terms and conditions of a perpetual contract between Crestview and Metro. The collection system is operated and maintained by the District and encompasses approximately 63 miles of piping and one sewage lift station. The District serves approximately 6,320 sanitary sewer residential, commercial, industrial, and public customers.

The District does not have any general obligation or other bond indebtedness. Capital projects, capital additions and equipment additions are financed from cash and cash equivalents designated for capital replacement and contingencies.

The District employs personnel to operate, maintain and repair the transmission and distribution system and wastewater collection system. The District also employs a pipeline replacement crew to replace the District's aging water and sewer mains. The District owns, operates, and maintains vehicles, equipment and supplies to accomplish these functions.

The District owns property and buildings to house a business office, maintenance headquarters, pipeline headquarters, garages, elevated water storage tanks, sewage lift station and system operation stations.

CRESTVIEW WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis, the basic financial statements, and supplementary information.

The financial statements include comparative data of assets, liabilities, deferred inflows of resources and changes in net position for the current fiscal reporting period (2023) and the prior fiscal reporting period (2022). Liabilities include current liabilities of accounts payable and accrued liabilities. Deferred inflows of resources include property taxes and other special assessments earned but levied for a subsequent period. Net position includes capital assets and unrestricted assets designated for capital replacement, reserves for contingencies and unrestricted funds.

The departmental statements of revenues, expenses and changes in net position - proprietary fund compares the current fiscal reporting period (2023) and the prior fiscal reporting period (2022) and includes operating revenue, water and sewer sales, sale of supplies, inspections and miscellaneous revenue, also, operating expenses for water, sewer, and administrative and general. Water and sewer connection fees are included in non-operating revenue and expenses along with general property and specific ownership taxes, interest income, tax collection fees, and miscellaneous revenue.

The financial statements also include notes that explain some of the information in the financial statements and provide data that is more detailed. The statements are followed by a section of supplementary information that further explains and supports the information in the financial statements.

The financial statements provide both long-term and short-term information about the District's overall operating financial status. These statements explain how general expenditures were financed in the short term as well as what remains for future spending.

The financial statements report information about the District as a whole using the accrual method of accounting. The statement of net position includes all of the District's assets and liabilities.

The financial statements of the District are reported in one category. All of the District's basic activities are reported as Proprietary Fund activities. The operating revenues and expenses are from the activities of the District in providing water and sewer services to the community.

FINANCIAL HIGHLIGHTS

The District is in good financial position at the end of the reporting period. The District completed general and emergency repairs and maintenance to the water distribution and wastewater collections systems as well as restorative and remedial improvements to the systems from funds budgeted for those purposes. The reserves are sufficient to meet most emergency repair or replacement needs and will be further funded for future cost increases in parts and construction of water and sewer utility emergencies. The District maintains an adequate checking account balance to meet payroll, vendor, service and other obligations.

Generally, the District's financial position has remained steady from the previous year. However, the water distribution and wastewater collection systems continue to deteriorate with age and will require additional funding to address the replacement needs.

CRESTVIEW WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

|                                    | <u>2023</u>          | <u>2022</u>          | <u>2021</u>          |
|------------------------------------|----------------------|----------------------|----------------------|
| Operating revenues:                |                      |                      |                      |
| Water sales                        | \$ 5,160,024         | \$ 5,419,012         | \$ 5,319,545         |
| Sewer charges                      | 3,258,079            | 3,173,941            | 3,137,141            |
| Sale of supplies                   | 4,800                | 19,039               | 32,299               |
| Miscellaneous and inspections      | <u>71,265</u>        | <u>41,222</u>        | <u>33,525</u>        |
| Total operating revenues           | <u>8,494,168</u>     | <u>8,653,214</u>     | <u>8,522,510</u>     |
| Operating expenses:                |                      |                      |                      |
| Water                              | 4,645,038            | 4,233,857            | 4,102,707            |
| Sewer                              | 2,104,156            | 1,835,391            | 2,191,852            |
| Administrative and general         | <u>766,081</u>       | <u>728,243</u>       | <u>697,330</u>       |
| Total operating expenses           | <u>7,515,275</u>     | <u>6,797,491</u>     | <u>6,991,889</u>     |
| Net operating gain                 | 978,893              | 1,855,723            | 1,530,621            |
| Total non-operating revenues (net) | <u>1,829,885</u>     | <u>215,311</u>       | <u>711,977</u>       |
| Income before contributions        | 2,808,778            | 2,071,034            | 2,242,598            |
| Tap fees collected                 | <u>86,200</u>        | <u>188,900</u>       | <u>461,440</u>       |
| Change in net position             | 2,894,978            | 2,259,934            | 2,704,038            |
| Net position- beginning of year    | <u>39,884,378</u>    | <u>37,624,444</u>    | <u>34,920,406</u>    |
| Net position- end of year          | <u>\$ 42,779,356</u> | <u>\$ 39,884,378</u> | <u>\$ 37,624,444</u> |

REVIEW OF NET POSITION

|                                      | <u>2023</u>          | <u>2022</u>          | <u>2021</u>          |
|--------------------------------------|----------------------|----------------------|----------------------|
| Current assets                       | \$ 26,980,657        | \$ 24,866,454        | \$ 24,006,431        |
| Non-current assets                   | <u>17,561,951</u>    | <u>16,344,313</u>    | <u>14,934,657</u>    |
| Total assets                         | <u>\$ 44,542,608</u> | <u>\$ 41,210,767</u> | <u>\$ 38,941,088</u> |
| Total liabilities                    | <u>\$ 956,129</u>    | <u>\$ 521,211</u>    | <u>\$ 578,251</u>    |
| Deferred inflow of resources:        |                      |                      |                      |
| Unavailable revenue – property taxes | <u>\$ 807,123</u>    | <u>\$ 805,178</u>    | <u>\$ 738,393</u>    |
| Net position                         |                      |                      |                      |
| Net investment in capital assets     | \$ 17,556,839        | \$ 16,336,613        | \$ 14,924,371        |
| Unrestricted                         | <u>25,222,517</u>    | <u>23,547,765</u>    | <u>22,700,073</u>    |
| Total net position                   | <u>\$ 42,779,356</u> | <u>\$ 39,884,378</u> | <u>\$ 37,624,444</u> |

