

HIGH VIEW WATER DISTRICT
Lakewood, CO

FINANCIAL STATEMENTS
December 31, 2024 and 2023

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
High View Water District

Opinions

We have audited the accompanying financial statements of High View Water District as of and for the year ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the High View Water 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 High View Water District as of December 31, 2024 and 2023, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of High View Water 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 High View Water District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise High View Water District's basic financial statements. The budgetary comparison schedule – Non-GAAP basis, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule – Non-GAAP Basis is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Fort Collins, Colorado
June 27, 2025

Management's Discussion and Analysis

High View Water District
1002 Kipling Street
Lakewood, CO 80215
(303) 233-2182

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

Because this discussion and analysis is intended to focus on the 2024 activities, resulting changes, and currently known facts and conditions, it should be read in conjunction with, and with reference to, the accompanying audited financial statements and related notes to the financial statements beginning on page 6.

Overview of the Financial Statements of the District

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

These statements are on pages 6 through 16. These and the Other Supplementary Information, *Budgetary Comparison Schedule* on page 17 provide information about the District's financial position as of each December 31, its results of operations and the resulting cash flows for each year ended December 31, and information comparing actual revenues and expenditures with budgeted revenues and expenditures for the year. Except for the budgetary comparison schedule, these are presented with current year and prior year comparison.

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

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

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

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

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

Condensed Comparative Financial Information:
Statement of Net Position

	2024	2023	2022
Current Assets			
Cash and cash equivalents	\$ 2,003,170	\$ 1,856,500	\$ 1,803,251
Other current assets	163,935	159,611	147,431
	<u>2,167,105</u>	<u>2,016,111</u>	<u>1,950,682</u>
Non Current Assets			
Capital assets – net	\$ 1,083,708	\$ 1,051,010	\$ 968,164
Total Assets	<u>3,250,813</u>	<u>3,067,121</u>	<u>2,918,846</u>
Current Liabilities	<u>107,090</u>	<u>98,542</u>	<u>116,926</u>
Total Liabilities	<u>107,090</u>	<u>98,542</u>	<u>116,926</u>
Deferred Inflows of Resources			
Deferred property taxes	10,292	10,612	10,210
Total Deferred Inflows of Resources	<u>10,292</u>	<u>10,612</u>	<u>10,210</u>
Net Position			
Net Investment in capital assets	1,083,708	1,051,010	968,164
Restricted	344	326	331
Unrestricted	2,049,379	1,906,631	1,823,215
Total Net Position	<u>\$ 3,133,431</u>	<u>\$ 2,957,967</u>	<u>\$ 2,791,710</u>

Statement of Revenues, Expenses, and Changes in Net Position

	2024	2023	2022
Operating Revenues	\$ 1,375,411	\$ 1,162,348	\$ 1,242,933
Operating Expenses	1,287,870	1,095,724	1,226,758
Operating Income (Loss)	<u>87,541</u>	<u>66,624</u>	<u>16,175</u>
Non Operating Revenues (Expenses)	87,923	99,633	39,093
Change in Net Position	<u>175,464</u>	<u>166,257</u>	<u>55,268</u>
Net Position, Beginning of Year	2,957,967	2,791,710	2,736,442
Net Position, End of Year	<u>\$ 3,133,431</u>	<u>\$ 2,957,967</u>	<u>\$ 2,791,710</u>

Statement of Cash Flows

	2024	2023	2022
Cash from (for) Operating Activities	\$ 167,289	\$ 111,006	\$ 113,711
Cash from Non Capital Financing Activities	14,443	33,174	17,869
Cash from (for) Capital and Related Financing Activities	(106,395)	(157,390)	(102,932)
Cash from (for) Investing Activities	71,333	66,459	21,224
Increase (Decrease)	<u>146,670</u>	<u>53,249</u>	<u>49,872</u>
Cash and Cash Equivalents, Beginning of Year	1,856,500	1,803,251	1,753,379
Cash and Cash Equivalents, End of Year	<u>\$ 2,003,170</u>	<u>\$ 1,856,500</u>	<u>\$ 1,803,251</u>

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

Analysis of Financial Position and Operating Results:

The total Net Position increased from \$2,957,967 in 2023 to \$3,133,431 in 2024, a difference of \$175,464. The District has a net asset emergency reserve established by the Board of Directors in the amount of \$344.

