

**PERRY PARK
WATER AND SANITATION DISTRICT
Douglas County, Colorado**

**FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Perry Park Water and Sanitation District
Douglas County, Colorado

Opinions

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

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Fiscal Focus Partners, LLC

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 GAAS, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV through IX 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as identified in the table of contents is presented for purposes of additional analysis and legal compliance 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Arvada, Colorado
July 22, 2024

**PERRY PARK WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2023 and 2022**

Our discussion and analysis of Perry Park Water and Sanitation District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2023 and 2022. Please read it in conjunction with the District's basic financial statements which begin on page 1.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Required statements for proprietary funds are: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Fund Net Position, and 3) Statement of Cash Flows. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position are prepared using the economic resource measurement focus and the accrual basis of accounting.

The *Statement of Net Position* presents information on all of the District's assets, liabilities, and deferred inflows of resources, with the difference between them reported as net position. This statement provides useful information regarding the financial position of the District. Over time, increases and decreases in net position can serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Nonfinancial factors should also be considered to assess the overall financial position of the District.

The *Statement of Revenues, Expenses and Changes in Fund Net Position* reports the changes that have occurred during the year to the District's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported for some items that will only result in cash flows in the subsequent years.

The *Statement of Cash Flows*, as its name implies, is concerned solely with flows of cash and cash equivalents. Only transactions that affect the District's cash position are reflected in this statement. Transactions are segregated into four sections on the statement: 1) cash flows from operating activities, 2) cash flows from capital financing activities, 3) cash flows from noncapital financing activities, and 4) cash flows from investing activities.

FINANCIAL SUMMARY AND ANALYSIS

Net Position

2023

As noted earlier, net position may serve as a useful indicator of the District's financial position. As noted in the table below, in 2023 the District's assets exceeded its liabilities and deferred inflows of resources by \$25,767,977. By far the largest component of net position is the District's investment in capital assets of \$19,961,764, which represents 77.5% of total net position. Current assets increased by \$259,017 or 4.0%. A large portion of this increase was in property taxes receivable, which increased by 35.9% due to an increase in the assessed valuation for property taxes levied for collection in 2024. Additionally, net accounts receivable increased by \$182,912, or 76.7% due to higher amounts receivable from developers for reimbursable costs incurred by the District. These increases were offset by a \$107,178

**PERRY PARK WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2023 and 2022**

decrease in cash and cash equivalents. Although there was a positive change in net position, there was also significant capital outlay in 2023, which decreased cash and cash equivalents. Net capital assets increased by \$168,656 or .8%, due to the 2023 capital asset additions partially offset by 2023 depreciation expense. Current liabilities decreased modestly from 2022 to 2023 by \$14,162 or 3.8%. The long-term lease liability decreased due to the lease payments made during 2023.

See the Capital Asset and Debt Administration section below for more information on capital assets and long-term obligations.

2022

As noted in the table below, in 2022 the District's assets exceeded its liabilities and deferred inflows of resources by \$25,339,986. By far the largest component of net position is the District's investment in capital assets of \$19,630,608, which represents 77.5% of total net position. Current assets decreased by \$75,855 or 1.2%. Although there was a positive change in net position, there was also significant capital outlay in 2022, which decreased cash and cash equivalents. Property taxes receivable/deferred decreased slightly from 2021 because of a lower assessed valuation for the property taxes levied for collection in 2023. Net capital assets increased by \$138,486 or .7%, due to the 2022 capital asset additions partially offset by 2022 depreciation expense. Current liabilities increased from 2021 to 2022 by \$36,289 or 10.7%, primarily due to higher accounts payable as of December 31, 2022, related to the ongoing capital asset additions and improvements and operating costs. The long-term lease liability decreased due to the lease payments made during 2022.

See the Capital Asset and Debt Administration section below for more information on capital assets and long-term obligations.

NET POSITION				
		December 31,		
		2023	2022	2021
ASSETS				
Current assets		\$ 6,686,892	\$ 6,427,875	\$ 6,503,730
Capital assets, net		21,681,264	21,512,608	21,374,122
Total assets		<u>28,368,156</u>	<u>27,940,483</u>	<u>27,877,852</u>
LIABILITIES				
Current liabilities		361,058	375,220	338,931
Long-term lease liability		1,552,000	1,719,500	1,882,000
Total liabilities		<u>1,913,058</u>	<u>2,094,720</u>	<u>2,220,931</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources		687,121	505,777	515,439
Total deferred inflows of resources		<u>687,121</u>	<u>505,777</u>	<u>515,439</u>
NET POSITION				
Net investment in capital assets		19,961,764	19,630,608	19,335,122
Restricted		22,300	19,400	15,400
Unrestricted		5,783,913	5,689,978	5,790,960
Total net position		<u>\$ 25,767,977</u>	<u>\$ 25,339,986</u>	<u>\$ 25,141,482</u>