CRESTVIEW WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The District replaced 6,216 linear feet of water mains in 2023 consisting of 3,637 linear feet of 6" and 2,610 linear feet of 8" water main. Crestview contracted to have 420' of 12" water main bored and installed under US-36 in Zuni Street to replace a deteriorating 10" water main installed in the 1950s. Crestview's pipeline replacement crew will be replacing more water mains in the District in 2024. The 2024 Water Main Replacement project will consist of 5,500 linear feet of water main replacement.

The District contracted to have 300 vertical feet of manholes spray lined in 2023.

The District purchased six Ford F-150 pickup trucks in 2023 for a combined total of \$289,110.

A summary of changes in capital assets is provided in the financial statements, Note 3. Changes in infrastructure are also reported in the financial statements, Note 3, under capital assets.

The District is committed by contract to purchase potable water from Denver Water and to have collected wastewater processed by Metro Water Recovery. A commitment to both is included in the financial statements, Note 5.

There have been no changes in credit rating or debt limitations that could affect the financing of planned facilities improvements or services and the District currently has no outstanding long-term debt.

OTHER POTENTIALLY SIGNIFICANT MATTERS

No other potentially significant matters are approved and agreed upon or currently known that would be expected to have an effect on the financial position of the District.

CONTACTING THE DISTRICT'S ADMINISTRATIVE OFFICE

This financial report is designed to provide our constituents with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact:

Mitch Terry  
District Manager  
  
303-429-1881  
7145 Mariposa Street  
P.O. Box 666  
Denver, Colorado, 80036-0666

CRESTVIEW WATER AND SANITATION DISTRICT  
STATEMENTS OF NET POSITION  
PROPRIETARY FUND

| December 31,                                                                        | <u>2023</u>          | <u>2022</u>          |
|-------------------------------------------------------------------------------------|----------------------|----------------------|
| <u>Assets</u>                                                                       |                      |                      |
| Current Assets                                                                      |                      |                      |
| Cash and cash equivalents                                                           | \$ 3,267,103         | \$ 9,545,593         |
| Investments                                                                         | 19,780,724           | 11,541,194           |
| Accounts receivable - property taxes                                                | 811,434              | 805,400              |
| Other accounts receivable                                                           | 371,141              | 364,881              |
| Inventories                                                                         | 735,000              | 617,000              |
| Prepaid insurance                                                                   | 80,988               | 53,612               |
| Cash and cash equivalents -<br>designated for capital replacement and contingencies | <u>1,934,267</u>     | <u>1,938,774</u>     |
| Total current assets                                                                | 26,980,657           | 24,866,454           |
| Non-current Assets                                                                  |                      |                      |
| Capital assets                                                                      | <u>17,561,951</u>    | <u>16,344,313</u>    |
| Total Assets                                                                        | <u>\$ 44,542,608</u> | <u>\$ 41,210,767</u> |
| <u>Liabilities</u>                                                                  |                      |                      |
| Accounts payable                                                                    | \$ 750,538           | \$ 303,644           |
| Accrued liabilities                                                                 | 200,479              | 209,867              |
| Noncurrent liabilities:                                                             |                      |                      |
| Leases due within one year                                                          | 5,112                | 2,588                |
| Leases due in more than one year                                                    | <u>0</u>             | <u>5,112</u>         |
| Total Liabilities                                                                   | <u>\$ 956,129</u>    | <u>\$ 521,211</u>    |
| <u>Deferred Inflow of Resources</u>                                                 |                      |                      |
| Unavailable revenue - property taxes                                                | <u>\$ 807,123</u>    | <u>\$ 805,178</u>    |
| <u>Net Position</u>                                                                 |                      |                      |
| Net investment in capital assets                                                    | \$ 17,556,839        | \$ 16,336,613        |
| Unrestricted                                                                        | <u>25,222,517</u>    | <u>23,547,765</u>    |
| Total Net Position                                                                  | <u>\$ 42,779,356</u> | <u>\$ 39,884,378</u> |

The accompanying notes are an integral part of these financial statements.

CRESTVIEW WATER AND SANITATION DISTRICT  
STATEMENTS OF REVENUE AND EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUND

| For the Years Ended December 31,   | <u>2023</u>          | <u>2022</u>          |
|------------------------------------|----------------------|----------------------|
| Operating Revenues                 |                      |                      |
| Water sales                        | \$ 5,160,024         | \$ 5,419,012         |
| Sewer charges                      | 3,258,079            | 3,173,941            |
| Sale of supplies                   | 4,800                | 19,039               |
| Miscellaneous and inspections      | <u>71,265</u>        | <u>41,222</u>        |
| Total operating revenues           | <u>8,494,168</u>     | <u>8,653,214</u>     |
| Operating Expenses                 |                      |                      |
| Water                              | 4,645,038            | 4,233,857            |
| Sewer                              | 2,104,156            | 1,835,391            |
| Administrative and general         | <u>766,081</u>       | <u>728,243</u>       |
| Total operating expenses           | <u>7,515,275</u>     | <u>6,797,491</u>     |
| Net operating gain                 | <u>978,893</u>       | <u>1,855,723</u>     |
| Non-Operating Revenues (Expenses)  |                      |                      |
| General property taxes             | 816,550              | 745,995              |
| Specific ownership taxes           | 16,862               | 15,944               |
| Net investment income (loss)       | 683,994              | (565,252)            |
| Miscellaneous                      | 312,729              | 18,874               |
| Tax collection fee                 | <u>(250)</u>         | <u>(250)</u>         |
| Total non-operating revenues (net) | <u>1,829,885</u>     | <u>215,311</u>       |
| Income before contributions        | 2,808,778            | 2,071,034            |
| Tap fees collected                 | <u>86,200</u>        | <u>188,900</u>       |
| Change in net position             | 2,894,978            | 2,259,934            |
| Net Position – Beginning of Year   | <u>39,884,378</u>    | <u>37,624,444</u>    |
| Net Position – End of Year         | <u>\$ 42,779,356</u> | <u>\$ 39,884,378</u> |

The accompanying notes are an integral part of these financial statements.

CRESTVIEW WATER AND SANITATION DISTRICT  
STATEMENTS OF CASH FLOWS  
PROPRIETARY FUND

| <u>For the Years Ended December 31,</u>                                           | <u>2023</u>         | <u>2022</u>          |
|-----------------------------------------------------------------------------------|---------------------|----------------------|
| Cash flows from operating activities                                              |                     |                      |
| Cash received from customers                                                      | \$ 8,416,643        | \$ 8,634,946         |
| Cash paid to suppliers                                                            | (5,239,474)         | (4,547,407)          |
| Cash paid to employees                                                            | (1,600,005)         | (1,624,767)          |
| Other cash received                                                               | 71,265              | 41,222               |
| Net cash provided by operating activities                                         | <u>1,648,429</u>    | <u>2,503,994</u>     |
| Cash flows from non-capital financing activities                                  |                     |                      |
| Cash received from property and other taxes                                       | 829,323             | 768,001              |
| Collection fees paid                                                              | (250)               | (250)                |
| Other cash received (net)                                                         | 261,729             | 2,374                |
| Net cash provided by non-capital financing activities                             | <u>1,090,802</u>    | <u>770,125</u>       |
| Cash flows from capital and related financing activities                          |                     |                      |
| Cash received from tap fees                                                       | 86,200              | 188,900              |
| Cash received from sale of fixed assets                                           | 51,000              | 16,500               |
| Principal payments on lease                                                       | (2,588)             | (2,586)              |
| Purchase of fixed assets                                                          | (1,601,304)         | (1,939,990)          |
| Net cash used in capital and related financing activities                         | <u>(1,466,692)</u>  | <u>(1,737,176)</u>   |
| Cash flows from investing activities                                              |                     |                      |
| Purchase of investments                                                           | (8,239,530)         | (1,298,313)          |
| Net investment income                                                             | 683,994             | (565,252)            |
| Net cash used in investing activities                                             | <u>(7,555,536)</u>  | <u>(1,863,565)</u>   |
| Net change in cash and cash equivalents                                           | (6,282,997)         | (326,622)            |
| Cash and cash equivalents - beginning of year                                     | <u>11,484,367</u>   | <u>11,810,989</u>    |
| Cash and cash equivalents - end of year                                           | <u>\$ 5,201,370</u> | <u>\$ 11,484,367</u> |
| Summary of cash and cash equivalents:                                             |                     |                      |
| Unrestricted cash and cash equivalents                                            | \$ 3,267,103        | \$ 9,545,593         |
| Designated cash and cash equivalents                                              | <u>1,934,267</u>    | <u>1,938,774</u>     |
|                                                                                   | <u>\$ 5,201,370</u> | <u>\$ 11,484,367</u> |
| Reconciliation of operating gain to net cash provided by operating activities:    |                     |                      |
| Net operating gain                                                                | \$ 978,893          | \$ 1,855,723         |
| Adjustments to reconcile operating gain to net cash used by operating activities: |                     |                      |
| Depreciation                                                                      | 531,007             | 516,301              |
| Changes in assets and liabilities                                                 |                     |                      |
| (Increase) decrease in current asset                                              | (151,636)           | 172,391              |
| Increase (decrease) in current liabilities                                        | <u>290,165</u>      | <u>(40,421)</u>      |
| Net cash provided by operating activities                                         | <u>\$ 1,648,429</u> | <u>\$ 2,503,994</u>  |

The accompanying notes are an integral part of these financial statements.

CRESTVIEW WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Crestview Water and Sanitation District (District) conform to U.S. generally accepted accounting principles as applicable to governmental entities. The following summary of significant accounting policies is presented to assist the reader in evaluating the District’s financial statements.

Financial Reporting Entity

The District was incorporated under the laws of the State of Colorado and operates in metropolitan Denver under an elected Board of Directors form of government. As required by U.S. generally accepted accounting principles, the financial statements of the reporting entity include those of the District (the primary government) which has no component units.

Basis of Presentation

The accounts of the District are organized on the basis of an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise.

The enterprise fund is reported using the economic resource measurement focus and the accrual basis of accounting, that is, revenue is recognized when it is earned and expenses are recognized when they are incurred.