Cash and cash equivalents for 2024 increased by \$146,670. Cash and cash equivalents represent approximately 62% of the District's total assets.

The District Liabilities increased to \$107,090 in 2024. This change is attributable to an increase in payables which is influenced by the timing of payments. Operating revenues increased by \$213,063 due to increased rates offset and higher usage. Operating expenses increased by \$192,146 in 2024 due to increased water purchases. The income from operations for the year was \$87,541. Non-operating revenues were \$87,923 in 2024.

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

Budgetary Discussion:

Actual revenues were \$38,837 more than the budget primarily due to higher water sales. Actual expenses were \$1,892,330 less than budgeted because contingency expenditures were not required. During 2024 the District expended \$113,645 in capital expenditures related to various replacement projects throughout the District. There were no contingency expenditures required during 2024.

Capital Assets:

The District depreciates its infrastructure assets. See Note 1 of Notes to Financial Statements- *Organization and Summary of Significant Accounting Policies-Capital Assets* on page 11 and Note 4 of Notes to Financial Statements – *Capital Assets* on page 15. The District disposed of one vehicle during the year.

Long-Term Debt:

The District has no long-term debt.

Other:

There are no currently known facts, decisions, or conditions, which are expected to or may likely have a significant effect on the financial condition and results of operation in subsequent reporting periods. Requests for information should be sent to the District at 1002 Kipling St., Lakewood, CO 80215.

Basic Financial Statements

**High View Water District
Statements of Net Position
December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,003,170	\$ 1,856,500
Prepaid expenses	13,401	14,026
Accounts receivable-service charges	129,927	127,654
Other receivables	10,315	7,319
Property taxes receivable	10,292	10,612
Total Current Assets	<u>2,167,105</u>	<u>2,016,111</u>
Noncurrent Assets		
Capital Assets		
Nondepreciable		
Land	19,105	19,105
Construction in progress	52,908	29,510
Depreciable		
Water distribution system	3,270,156	3,202,895
Building	102,258	102,258
Machinery and equipment	438,149	438,149
Office equipment	24,514	24,514
Vehicle	73,497	67,522
Total Capital Assets	<u>3,980,587</u>	<u>3,883,953</u>
Less: Accumulated depreciation	<u>(2,896,879)</u>	<u>(2,832,943)</u>
Net Capital Assets	<u>1,083,708</u>	<u>1,051,010</u>
Total Noncurrent Assets	<u>1,083,708</u>	<u>1,051,010</u>
Total Assets	<u>3,250,813</u>	<u>3,067,121</u>
Liabilities		
Current Liabilities		
Accounts payable	70,419	61,700
Accrued expenses	36,671	36,842
Total Current Liabilities	<u>107,090</u>	<u>98,542</u>
Deferred Inflows of Resources		
Deferred property taxes	10,292	10,612
Total Deferred Inflows of Resources	<u>10,292</u>	<u>10,612</u>
Net Position		
Net Investment in capital assets	1,083,708	1,051,010
Restricted for emergencies	344	326
Unrestricted	<u>2,049,379</u>	<u>1,906,631</u>
Total Net Position	<u>\$ 3,133,431</u>	<u>\$ 2,957,967</u>

The accompanying notes are an integral part of these financial statements

High View Water District
Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Water sales and fees	\$ 1,375,411	\$ 1,162,348
Total Operating Revenues	<u>1,375,411</u>	<u>1,162,348</u>
Operating Expenses		
Water purchases	716,258	581,373
Personnel expenses	215,407	230,713
Collection and transmission	146,561	110,599
General and administration	133,800	98,495
Depreciation expense	<u>75,844</u>	<u>74,544</u>
Total Operating Expenses	<u>1,287,870</u>	<u>1,095,724</u>
Operating Profit (Loss)	<u>87,541</u>	<u>66,624</u>
Nonoperating Revenues (Expenses)		
Property taxes - operations	10,823	10,114
Specific ownership taxes	642	742
Investment income	71,333	66,459
Connection fees	3,140	22,470
County treasurer fees	(162)	(152)
Gain on disposal of assets	<u>2,147</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>87,923</u>	<u>99,633</u>
Change in Net Position	175,464	166,257
Net Position, beginning of year	<u>2,957,967</u>	<u>2,791,710</u>
Net Position, end of year	<u><u>\$ 3,133,431</u></u>	<u><u>\$ 2,957,967</u></u>