**PERRY PARK WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2023 and 2022**

Change in Net Position

2023

As noted in the table below, the District's net position for 2023, increased by \$427,991. Overall revenue increased by \$637,750, or 20.2%. Charges for services increased by \$303,771, or 17.4% as a result of rate increases that went into effect January 1, 2023. Capital grants and contributions increased modestly by \$32,131 or 4.5%. Water and sewer tap fees and development fees were lower than 2022, by a combined \$187,938 (56.5%) due to less development activity in 2023 than 2022. Capital improvement fees were \$220,069, or 57.5% higher than 2022 due to a bi-monthly rate increase. Property taxes decreased 2.0% from 2022 to 2023 due to a decrease in the District's assessed valuation upon which the property taxes are levied. Net investment income increased by \$107,549, or 179.9% due to continued increases in investment yield rates throughout 2023 when compared to 2022. Miscellaneous income increased by \$203,212, or 274.2% from 2022 due primarily to an increase in reimbursed expenses related to feasibility studies in progress and ongoing development related costs that are reimbursable from developers.

Direct water and sewer expenses increased by \$215,576, or 8.5%, from 2022 to 2023. There was an increase in reimbursable expenses due to higher development related engineering and legal costs which were reimbursable from developers. Also, there was an increase in miscellaneous expenses due to higher risk mitigation costs and updates to the rules and regulations.

2022

As noted in the table below, the District's net position for 2022, increased by \$198,504. Overall revenue decreased by \$2,238,908, or 41.5%. Charges for services increased by \$49,763, or 2.9%. Capital grants and contributions decreased significantly by \$2,312,075 or 76.4% from 2021 to 2022. Water and sewer tap fees and development fees were lower than 2021, by a combined \$191,343 (36.5%) due to less development activity in 2022 than 2021. Capital improvement fees were \$117,922, or 44.5% higher than 2021 due to a bi-monthly rate increase. During 2022 there were no contributed water and sewer lines to the District, where in 2021 there were \$2,238,654 of contributed water and sewer lines. Property taxes increased from 2021 to 2022 due to an increase in the District's assessed valuation upon which the property taxes are levied. Net investment income increased by \$58,372, or 4122.3% due to a significant increase in investment yield rates throughout 2022 when compared to 2021. Miscellaneous income decreased by \$103,807, or 58.3% from 2021 due primarily to a decrease in reimbursed expenses related to feasibility studies in progress and ongoing development related costs that are reimbursable from developers.

Direct water and sewer expenses decreased slightly by \$6,207, or .2%, from 2021 to 2022. Although there was a decrease of \$107,403, or 65.3%, in reimbursable expenses, there was an increase in repairs and maintenance and water services expense. General and administrative expenses increased by \$30,377, or 9.5%, due to more outside services expense in 2022 when compared to 2021. Nonoperating expenses decreased slightly by \$3,952, or 5.1%.

**PERRY PARK WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2023 and 2022**

CHANGES IN NET POSITION

	Years Ended December 31,		
	2023	2022	2021
REVENUES			
Program revenues:			
Charges for services	\$ 2,049,868	\$ 1,746,097	\$ 1,696,334
Capital grants and contributions	747,438	715,307	3,027,382
General revenues:			
Property and specific ownership taxes	552,128	561,041	492,202
Net investment income	167,337	59,788	1,416
Miscellaneous	277,334	74,122	177,929
Total revenues	3,794,105	3,156,355	5,395,263
EXPENSES			
Direct water and sewer	2,749,298	2,533,722	2,539,929
General and administrative	524,410	350,543	320,166
Nonoperating	92,406	73,586	77,538
Total expenses	3,366,114	2,957,851	2,937,633
CHANGE IN NET POSITION	427,991	198,504	2,457,630
NET POSITION - BEGINNING OF YEAR	25,339,986	25,141,482	22,683,852
NET POSITION - END OF YEAR	\$ 25,767,977	\$ 25,339,986	\$ 25,141,482

BUDGETARY HIGHLIGHTS

For the year ended December 31, 2023, the District's budget was not amended. The actual revenues were \$3,794,105, or \$12,239,913 less than budgeted. The actual expenditures were \$3,721,362, or \$9,944,621 under budget. These variances were due to the 2023 budget anticipated the issuance of certificates of participation (an other revenue source for budgetary purposes) in the amount of \$12,500,000 and significant capital outlay from these proceeds. Additionally, 1) net investment income exceeded budget by \$203,458 as a result of higher interest rates throughout 2023; 2) water and sewer tap fees were under budget by \$57,828; 3) water and sewer development fees were \$117,652 under budget; and 4) reimbursements were \$203,458 more than budget. Additional information regarding the revenue and expenditure variances are available on page 16 of the financial statements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's changes in capital assets for the years ended December 31, 2023, 2022 and 2021 are as follows:

**PERRY PARK WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2023 and 2022**

CAPITAL ASSETS (net of accumulated depreciation)

	<u>2021</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>	<u>2023</u>
Land	\$ 832,867	\$ -	\$ 832,867	\$ 253,570	\$ 1,086,437
Water rights	3,792,721	-	3,792,721	-	3,792,721
Construction in progress	736,397	1,007,580	1,743,977	657,726	2,401,703
Water system	9,310,756	(483,879)	8,826,877	(434,528)	8,392,349
Sewer system	6,500,170	(367,220)	6,132,950	(292,502)	5,840,448
Buildings	194,054	(13,224)	180,830	(13,224)	167,606
Vehicles	7,157	(4,771)	2,386	(2,386)	-
Total	<u>\$ 21,374,122</u>	<u>\$ 138,486</u>	<u>\$ 21,512,608</u>	<u>\$ 168,656</u>	<u>\$ 21,681,264</u>

2023

During 2023, the District continued its investment in capital assets. The significant additions were: Wauconda wastewater treatment plant improvements (\$267,948), water system SCADA/automation (\$101,224), well capacity improvements (\$308,886), Dakota well replacement (\$169,360), Gove ditch (\$140,086) and various other improvements (\$100,964).

2022

During 2022, the District continued its investment in capital asset additions. The significant additions were: Wauconda WWTP Improvements (\$174,864), Sageport WWTP Improvements (\$58,636), Well Rehabilitation (\$25,053), Water System SCADA/Automation (\$45,339), Dakota Well Replacement (\$588,503), Glen Gove WTP Upgrades (\$34,600), Bannock LID (\$40,271), Poncho LID (\$36,484) and various other projects for (\$28,883).

Additional information on the District's capital assets can be found in Note 4 of this report.

Long-Term Obligations

The District's long-term obligations as of December 31, 2023, 2022 and 2021 are as follows:

	LONG-TERM OBLIGATIONS				
	<u>2021</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>	<u>2023</u>
Lease payable	\$ 2,039,000	\$ (157,000)	\$ 1,882,000	\$ (162,500)	\$ 1,719,500
Total	<u>\$ 2,191,000</u>	<u>\$ (157,000)</u>	<u>\$ 2,039,000</u>	<u>\$ (162,500)</u>	<u>\$ 1,719,500</u>

2023

During 2023 the District made the scheduled Lease Agreement payments. There was no other long-term obligation activity during 2023.

2022

During 2022 the District made the scheduled Lease Agreement payments. There was no other long-term obligation activity during 2022.

Additional information on the District's long-term obligations can be found in Note 5 of this report.

**PERRY PARK WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2023 and 2022**

ECONOMIC FACTORS NEXT YEAR'S BUDGET AND RATES

For 2024, the District levied property taxes at rate of 5.614 mills. Although the mill levy rate remained consistent with 2023, the property tax revenue is expected to increase \$181,896, or 36%, from 2023's collections due to an increase in the District's assessed valuation of 35.9%. For 2024 revenues are budgeted at \$16,525,338, including \$12,700,000 of proceeds from the issuance of certificates of participation, and expenditures are budgeted at \$13,686,401, including \$10,360,000 of capital expenditures, with the net result being a budgeted increase in funds available of \$2,838,937. The most significant capital project slated for 2024 are: 1) increasing the well pumping capacity of the Sageport Water Treatment Plant at a budgeted cost of (\$1,000,000); 2) Sageport Wastewater Treatment Plant Upgrades (\$4,200,000); and 3) Waucondah Wastewater Treatment Plant Upgrades (\$3,500,000). The District also budgeted a \$1,000,000 capital outlay contingency.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of Perry Park Water and Sanitation District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Manager, 5676 West Red Rock Drive, Larkspur, CO 80118.