Capital Assets

Expenditures of \$1,000 or more for capital assets are stated at cost when purchased or, when donated, at fair value on the date of the donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

|                                                                    |             |
|--------------------------------------------------------------------|-------------|
| Water wells                                                        | 99 years    |
| Buildings and building improvements                                | 15-75 years |
| Lift stations, sewer collection,<br>and water distribution systems | 50-75 years |
| Machinery and equipment                                            | 3-20 years  |

Budget and Budgetary Accounting

An annual State prescribed budget is adopted even though it is not required for enterprise funds by U.S. generally accepted accounting principles. The statement of revenue and expenditures - budget and actual presents comparisons of the legally adopted budget with actual data on the budgetary basis. The actual data presented differs from U.S. generally accepted accounting principles and a reconciliation of the differences is shown on Note 8.

Property Taxes

Property taxes are not due and payable until after the assessment year has ended and are not included in the budget or statement of revenue, expenditures and changes in net position of the assessment year. Property taxes are initially recorded as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year for which they were levied.

CRESTVIEW WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (continued)

Property taxes are collected and remitted monthly to the District by Adams County, Colorado. The property tax calendar is detailed below:

|                                              |              |
|----------------------------------------------|--------------|
| District certifies mill levies to the county | December 15  |
| Lien date                                    | January 1    |
| Collection dates                             |              |
| First half                                   | February 28  |
| In full                                      | April 30     |
| Second half                                  | June 15      |
| Delinquent notices                           | August 1     |
| Tax sale                                     | Mid-November |

Tax and Spending Limitations

Colorado voters 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 amendment is complex and subject to judicial interpretation. The District is an enterprise fund receiving less than 10% of its revenue from taxes and, therefore, under the terms of the amendment is exempt from these limitations.

Income Tax

Corporate income tax liabilities are not recognized because the District is a non-profit quasi-municipality.

Inventories

Supply inventories are recorded at cost on the first-in-first-out method.

Cash Flows

For purposes of the statements of cash flows, the District considers all deposits with maturities of less than three months to be cash equivalents.

Use of Estimates

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

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 volunteers and natural disasters. It carries commercial insurance coverage of these risks of loss. Claims have not exceeded coverage in any of the last three fiscal years.

CRESTVIEW WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating/Non-Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing water and wastewater services. Non-operating revenues and expenses include capital financing, investing and other activities not related to the provision of water and wastewater services.

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. As of December 31, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits.

The Federal Deposit Insurance Corporation (FDIC) coverage for government accounts is \$250,000 per official custodian. 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's deposits were not exposed to custodial credit risk, as all deposits were insured by the FDIC and/or were collateralized by securities held by the pledging financial institution and covered by eligible collateral as determined by PDPA. The District does not have a deposit policy for custodial credit risk.

A summary of the District's cash is as follows:

|                                      | <u>2023</u>         | <u>2022</u>         |
|--------------------------------------|---------------------|---------------------|
| Checking accounts - interest bearing | \$ 3,266,503        | \$ 9,544,993        |
| Petty cash                           | 600                 | 600                 |
|                                      | <u>\$ 3,267,103</u> | <u>\$ 9,545,593</u> |

The Board of Directors have designated cash to fund future capital expenditures. Funds are transferred periodically from operating accounts. Major repairs and additions to capital assets will be paid for from this board-designated cash.

Investments

In accordance with its investment policy, the District manages its exposure to declines with the implementation of the prudent investor rule as a guideline for investments decisions, which the District makes in following state statutes regarding investments.

Colorado Revised Statutes limit investment maturities to five years or less or three years or less (depending upon the type of investment), unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

CRESTVIEW WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

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

- 1) Obligations of the United States and certain U.S. government agency securities.\*
- 2) General obligation and reserve bonds of U.S. local government entities.
- 3) Bankers' acceptances of certain banks.
- 4) Commercial paper.
- 5) Written repurchase agreements collateralized by certain authorized securities.
- 6) Certain money market funds.\*
- 7) Guaranteed investment contracts.
- 8) Local government investment pools.
- 9) Certain reverse repurchase agreements.
- 10) Certain corporate bonds and certain international securities.
- 11) Certain securities lending agreements

The District generally limits its concentration of investments to those noted with an asterisk (\*) above, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirement or subject to investment custodial credit risk for investments that are in the possession of another party. The bond mutual fund is rated AAA by Morningstar and has an average maturity of one to five years.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and, Level 3 inputs are significant unobservable inputs. The securities are measured using Level 1 inputs.

The District's investments and maturities are as follows:

|                          | Moody<br>Rating | Carrying<br>Amounts  | Maturities            |                      |                     |
|--------------------------|-----------------|----------------------|-----------------------|----------------------|---------------------|
|                          |                 |                      | Less than<br>one year | 1-5 years            | Callable            |
| As of December 31, 2023: |                 |                      |                       |                      |                     |
| Checking                 | not rated       | \$ 854,910           | \$ 854,910            | \$ 0                 | \$ 854,910          |
| US Treasury securities   | Aaa             | 7,654,984            | 1,958,187             | 5,696,797            | 0                   |
| US Agency securities     | Aaa             | <u>11,270,830</u>    | <u>965,128</u>        | <u>10,305,702</u>    | <u>7,313,264</u>    |
|                          |                 | <u>\$ 19,780,724</u> | <u>\$ 3,778,225</u>   | <u>\$ 16,002,499</u> | <u>\$ 8,168,174</u> |
| As of December 31, 2022: |                 |                      |                       |                      |                     |
| Checking                 | not rated       | \$ 540,652           | \$ 540,652            | \$ 0                 | \$ 540,652          |
| US Treasury securities   | Aaa             | 2,747,205            | 0                     | 2,747,205            | 0                   |
| US Agency securities     | Aaa             | <u>8,253,337</u>     | <u>917,000</u>        | <u>7,336,337</u>     | <u>4,585,187</u>    |
|                          |                 | <u>\$ 11,541,194</u> | <u>\$ 1,457,652</u>   | <u>\$ 10,083,542</u> | <u>\$ 5,125,839</u> |