The accompanying notes are an integral part of these financial statements

High View Water District
Statements of Cash Flows
For the Year Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Cash received from customers	\$ 1,370,142	\$ 1,151,332
Cash paid to suppliers	(1,038,091)	(871,662)
Cash paid to employees	(164,762)	(168,664)
Net cash provided (used) by operating activities	<u>167,289</u>	<u>111,006</u>
Cash Flows From Non-Capital Financing Activities		
Property and ownership taxes received	11,465	10,856
Fee paid to county treasurer	(162)	(152)
Cash received from connection charges	<u>3,140</u>	<u>22,470</u>
Net cash provided (used) by non-capital financing activities	<u>14,443</u>	<u>33,174</u>
Cash Flows From Capital And Related Financing Activities		
Acquisitions and construction of capital assets	(113,645)	(157,390)
Proceeds from sale of assets and insurance	<u>7,250</u>	<u>-</u>
Net cash provided (used) in capital and related financing activities	<u>(106,395)</u>	<u>(157,390)</u>
Cash Flows From Investing Activities		
Investment income received	<u>71,333</u>	<u>66,459</u>
Net cash provided (used) by investing activities	<u>71,333</u>	<u>66,459</u>
Net increase (decrease) in cash and cash equivalents	146,670	53,249
Cash and cash equivalents, beginning of year	<u>1,856,500</u>	<u>1,803,251</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,003,170</u></u>	<u><u>\$ 1,856,500</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Profit (Loss)	\$ 87,541	\$ 66,624
Adjustments to reconcile operating loss to cash provided / (used) by operating activities		
Depreciation and amortization	75,844	74,544
Changes in assets and liabilities		
Accounts receivable	(2,273)	(9,134)
Other receivables	(2,996)	(1,882)
Prepaid expenses	625	(762)
Accounts payable	8,719	(34,953)
Other accrued liabilities	<u>(171)</u>	<u>16,569</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 167,289</u></u>	<u><u>\$ 111,006</u></u>

The accompanying notes are an integral part of these financial statements

High View Water District
Notes to Financial Statements
December 31, 2024 and 2023

Note 1 Summary of Significant Accounting Policies

High View Water District (the District) is a quasi-municipal corporation, pursuant to the provisions of the Colorado Special District Act. The District was established to provide water services to its service area located in Jefferson County, Colorado. The District operates under a Board of Directors form of government. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The significant accounting policies utilized are:

Financial Reporting Entity

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which is the authoritative body and provides guidance for determining which governmental activities, organization 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.

Basis of Presentation

Enterprise fund accounting is utilized by the District in accordance with accounting principles generally accepted in the United States of America.

Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recorded when incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are recognized as increases in capital assets. Retirement of bonds are recorded as a reduction of liabilities.

The District distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and service of water. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**High View Water District
Notes to Financial Statements (Continued)
December 31, 2024 and 2023**

Note 1 Summary of Significant Accounting Policies (Continued)

Basis of Accounting (continued)

The District follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* as amended by Statement No. 61 *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* and Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. These statements establishes standards for external financial reporting for all state and local governmental entities which includes a management’s discussion and analysis section; a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. It requires the classification of net position into three components: net investment in capital assets; restricted; and unrestricted.

Deferred Outflows / Inflows of Resources

The District implemented the provisions of GASB No. 65 *Items Previously Reported as Assets and Liabilities* (GASB 65). As a result, in addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period (deferred outflow) or the acquisition of net position that applies to future periods (deferred inflows).