BASIC FINANCIAL STATEMENTS

PERRY PARK WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION
December 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents - Unrestricted	\$ 5,542,400	\$ 5,649,578
Cash and cash equivalents - Restricted	22,300	19,400
Accounts receivable, net	421,259	238,347
Receivable - County Treasurer	2,773	3,272
Property taxes receivable	687,121	505,777
Prepaid expenses	11,039	11,501
Total current assets	6,686,892	6,427,875
CAPITAL ASSETS		
Capital assets, not being depreciated	7,280,861	6,369,565
Capital assets, being depreciated	34,844,385	34,691,305
	42,125,246	41,060,870
Less accumulated depreciation	(20,443,982)	(19,548,262)
Total capital assets, net	21,681,264	21,512,608
TOTAL ASSETS	\$ 28,368,156	\$ 27,940,483
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 160,827	\$ 169,469
Accrued wages, benefits, and compensated absences	16,729	13,784
Deposits	11,345	24,370
Interest payable	4,657	5,097
Lease payable - current	167,500	162,500
Total current liabilities	361,058	375,220
NONCURRENT LIABILITIES		
Lease payable - noncurrent	1,552,000	1,719,500
Total noncurrent liabilities	1,552,000	1,719,500
Total liabilities	1,913,058	2,094,720
DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue	687,121	505,777
Total deferred inflows of resources	687,121	505,777
NET POSITION		
Investment in capital assets	19,961,764	19,630,608
Restricted for emergencies	22,300	19,400
Unrestricted	5,783,913	5,689,978
Total net position	25,767,977	25,339,986
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 28,368,156	\$ 27,940,483

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**PERRY PARK WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
Years Ended December 31, 2023 and 2022**

	2023	2022
WATER AND SEWER OPERATIONS		
Water and sewer income	\$ 2,049,868	\$ 1,746,097
Direct water and sewer expenses	(2,749,298)	(2,533,722)
GROSS LOSS FROM OPERATIONS	(699,430)	(787,625)
GENERAL AND ADMINISTRATIVE EXPENSES	(524,410)	(350,543)
OPERATING LOSS	(1,223,840)	(1,138,168)
NONOPERATING REVENUES		
Property taxes	505,225	515,461
Specific ownership taxes	46,903	45,580
Net investment income	167,337	59,788
Miscellaneous	277,334	74,122
Total nonoperating revenues	996,799	694,951
NONOPERATING EXPENSES		
County Treasurer's fees	(7,589)	(7,743)
Loss on abandoned/disposed capital assets	(24,092)	-
Lease interest	(60,725)	(65,843)
Total nonoperating expenses	(92,406)	(73,586)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(319,447)	(516,803)
CAPITAL CONTRIBUTIONS		
Water and sewer tap and development fees	144,650	332,588
Capital improvement fees	602,788	382,719
Total capital contributions	747,438	715,307
CHANGE IN NET POSITION	427,991	198,504
NET POSITION - BEGINNING OF YEAR	25,339,986	25,141,482
NET POSITION - END OF YEAR	\$ 25,767,977	\$ 25,339,986

These financial statements should be read only in connection with
the accompanying notes to financial statements.

PERRY PARK WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 1,969,405	\$ 1,614,784
Payments to suppliers	(2,196,072)	(1,731,091)
Payments to employees and related expenses	(245,572)	(213,790)
Net cash required by operating activities	(472,239)	(330,097)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property tax collections	505,225	515,461
Specific ownership taxes	47,402	45,368
Reimbursed expenses	137,984	168,250
Miscellaneous income	23,876	24,032
County Treasurer's fees	(7,589)	(7,743)
Net cash provided by noncapital financing activities	706,898	745,368
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Water and sewer tap and development fees	144,650	332,588
Capital improvement fees	602,788	382,719
Acquisition of property, plant and equipment	(1,030,047)	(1,048,245)
Lease principal paid	(162,500)	(157,000)
Lease interest paid	(61,165)	(66,268)
Net cash required by capital financing activities	(506,274)	(556,206)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	167,337	59,788
Net cash provided by investing activities	167,337	59,788
NET DECREASE IN CASH AND CASH EQUIVALENTS	(104,278)	(81,147)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	5,668,978	5,750,125
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,564,700	\$ 5,668,978
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Operating loss	\$ (1,223,840)	\$ (1,138,168)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	895,720	894,147
Effects of changes in operating assets and liabilities:		
Accounts receivable	(59,093)	(129,813)
Prepaid expenses	462	(3,089)
Accounts payable and accrued expenses	(67,063)	43,679
Accrued compensated absences	2,945	4,647
Deposits	(21,370)	(1,500)
Net cash required by operating activities	\$ (472,239)	\$ (330,097)
NONCASH CAPITAL FINANCING ACTIVITIES		
Loss on abandoned/disposed capital assets	\$ (24,092)	\$ -

These financial statements should be read only in connection with
the accompanying notes to financial statements.

PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 – DEFINITION OF REPORTING ENTITY

Perry Park Water and Sanitation District (District), a quasi-municipal corporation, was organized in 1969, and is governed pursuant to provisions of the Colorado Special District Act. The District exists to provide water and sanitary sewer facilities and services to the Perry Park area of Douglas County, Colorado. A portion of the District is included in the Town of Larkspur.