CRESTVIEW WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in the capital asset accounts:

|                                                  | <u>December 31,</u><br><u>2022</u> | <u>Additions</u>    | <u>Deletions</u> | <u>December 31,</u><br><u>2023</u> |
|--------------------------------------------------|------------------------------------|---------------------|------------------|------------------------------------|
| Source of supply                                 | \$ 329,593                         | \$ 0                | \$ 0             | \$ 329,593                         |
| Collection,<br>transmission,<br>and distribution | 19,867,076                         | 1,439,291           | 0                | 21,306,367                         |
| Buildings                                        | 1,847,834                          | 0                   | 0                | 1,847,834                          |
| Office equipment                                 | 105,018                            | 0                   | 0                | 105,018                            |
| Shop equipment                                   | 397,655                            | 20,244              | 0                | 417,899                            |
| Transportation<br>equipment                      | <u>2,621,714</u>                   | <u>289,110</u>      | <u>(62,536)</u>  | <u>2,848,288</u>                   |
|                                                  | 25,168,890                         | 1,748,645           | (62,536)         | 26,854,999                         |
| Less accumulated<br>depreciation                 | <u>(8,824,577)</u>                 | <u>(531,007)</u>    | <u>62,536</u>    | <u>(9,293,048)</u>                 |
|                                                  | <u>\$ 16,344,313</u>               | <u>\$ 1,217,638</u> | <u>\$ 0</u>      | <u>\$ 17,561,951</u>               |

|                                                  | <u>December 31,</u><br><u>2021</u> | <u>Additions</u>    | <u>Deletions</u> | <u>December 31,</u><br><u>2022</u> |
|--------------------------------------------------|------------------------------------|---------------------|------------------|------------------------------------|
| Source of supply                                 | \$ 329,593                         | \$ 0                | \$ 0             | \$ 329,593                         |
| Collection,<br>transmission,<br>and distribution | 18,171,180                         | 1,695,896           | 0                | 19,867,076                         |
| Buildings                                        | 1,832,934                          | 14,900              | 0                | 1,847,834                          |
| Office equipment                                 | 103,727                            | 5,921               | (4,630)          | 105,018                            |
| Shop equipment                                   | 392,053                            | 22,190              | (16,588)         | 397,655                            |
| Transportation<br>equipment                      | <u>2,508,052</u>                   | <u>187,050</u>      | <u>(73,388)</u>  | <u>2,621,714</u>                   |
|                                                  | 23,337,539                         | 1,925,957           | (94,606)         | 25,168,890                         |
| Less accumulated<br>depreciation                 | <u>(8,402,882)</u>                 | <u>(516,301)</u>    | <u>94,606</u>    | <u>(8,824,577)</u>                 |
|                                                  | <u>\$ 14,934,657</u>               | <u>\$ 1,409,656</u> | <u>\$ 0</u>      | <u>\$ 16,344,313</u>               |

NOTE 4 – LEASES

The District has entered into a lease agreement for office equipment beginning October 2020 for a term of 60 months, expiring in September 2025 at a fixed interest rate of 4.2%. This lease is not renewable and the District will not acquire the equipment at the end of the lease.

Annual requirements to amortize long-term obligations and related interest are as follows:

|      | <u>Principal</u> | <u>Interest</u> |
|------|------------------|-----------------|
| 2024 | \$ 2,587         | \$ 167          |
| 2025 | 2,525            | 60              |

CRESTVIEW WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – COMMITMENTS

The District has made commitments to purchase water and sewer services and have been budgeted as follows for the year ending December 31, 2024:

|                     |                     |
|---------------------|---------------------|
| Water purchases     | \$ 2,906,156        |
| Metro sewer charges | <u>1,341,726</u>    |
|                     | <u>\$ 4,247,882</u> |

NOTE 6 – RETIREMENT PLAN

Crestview Water and Sanitation District provides retirement benefits for all of its full-time employees through a joint contributory, defined contribution plan in the Colorado Retirement Association as authorized by Colorado Revised Statute (C.R.S.) 24-54-101. The Colorado Retirement Association plan is maintained and operated pursuant to C.R.S. 24-54-102 through 24-54-112 and issues a publicly available financial report that includes financial statements and required supplementary information.

Benefits depend upon the sum of the employee's contributions to the plan plus accumulated earnings, and the District's contribution plus accumulated earnings. At retirement, a participant is entitled to receive:

- (a) An amount equal to his or her own contributions plus net earnings.
- (b) The portion of the balance in the Trust Fund vested in him or her.

The contribution rate is 6% for the employees and 6% for the District of the employee's base payroll. The District's total payroll for 2023 and 2022 was \$1,676,569 and \$1,637,756 and contributions were based on a payroll of \$1,639,485 and \$1,565,531. Both the District and the covered employees made the required contributions for 2023 and 2022 of \$181,933 and \$179,289. In addition, employees made voluntary contributions of \$33,447 and \$30,212 for the years ended December 31, 2023 and 2022.

NOTE 7 – TAX, SPENDING AND DEBT LIMITATIONS

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

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. District management believes its water and sewer operations, and all activities related thereto, are carried on as an enterprise within the meaning of TABOR and the Enterprise Act, C.R.S. 37-45-1-01, *et seq.* The District's annual budget and financial statements are deemed by the District to the annual budget and financial statements of the enterprise.

Spending and revenue limits are determined based on the prior-year's fiscal year spending adjusted for allowable increases based on 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 voters approve retention of such revenue.

CRESTVIEW WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

The District’s management believes it is in compliance with the provision of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits and qualification as an enterprise, will require judicial interpretation.