Budgets and Budgetary Accounting

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

- Prior to October 15, the District manager submits the proposed budget to the District Board of Directors.
- Prior to its adoption, the budget is open for inspection by the public.
- After public inspection and consideration of any objections filed, the Board reviews the proposed budget and formally adopts it by resolution.
- At the time of the adoption of the budget, the Board passes an appropriating ordinance giving the District legal authority to spend.
- Prior to December 15, the Board adopts the mill levy.

Budgets are not prepared in accordance with accounting principles generally accepted in the United States of America because they include capital asset expenditures, but do not include depreciation, or accrued vacation and sick leave.

Budgets may be amended during the year by approval of the Board of Directors. Any amendments to the budget are incorporated into the budget in these financial statements. Appropriations lapse at the end of the budget year. The budget was not amended in 2024.

**High View Water District
Notes to Financial Statements (Continued)
December 31, 2024 and 2023**

Note 1 Summary of Significant Accounting Policies (Continued)

Property Taxes

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

Revenue Recognition

Revenues are recognized when earned. Metered water accounts are read and billed once a month on 30 day cycles.

Assets and Liabilities

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

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

Capital assets - are recorded at cost except for those assets which have been contributed, which are stated at estimated fair market value at the date of contribution or at developer's cost. The capitalization threshold for fixed assets is \$5,000. Depreciation is computed using the straight-line method over the asset's estimated economic useful life. The estimated useful lives are as follows:

Water lines and pump station	25 years
Machinery and equipment	10 years
Office furniture and equipment	5-10 years
Buildings and improvements	25-30 years
Vehicle	10 years

Accrued vacation and sick pay – The District's personnel policy states that employees may earn a total of twenty vacation days per year depending on length of service. Employees may carry over a maximum of 160 hours of vacation annually except under special circumstances which must be approved by the District Manager. The District accrues a liability for compensated absences under the provisions of GASB No. 101. The net change in compensated absences was (\$3,145).

**High View Water District
Notes to Financial Statements (Continued)
December 31, 2024 and 2023**

Note 1 Summary of Significant Accounting Policies (Continued)

Net Position

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

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

The District has established an emergency reserve of \$344 and \$326 as of December 31, 2024 and 2023, to comply with Article X, Section 20 of the Colorado Constitution that is classified as restricted net position

Cash Equivalents

For purposes of the statement of cash flows, and the financial statements in general, cash equivalents are defined as investments (including restricted assets) with maturity of three months or less at date of acquisition. The District considers certificates of deposit with maturities of more than three months at date of purchase as investments.

Use of Estimates in the Preparation of Financial Statements

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

Note 2 Cash and Investments

Cash Deposits

As of December 31, 2024, and 2023, the District’s cash deposits had a carrying balance of \$632,307 and \$555,992 and a corresponding bank balance of \$632,505 and \$566,105, of which \$250,000 and \$250,000 was insured by the Federal Deposit Insurance Corporation, respectively.

**High View Water District
Notes to Financial Statements (Continued)
December 31, 2024 and 2023**

Note 2 Cash and Investments (Continued)

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. The district had \$382,505 and \$312,427 collateralized under PDPA at December 31, 2024.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2024, and 2023, none of the District's bank deposits were exposed to custodial credit risk.

Investments

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

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

The District invests in Colorado Government Liquid Asset Trust Plus (Colotrust Plus) and the Colorado Surplus Asset Fund Trust (CSAFE), both established for Colorado local governments surplus fund pooling. Both pools are regulated by the Colorado Securities Commissioner. Pool investments consist of U.S. Treasury bills, notes and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by U.S. Treasury securities and or instrumentalities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the specific pool. ColoTrust Plus and C-SAFE are 2a7-like investment pools and are both rated by

High View Water District
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 2 Cash and Investments (Continued)

Standard and Poor's, and Moody's with current ratings of AAA and Aaa. Colotrust is valued at net asset value and CSAFE is valued at amortized cost. There are no limitations on withdrawals. The redemption frequency is daily and there is no redemption notice period for ColoTrust or CSAFE. At December 31, 2024 and 2023, the District had \$932,648 and \$884,628 invested in COLOTRUST, and \$438,115 and \$415,780, respectively, invested in CSAFE.