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 organization, nor is the District a component unit of any other primary governmental entity.

The District has no authorized but unissued debt and no service plan limitations regarding debt.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Accounting

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

Operating Revenues and Expenses

The District distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations.

PERRY PARK WATER AND SANITATION DISTRICT
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Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

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

Cash Equivalents

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

Property Taxes

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

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

Accounts Receivable

Accounts receivable are shown net of an allowance for uncollectible accounts. Accounts receivable are expensed as bad debts at the time they are determined to be uncollectible. Due to the District's powers of collection, no allowance for uncollectible accounts has been deemed necessary.

Capital Assets

Capital assets, which include land, water rights, buildings, distribution and collection systems and machinery and equipment, are reported by the District. Capital assets are defined by the District as capital assets with an initial, individual cost of more than \$5,000. Such assets are

**PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022**

recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation or at the developer's cost.

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 capital assets, as applicable. Depreciation and amortization expense has been computed using the straight-line method over the estimated economic useful lives:

Water and sewer distribution and collection systems	10-35 years
Buildings	35 years
Equipment	5 years
Vehicles	5 years

Tap and Development Fees, Capital Improvement Fees and Capital Contributions

Tap and development fees and capital improvement fees are recorded as capital contributions when received. Water and sewer lines contributed to the District by developers are recorded as capital contributions and additions to the systems at the developer's cost or at estimated fair value when received. The District records the contributions at the time the lines are conveyed to the District for preliminary acceptance.

Water Rights

The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

Compensated Absences

The District's employees are entitled to certain compensated absences based on their length of employment. Compensated absences are accrued when incurred in the financial statements. The District has accrued for future payment of this earned leave.

Restricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 3 - CASH AND INVESTMENTS

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

**PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents - Unrestricted	\$ 5,542,400	\$ 5,649,578
Cash and Cash Equivalents - Restricted	22,300	19,400
Total cash and investments	<u>\$ 5,564,700</u>	<u>\$ 5,668,978</u>

Cash and investments as of December 31, 2023 and 2022, consist of the following:

	<u>2023</u>	<u>2022</u>
Deposits with financial institutions	\$ 2,441,150	\$ 1,857,526
Investments	3,123,550	3,811,452
Total cash and investments	<u>\$ 5,564,700</u>	<u>\$ 5,668,978</u>

Deposits with Financial Institutions

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

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

As of December 31, 2023 and 2022, the District's cash deposits had a bank balance of \$2,489,715 and \$2,138,438, respectively, and a carrying balance of \$2,441,150 and \$1,857,526, respectively.

Investments

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

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

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

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

**PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022**

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

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

Investment	Maturity	Carrying Value at NAV	
		2023	2022
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	\$ 127,475	\$ 121,098
COLOTRUST Prime	Weighted average under 60 days	2,996,075	3,690,354
		<u>\$ 3,123,550</u>	<u>\$ 3,811,452</u>

COLOTRUST

As of December 31, 2023 and 2022, the District has invested in the Colorado Local Government Liquid Asset Trust (the Trust or COLOTRUST), 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 operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST Prime (Prime), COLOTRUST Plus+ (Plus+) and COLOTRUST Edge (Edge). All portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST Plus+ and COLOTRUST Edge may also invest in the highest rated commercial paper. The Prime and Plus+ portfolios are restricted to a weighted average maturity (WAM) of 60 days or less while the Edge portfolio incorporates longer-dated securities with a WAM of 60 days or more. Both Prime and Plus+ portfolios are rated AAAM by Standard and Poor's and the EDGE portfolio is rated AAAs/S1 by Fitch Ratings. Information related to COLOTRUST, including the annual audited financial statements, can be found at the COLOTRUST website at www.colotruster.com.

CSAFE

As of December 31, 2023 and 2022, the District has invested in the Colorado Surplus Asset Fund Trust (CSAFE), 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 CSAFE. CSAFE operates similarly to a money market fund. CSAFE primarily invests in U.S. Treasury securities, agencies, repurchase agreements, bank

PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

deposits, AAAM rated SEC registered money-market funds and highly-rated commercial paper. CSAFE is rated AAmmf by Fitch Ratings.

Investment Valuation

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST and CSAFE at year-end for which the investment valuations were determined as follows.

COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. Each share of Prime and Plus is equal in value to \$1.00 and the redemption frequency is daily with no redemption notice period. Edge's net asset value is managed to approximate a \$10.00 transactional share price and the redemption frequency is five business days. The principal value of an Edge investment may fluctuate and could be greater or less than \$10.00 per share at time of purchase, prior to redemption, and at the time of redemption. There are no unfunded commitments.