NOTE 8 – RECONCILIATION OF ACTUAL AND BUDGET DATA (SCHEDULE 6)

|                                                           | <u>2023</u>         |
|-----------------------------------------------------------|---------------------|
| Change in net position - net expenses over revenues       | \$ 2,894,978        |
| Add depreciation                                          | 531,007             |
| Less capital additions                                    | <u>(1,748,645)</u>  |
| Statement of revenues and expenditures compared to budget | <u>\$ 1,677,340</u> |

CRESTVIEW WATER AND SANITATION DISTRICT  
DEPARTMENTAL STATEMENTS OF NET POSITION  
PROPRIETARY FUND

| December 31,                                             | 2023                        |                             |                             | 2022                        |
|----------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                                          | Water                       | Sewer                       | Total                       | Memorandum<br>Total         |
| <b>Assets</b>                                            |                             |                             |                             |                             |
| Cash on hand                                             | \$ 0                        | \$ 600                      | \$ 600                      | \$ 600                      |
| Cash in bank-checking                                    | 1,653,184                   | 1,613,319                   | 3,266,503                   | 9,544,993                   |
| Investments                                              | 1,980,000                   | 17,800,724                  | 19,780,724                  | 11,541,194                  |
| Receivables                                              |                             |                             |                             |                             |
| Taxes                                                    | 707,534                     | 103,900                     | 811,434                     | 805,400                     |
| Accounts                                                 | 222,685                     | 148,456                     | 371,141                     | 364,881                     |
| Inventory of supplies (at cost)                          | 624,750                     | 110,250                     | 735,000                     | 617,000                     |
| Prepaid expenses                                         | 44,543                      | 36,445                      | 80,988                      | 53,612                      |
| Designated assets                                        |                             |                             |                             |                             |
| Cash                                                     | 1,008,914                   | 925,353                     | 1,934,267                   | 1,938,774                   |
| Capital assets                                           |                             |                             |                             |                             |
| Source of supply                                         | 329,593                     | 0                           | 329,593                     | 329,593                     |
| Collection, transmission,<br>and distribution<br>systems | 15,539,391                  | 5,766,976                   | 21,306,367                  | 19,867,076                  |
| Buildings and land                                       | 1,355,301                   | 492,533                     | 1,847,834                   | 1,847,834                   |
| Office equipment                                         | 77,026                      | 27,992                      | 105,018                     | 105,018                     |
| Shop equipment                                           | 306,510                     | 111,389                     | 417,899                     | 397,655                     |
| Transportation<br>equipment                              | 2,089,089                   | 759,199                     | 2,848,288                   | 2,621,714                   |
| Accumulated<br>depreciation                              | <u>(6,328,386)</u>          | <u>(2,964,662)</u>          | <u>(9,293,048)</u>          | <u>(8,824,577)</u>          |
| <b>Total Assets</b>                                      | <u><b>\$ 19,610,134</b></u> | <u><b>\$ 24,932,474</b></u> | <u><b>\$ 44,542,608</b></u> | <u><b>\$ 41,210,767</b></u> |
| <b>Liabilities</b>                                       |                             |                             |                             |                             |
| Accounts payable                                         | \$ 748,324                  | \$ 2,214                    | \$ 750,538                  | \$ 303,644                  |
| Accrued vacation and<br>sick pay                         | 162,623                     | 37,856                      | 200,479                     | 209,867                     |
| Lease payable                                            | <u>2,556</u>                | <u>2,556</u>                | <u>5,112</u>                | <u>7,700</u>                |
| <b>Total Liabilities</b>                                 | <u><b>\$ 913,503</b></u>    | <u><b>\$ 42,626</b></u>     | <u><b>\$ 956,129</b></u>    | <u><b>\$ 521,211</b></u>    |
| <b>Deferred inflows of resources</b>                     |                             |                             |                             |                             |
| Unavailable revenue                                      | <u>\$ 703,223</u>           | <u>\$ 103,900</u>           | <u>\$ 807,123</u>           | <u>\$ 805,178</u>           |
| <b>Net position</b>                                      |                             |                             |                             |                             |
| Net investment<br>in capital assets                      | \$ 13,365,968               | \$ 4,190,871                | \$ 17,556,839               | \$ 16,336,613               |
| Unrestricted                                             |                             |                             |                             |                             |
| Designated for capital<br>replacement                    | 900,000                     | 900,000                     | 1,800,000                   | 1,800,000                   |
| Reserved for<br>contingencies                            | 108,914                     | 25,353                      | 134,267                     | 138,774                     |
| Unrestricted                                             | <u>3,618,526</u>            | <u>19,669,724</u>           | <u>23,288,250</u>           | <u>21,608,991</u>           |
| <b>Net Position</b>                                      | <u><b>\$ 17,993,408</b></u> | <u><b>\$ 24,785,948</b></u> | <u><b>\$ 42,779,356</b></u> | <u><b>\$ 39,884,378</b></u> |

CRESTVIEW WATER AND SANITATION DISTRICT  
DEPARTMENTAL SCHEDULE OF REVENUE AND EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUND

| For the Years Ended December 31,   | 2023         |              |              | 2022                |
|------------------------------------|--------------|--------------|--------------|---------------------|
|                                    | Water        | Sewer        | Total        | Memorandum<br>Total |
| Operating Revenues                 |              |              |              |                     |
| Water sales                        | \$ 5,160,024 | \$ 0         | \$ 5,160,024 | \$ 5,419,012        |
| Sewer charges                      | 0            | 3,258,079    | 3,258,079    | 3,173,941           |
| Sale of supplies                   | 4,800        | 0            | 4,800        | 19,039              |
| Miscellaneous and inspections      | 60,765       | 10,500       | 71,265       | 41,222              |
| Total Operating Revenues           | 5,225,589    | 3,268,579    | 8,494,168    | 8,653,214           |
| Operating Expenses                 |              |              |              |                     |
| Water                              | 4,645,038    | 0            | 4,645,038    | 4,233,857           |
| Sewer                              | 0            | 2,104,156    | 2,104,156    | 1,835,391           |
| Administrative and general         | 410,367      | 355,714      | 766,081      | 728,243             |
| Total Operating Expenses           | 5,055,405    | 2,459,870    | 7,515,275    | 6,797,491           |
| Net Operating Income               | 170,184      | 808,709      | 978,893      | 1,855,723           |
| Non-Operating Revenues (Expenses)  |              |              |              |                     |
| General property taxes             | 571,585      | 244,965      | 816,550      | 745,995             |
| Specific ownership tax             | 11,803       | 5,059        | 16,862       | 15,944              |
| Net investment income (loss)       | 341,997      | 341,997      | 683,994      | (565,252)           |
| Miscellaneous                      | 161,465      | 151,264      | 312,729      | 18,874              |
| County treasurer's collection fee  | (175)        | (75)         | (250)        | (250)               |
| Total Non-Operating Revenues (Net) | 1,086,675    | 743,210      | 1,829,885    | 215,311             |
| Income before contributions        | 1,256,859    | 1,551,919    | 2,808,778    | 2,071,034           |
| Tap fees collected                 | 56,200       | 30,000       | 86,200       | 188,900             |
| Change in Net Position             | \$ 1,313,059 | \$ 1,581,919 | \$ 2,894,978 | \$ 2,259,934        |

CRESTVIEW WATER AND SANITATION DISTRICT  
SCHEDULE OF WATER OPERATING EXPENSES  
PROPRIETARY FUND

| For the Years Ended December 31,      | <u>2023</u>         | <u>2022</u>         |
|---------------------------------------|---------------------|---------------------|
| Source of Supply                      |                     |                     |
| Depreciation                          | \$ 855              | \$ 855              |
| Water purchased                       | <u>2,605,452</u>    | <u>2,819,164</u>    |
|                                       | <u>2,606,307</u>    | <u>2,820,019</u>    |
| Transmission and Distribution Expense |                     |                     |
| Automotive                            | 11,168              | 4,738               |
| Depreciation                          | 373,440             | 355,251             |
| Insurance                             | 38,117              | 40,275              |
| Miscellaneous                         | 42,850              | 58,754              |
| Repairs and maintenance               | 903,798             | 222,536             |
| Salaries, wages and benefit           | 646,269             | 705,976             |
| Telephone                             | 813                 | 1,014               |
| Utilities                             | <u>22,276</u>       | <u>25,294</u>       |
|                                       | <u>2,038,731</u>    | <u>1,413,838</u>    |
| Total Water Operating Expenses        | <u>\$ 4,645,038</u> | <u>\$ 4,233,857</u> |

CRESTVIEW WATER AND SANITATION DISTRICT  
SCHEDULE OF SEWER OPERATING EXPENSES  
PROPRIETARY FUND

| <u>December 31,</u>                 | <u>2023</u>         | <u>2022</u>         |
|-------------------------------------|---------------------|---------------------|
| Collection and Transmission Expense |                     |                     |
| Depreciation                        | \$ 138,960          | \$ 139,970          |
| Insurance                           | 25,821              | 27,283              |
| Miscellaneous                       | 5,747               | 5,302               |
| Repairs and maintenance             | 30,412              | 19,219              |
| Salaries, wages and benefits        | 430,481             | 470,225             |
| Telephone                           | 164                 | 0                   |
| Utilities                           | <u>3,631</u>        | <u>2,050</u>        |
|                                     | 635,216             | 664,049             |
| <br>Sewage Treatment Expenses       |                     |                     |
| Metro sewer charge                  | <u>1,468,940</u>    | <u>1,171,342</u>    |
| <br>Total Sewer Operating Expenses  | <u>\$ 2,104,156</u> | <u>\$ 1,835,391</u> |

CRESTVIEW WATER AND SANITATION DISTRICT  
SCHEDULE OF ADMINISTRATIVE AND GENERAL EXPENSES  
PROPRIETARY FUND

| For the Years Ended December 31,        | <u>2023</u>           |                       |                       | <u>2022</u>                 |
|-----------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------------|
|                                         | <u>Water</u>          | <u>Sewer</u>          | <u>Total</u>          | <u>Memorandum<br/>Total</u> |
| Depreciation                            | \$ 8,876              | \$ 8,876              | \$ 17,752             | 20,225                      |
| Directors' fees                         | 3,475                 | 3,475                 | 6,950                 | 7,050                       |
| Insurance                               | 17,953                | 14,689                | 32,642                | 36,378                      |
| Legal                                   | 11,255                | 11,255                | 22,510                | 37,469                      |
| Miscellaneous                           | 30,580                | 30,579                | 61,159                | 24,333                      |
| Office expense                          | 44,360                | 44,359                | 88,719                | 73,179                      |
| Outside services                        | 7,591                 | 7,591                 | 15,182                | 28,632                      |
| Publication                             | 694                   | 694                   | 1,388                 | 309                         |
| Repairs and maintenance                 | 0                     | 0                     | 0                     | 296                         |
| Salaries, wages and benefits            | 282,627               | 231,240               | 513,867               | 497,200                     |
| Training and seminars                   | 605                   | 605                   | 1,210                 | 0                           |
| Utilities                               | <u>2,351</u>          | <u>2,351</u>          | <u>4,702</u>          | <u>3,172</u>                |
| <br>Total Administrative<br>and General | <br><u>\$ 410,367</u> | <br><u>\$ 355,714</u> | <br><u>\$ 766,081</u> | <br><u>\$ 728,243</u>       |