CSAFE calculates the NAV as of the conclusion of each business day. The NAV is calculated by determining total assets, subtracting total liabilities from total assets, then dividing the result by the number of outstanding shares. Liabilities include all accrued expenses and fees, which are accrued daily. The NAV is calculated on an amortized cost basis as provided for by GASB Statement 79. CSAFE does not place any known limitations or restrictions such as notice periods or maximum transaction amounts on withdrawals. It is the goal of CSAFE to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by CSAFE and there can be no assurance that the NAV will not vary from \$1.00 per share.

Restricted Cash and Investments

A portion of the District's cash and investments are restricted for Emergency Reserves as required by Article X, Section 20 of the Constitution of the State of Colorado. As of December 31, 2023 and 2022, the restricted cash and investments amounted to \$22,300 and \$19,400, respectively (see Note 9).

PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance December 31, 2022	Additions	Disposals/ Retirements	Balance December 31, 2023
Capital assets, not being depreciated:				
Land	\$ 832,867	\$ 253,570	\$ -	\$ 1,086,437
Water rights	3,792,721	-	-	3,792,721
Construction in progress	1,743,977	1,088,468	(430,742)	2,401,703
Total capital assets, not being depreciated	<u>6,369,565</u>	<u>1,342,038</u>	<u>(430,742)</u>	<u>7,280,861</u>
Capital assets, being depreciated:				
Water system	19,570,267	76,540	-	19,646,807
Sewer system	14,430,011	76,540	-	14,506,551
Buildings	469,033	-	-	469,033
Equipment	198,138	-	-	198,138
Vehicles	23,856	-	-	23,856
Total capital assets being depreciated	<u>34,691,305</u>	<u>153,080</u>	<u>-</u>	<u>34,844,385</u>
Less accumulated depreciation for:				
Water system	(10,743,390)	(511,068)	-	(11,254,458)
Sewer system	(8,297,061)	(369,042)	-	(8,666,103)
Buildings	(288,203)	(13,224)	-	(301,427)
Equipment	(198,138)	-	-	(198,138)
Vehicles	(21,470)	(2,386)	-	(23,856)
Total accumulated depreciation	<u>(19,548,262)</u>	<u>(895,720)</u>	<u>-</u>	<u>(20,443,982)</u>
Total capital assets being depreciated, net	<u>15,143,043</u>	<u>(742,640)</u>	<u>-</u>	<u>14,400,403</u>
Total capital assets, net	<u>\$ 21,512,608</u>	<u>\$ 599,398</u>	<u>\$ (430,742)</u>	<u>\$ 21,681,264</u>

PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	Balance December 31, 2021	Additions	Disposals/ Retirements	Balance December 31, 2022
Capital assets, not being depreciated:				
Land	\$ 832,867	\$ -	\$ -	\$ 832,867
Water rights	3,792,721	-	-	3,792,721
Construction in progress	736,397	1,032,633	(25,053)	1,743,977
Total capital assets, not being depreciated	<u>5,361,985</u>	<u>1,032,633</u>	<u>(25,053)</u>	<u>6,369,565</u>
Capital assets, being depreciated:				
Water system	19,545,214	25,053	-	19,570,267
Sewer system	14,430,011	-	-	14,430,011
Buildings	469,033	-	-	469,033
Equipment	198,138	-	-	198,138
Vehicles	23,856	-	-	23,856
Total capital assets being depreciated	<u>34,666,252</u>	<u>25,053</u>	<u>-</u>	<u>34,691,305</u>
Less accumulated depreciation for:				
Water system	(10,234,458)	(508,932)	-	(10,743,390)
Sewer system	(7,929,841)	(367,220)	-	(8,297,061)
Buildings	(274,979)	(13,224)	-	(288,203)
Equipment	(198,138)	-	-	(198,138)
Vehicles	(16,699)	(4,771)	-	(21,470)
Total accumulated depreciation	<u>(18,654,115)</u>	<u>(894,147)</u>	<u>-</u>	<u>(19,548,262)</u>
Total capital assets being depreciated, net	<u>16,012,137</u>	<u>(869,094)</u>	<u>-</u>	<u>15,143,043</u>
Total capital assets, net	<u>\$ 21,374,122</u>	<u>\$ 163,539</u>	<u>\$ (25,053)</u>	<u>\$ 21,512,608</u>

Depreciation expense for the years ended December 31, 2023 and 2022, were charged as follows:

	2023	2022
Water	\$ 511,068	\$ 508,932
Sewer	369,042	367,220
General and administration	15,610	17,995
	<u>\$ 895,720</u>	<u>\$ 894,147</u>

**PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022**

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2023.