CRESTVIEW WATER AND SANITATION DISTRICT  
DEPARTMENTAL SCHEDULE OF REVENUE AND EXPENSES  
BUDGET AND ACTUAL  
PROPRIETARY FUND

| For the Year Ended December 31, | 2023             |                   |                            |
|---------------------------------|------------------|-------------------|----------------------------|
|                                 | <u>Budget</u>    | <u>Actual</u>     | Variance                   |
|                                 | (Non-GAAP)       | (Non-GAAP)        | Favorable<br>(Unfavorable) |
| Revenue                         |                  |                   |                            |
| Water sales                     | \$ 5,592,380     | \$ 5,160,024      | \$ (432,356)               |
| Sewer charges                   | 3,177,308        | 3,258,079         | 80,771                     |
| Net investment income           | 91,000           | 683,994           | 592,994                    |
| Tap fees and charges            | 180,900          | 86,200            | (94,700)                   |
| General property taxes          | 805,178          | 816,550           | 11,372                     |
| Specific ownership taxes        | 22,000           | 16,862            | (5,138)                    |
| Miscellaneous                   | <u>32,900</u>    | <u>388,794</u>    | <u>355,894</u>             |
| Total Revenue                   | <u>9,901,666</u> | <u>10,410,503</u> | <u>508,837</u>             |
| Expenditures                    |                  |                   |                            |
| Water Source                    |                  |                   |                            |
| Purchased water                 | 2,898,164        | 2,605,452         | 292,712                    |
| Transmission and Distribution   |                  |                   |                            |
| Automotive                      | 12,000           | 11,168            | 832                        |
| Employee benefits               | 186,701          | 149,764           | 36,937                     |
| Insurance                       | 48,980           | 38,117            | 10,863                     |
| Miscellaneous                   | 54,500           | 42,850            | 11,650                     |
| Payroll taxes                   | 44,752           | 38,223            | 6,529                      |
| Repairs and maintenance         | 405,000          | 903,798           | (498,798)                  |
| Salaries and wages              | 564,371          | 458,282           | 106,089                    |
| Telephone                       | 9,533            | 813               | 8,720                      |
| Utilities                       | 27,737           | 22,276            | 5,461                      |
| Sewer Collection and Processing |                  |                   |                            |
| Automotive                      | 12,000           | 250               | 11,750                     |
| Employee benefits               | 126,475          | 99,257            | 27,218                     |
| Insurance                       | 33,180           | 25,821            | 7,359                      |
| Metro sewer charges             | 1,468,940        | 1,468,940         | 0                          |
| Miscellaneous                   | 6,500            | 5,497             | 1,003                      |
| Payroll taxes                   | 29,835           | 25,482            | 4,353                      |
| Repairs and maintenance         | 45,000           | 30,412            | 14,588                     |
| Salaries and wages              | 376,248          | 305,742           | 70,506                     |
| Telephone                       | 4,333            | 164               | 4,169                      |
| Utilities                       | 3,580            | 3,631             | (51)                       |

CRESTVIEW WATER AND SANITATION DISTRICT  
DEPARTMENTAL SCHEDULE OF REVENUE AND EXPENSES  
BUDGET AND ACTUAL  
PROPRIETARY FUND

| For the Year Ended December 31, | 2023                 |                      |                            |
|---------------------------------|----------------------|----------------------|----------------------------|
|                                 | <u>Budget</u>        | <u>Actual</u>        | Variance                   |
|                                 | (Non-GAAP)           | (Non-GAAP)           | Favorable<br>(Unfavorable) |
| Expenditures (Continued)        |                      |                      |                            |
| Administrative and General      |                      |                      |                            |
| Automotive                      | \$ 700               | \$ 0                 | \$ 700                     |
| County treasurer fee            | 800                  | 250                  | 550                        |
| Directors' fees                 | 8,600                | 6,950                | 1,650                      |
| Election expense                | 1,000                | 0                    | 1,000                      |
| Employee benefits               | 120,452              | 104,355              | 16,097                     |
| Insurance                       | 56,800               | 32,642               | 24,158                     |
| Legal                           | 40,000               | 22,510               | 17,490                     |
| Miscellaneous                   | 60,000               | 61,159               | (1,159)                    |
| Office expense                  | 95,000               | 88,719               | 6,281                      |
| Outside services                | 23,000               | 15,182               | 7,818                      |
| Payroll taxes                   | 29,066               | 26,010               | 3,056                      |
| Publication                     | 600                  | 1,388                | (788)                      |
| Salaries and wages              | 388,694              | 383,502              | 5,192                      |
| Telephone                       | 3,467                | 90                   | 3,377                      |
| Training and seminars           | 3,000                | 1,210                | 1,790                      |
| Utilities                       | 5,313                | 4,612                | 701                        |
| Capital Additions               | <u>2,513,555</u>     | <u>1,748,645</u>     | <u>764,910</u>             |
| Total Expenditures              | <u>9,707,876</u>     | <u>8,733,163</u>     | <u>974,713</u>             |
| Net Revenues Over Expenditures  | 193,790              | 1,677,340            | <u>\$ 1,483,550</u>        |
| Available Resources             |                      |                      |                            |
| Balance - January 1             | <u>21,608,991</u>    | <u>21,608,991</u>    |                            |
| Balance - December 31           | <u>\$ 21,802,781</u> | <u>\$ 23,286,331</u> |                            |