	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023	Due Within One Year
Branch Banking and Trust Company					
Lease Agreement	\$ 1,882,000	\$ -	\$ (162,500)	\$ 1,719,500	\$ 167,500
Total long-term obligations	<u>\$ 1,882,000</u>	<u>\$ -</u>	<u>\$ (162,500)</u>	<u>\$ 1,719,500</u>	<u>\$ 167,500</u>

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2022.

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Branch Banking and Trust Company					
Lease Agreement	\$ 2,039,000	\$ -	\$ (157,000)	\$ 1,882,000	\$ 162,500
Total long-term obligations	<u>\$ 2,039,000</u>	<u>\$ -</u>	<u>\$ (157,000)</u>	<u>\$ 1,882,000</u>	<u>\$ 162,500</u>

Lease Agreement

On April 10, 2018, the District entered into a Lease Agreement in the amount of \$2,650,000. The initial lease term expired on December 31, 2018, however, may be extended at the option of the District for no more than 14 additional terms. The proceeds were used for improvements to the District’s water and wastewater treatment plant, water line loop, the District’s lift stations, together with the construction of a water storage tank. The lease requires semi-annual principal and interest payments on June 1 and December 1 beginning on June 1, 2018 at an interest rate of 3.25% and annual principal payments are due on December 1 beginning December 1, 2018. The District has the option to prepay the principal due in whole on any payment date subject to a 1% prepayment fee. The lease is also subject to extraordinary prepayment, in whole, at the option of the District under certain circumstances.

The District’s lease obligation requires the following payments:

Year Ending December 31,	Principal	Interest	Total
2023	\$ 167,500	\$ 55,884	\$ 223,384
2024	173,000	50,440	223,440
2025	178,500	44,817	223,317
2026	184,500	39,016	223,516
2027	190,500	33,020	223,520
2028-2032	825,500	68,153	893,653
	<u>\$ 1,719,500</u>	<u>\$ 291,330</u>	<u>\$ 2,010,830</u>

**PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022**

NOTE 6 - NET POSITION

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

Net investment in capital assets, consists of capital assets, net of accumulated depreciation and if applicable reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023 and 2022 the District had a net investment in capital assets of \$19,961,764 and \$19,630,608, respectively.

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had net position restricted for the Emergencies (see Note 9) of \$22,300 and \$19,400 as of December 31, 2023 and 2022, respectively.

NOTE 7 - PENSION AND BENEFIT PLANS

Deferred Compensation Plan - Assets in Trust

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is administered by Lincoln National Life. Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement or death or unforeseen emergencies. The District matches the employee's contribution up to a percentage of compensation as follows: 0-2 years of employment 2%; 2 years of employment 3%; 3 years of employment 4%; and 5 or more years of employment 5%. The District's contributions for the years ended December 31, 2023 and 2022 were \$8,355 and \$8,140, respectively.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The District maintains commercial insurance for most risks of loss. There were no significant changes in insurance coverage from the prior year and the amount of claims have not exceeded coverage for the last three years.

NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS

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

PERRY PARK WATER AND SANITATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

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

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

On November 7, 2006, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all revenues it has received in the past and expects to receive thereafter without regard to any limitations under TABOR.

The November 7, 2006 election question reads as follows:

Shall Perry Park Water and Sanitation District (without increasing existing tax rates or imposing a new tax) be authorized to collect, retain and spend all revenues from whatever source beginning in 2000 and in each year thereafter as a voter approved revenue change and exception to the limits which would otherwise apply under Article X, Section 20 of the Colorado Constitution, the 5.5% property tax revenue limit of Section 29 1 301, C.R.S. or any other law?

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

PERRY PARK WATER AND SANITATION DISTRICT
SCHEDULES OF EXPENSES
Years Ended December 31, 2023 and 2022

	2023	2022
DIRECT WATER AND SEWER EXPENSES		
Salaries	\$ 119,758	\$ 114,769
Payroll taxes and employee benefits	25,784	25,278
Engineering/consultants	45,202	52,756
Outside operations labor	417,230	408,996
Repairs and maintenance	159,629	177,390
Sewage treatment	450,750	373,277
Utilities	264,618	279,951
Water services	221,579	168,041
Reimbursed services provided	164,638	57,112
Depreciation	880,110	876,152
Total direct water and sewer expenses	\$ 2,749,298	\$ 2,533,722
GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting and audit	\$ 10,419	\$ 10,118
Auto expenditures	1,590	1,914
Contract labor	-	5,216
Directors' fees	7,800	8,600
Dues and subscriptions	5,354	5,341
Election costs	14,204	11,017
Insurance	49,950	46,097
Bank charges	2,556	4,046
Legal	102,395	61,972
Miscellaneous	116,252	-
Office expenses	49,405	29,346
Outside services	10,547	37,695
Public information	15,063	17,457
Repairs and maintenance	13,387	9,901
Salaries	75,781	52,284
Payroll taxes and employee benefits	19,394	17,506
Travel, training and meetings	550	329
Utilities	14,153	13,709
Depreciation	15,610	17,995
Total general and administrative expenses	\$ 524,410	\$ 350,543
NONOPERATING EXPENSES		
County Treasurer's fees	\$ 7,589	\$ 7,743
Loss on abandoned/disposed capital assets	24,092	-
Lease interest	60,725	65,843
Total nonoperating expenses	\$ 92,406	\$ 73,586

**PERRY PARK WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2023**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
REVENUES			
Water service fees	\$ 1,142,630	\$ 1,191,084	\$ 48,454
Sewer service fees	776,009	841,234	65,225
Administrative fees	11,500	3,850	(7,650)
Connection and inspection charges	14,350	13,700	(650)
Miscellaneous income	14,000	23,876	9,876
Property taxes	505,777	505,225	(552)
Specific ownership taxes	40,000	46,903	6,903
Reimbursements	50,000	253,458	203,458
Net investment income	50,000	167,337	117,337
Water and sewer tap fees	124,064	66,236	(57,828)
Water and sewer development fees	196,066	78,414	(117,652)
Capital improvement fees	609,622	602,788	(6,834)
Certificates of participation proceeds	12,500,000	-	(12,500,000)
Total revenues	<u>16,034,018</u>	<u>3,794,105</u>	<u>(12,239,913)</u>
EXPENDITURES			
Direct water and sewer expenditures	1,788,847	1,869,188	(80,341)
General and administrative expenditures	585,971	508,800	77,171
County Treasurer's fees	7,500	7,589	(89)
Lease issuance costs	-	-	-
Debt service:			
Lease interest	61,165	60,725	440
Lease principal	162,500	162,500	-
Capital outlay	11,060,000	1,088,468	9,971,532
Total expenditures	<u>13,665,983</u>	<u>3,697,270</u>	<u>9,968,713</u>
REVENUES OVER (UNDER) EXPENDITURES	2,368,035	96,835	(2,271,200)
FUNDS AVAILABLE - BEGINNING OF YEAR	5,255,420	5,709,378	453,958
FUNDS AVAILABLE - END OF YEAR	<u>\$ 7,623,455</u>	<u>\$ 5,806,213</u>	<u>\$ (1,817,242)</u>

Funds available is computed as follows:

Current assets	\$ 6,686,892
Current liabilities	(361,058)
Add back current portion of lease payable	167,500
Deferred inflows of resources	(687,121)
	<u>\$ 5,806,213</u>

**PERRY PARK WATER AND SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2023**

Revenue (budgetary basis)	\$ 3,794,105
Revenues per Statement of Revenues, Expenses and Changes in Fund Net Position	3,794,105
Expenditures (budgetary basis)	3,697,270
Depreciation	895,720
Loss on abandoned/disposed capital assets	24,092
Lease principal	(162,500)
Capital outlay	(1,088,468)
Expenses per Statement of Revenues, Expenses and Changes in Fund Net Position	3,366,114
Change in net position per Statement of Revenues, Expenses and Changes in Fund Net Position	\$ 427,991

**PERRY PARK WATER AND SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2023**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2010	\$ 75,049,000	5.614	\$ 421,325	\$ 420,958	99.9%
2011	\$ 75,646,980	5.614	\$ 424,682	\$ 420,516	99.0%
2012	\$ 62,809,860	5.614	\$ 352,615	\$ 352,195	99.9%
2013	\$ 63,139,770	5.614	\$ 354,467	\$ 352,742	99.5%
2014	\$ 58,441,420	5.614	\$ 328,090	\$ 326,653	99.6%
2015	\$ 58,306,220	5.614	\$ 327,331	\$ 327,093	99.9%
2016	\$ 64,594,490	5.614	\$ 362,633	\$ 359,348	99.1%
2017	\$ 65,387,040	5.614	\$ 367,083	\$ 364,831	99.4%
2018	\$ 67,714,110	5.614	\$ 380,147	\$ 379,802	99.9%
2019	\$ 68,338,540	5.614	\$ 383,653	\$ 382,789	99.8%
2020	\$ 78,975,450	5.614	\$ 443,368	\$ 443,120	99.9%
2021	\$ 79,961,810	5.614	\$ 448,906	\$ 448,910	100.0%
2022	\$ 91,813,190	5.614	\$ 515,439	\$ 515,461	100.0%
2023	\$ 90,092,110	5.614	\$ 505,777	\$ 505,225	99.9%
Estimated for the year ending December 31, 2024	\$ 122,394,160	5.614	\$ 687,121		

NOTES:

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.