A summary of cash and cash equivalents at December 31, 2024 and 2023 is as follows:

	2024	2023
Cash on hand	\$ 100	\$ 100
Cash deposits	632,307	555,992
CSAFE	438,115	415,780
COLOTRUST	932,648	884,628
Total cash and cash equivalents	<u>\$ 2,003,170</u>	<u>\$ 1,856,500</u>

Note 3 Accounts Receivable

Accounts receivable balance at December 31, 2024 and 2023, was comprised of the following:

	2024	2023
Fees for services	\$ 129,927	\$ 127,654
Cash at county treasurer	36	46
Other	10,279	7,273
Less: Allowance for doubtful accounts	-	-
Net Accounts Receivable	<u>\$ 140,242</u>	<u>\$ 134,973</u>
Accounts receivable	129,927	127,654
Other receivables	10,315	7,319
Total per financial statements	<u>\$ 140,242</u>	<u>\$ 134,973</u>

High View Water District
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 4 Capital Assets

A summary of changes to capital assets for 2024 and 2023 is as follows:

	Balance at 12/31/2023	Additions	Deletions	Balance at 12/31/2024
Nondepreciable				
Land	\$ 19,105	\$ -	\$ -	\$ 19,105
Construction in progress	29,510	23,398	-	52,908
Total Nondepreciable	48,615	23,398	-	72,013
Depreciable				
Water distribution system	3,202,895	67,261	-	3,270,156
Buildings	102,258	-	-	102,258
Machinery and equipment	438,149	-	-	438,149
Office equipment	24,514	-	-	24,514
Vehicles	67,522	22,986	(17,011)	73,497
Total Depreciable	3,835,338	90,247	(17,011)	3,908,574
TOTAL	3,883,953	113,645	(17,011)	3,980,587
Less Accumulated Depreciation				
Water distribution system	(2,296,369)	(56,254)	-	(2,352,623)
Buildings	(87,735)	(1,446)	-	(89,181)
Machinery and equipment	(385,238)	(12,042)	-	(397,280)
Office equipment	(20,946)	(1,338)	-	(22,284)
Vehicles	(42,655)	(4,764)	11,908	(35,511)
Total Accumulated Depreciation	(2,832,943)	(75,844)	11,908	(2,896,879)
Net Capital Assets	\$ 1,051,010	\$ 37,801	\$ (5,103)	\$ 1,083,708
	Balance at 12/31/2022	Additions	Deletions	Balance at 12/31/2023
Nondepreciable				
Land	\$ 19,105	\$ -	\$ -	\$ 19,105
Construction in progress	9,653	19,857	-	29,510
Total Nondepreciable	28,758	19,857	-	48,615
Depreciable				
Water distribution system	3,078,032	124,863	-	3,202,895
Buildings	102,258	-	-	102,258
Machinery and equipment	425,479	12,670	-	438,149
Office equipment	24,514	-	-	24,514
Vehicles	67,522	-	-	67,522
Total Depreciable	3,697,805	137,533	-	3,835,338
TOTAL	3,726,563	157,390	-	3,883,953
Less Accumulated Depreciation				
Water distribution system	(2,243,160)	(53,209)	-	(2,296,369)
Buildings	(86,230)	(1,505)	-	(87,735)
Machinery and equipment	(372,805)	(12,433)	-	(385,238)
Office equipment	(18,973)	(1,973)	-	(20,946)
Vehicles	(37,231)	(5,424)	-	(42,655)
Total Accumulated Depreciation	(2,758,399)	(74,544)	-	(2,832,943)
Net Capital Assets	\$ 968,164	\$ 82,846	\$ -	\$ 1,051,010

High View Water District
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 5 Retirement Plan

The District is a member of the Colorado County Officials and Employee Retirement Association (CCOERA), a multi-employer defined contribution retirement plan. The benefit terms are authorized by the Board of Directors. The plan provides that the District match the mandatory eight percent contributions made by each eligible employee. An employee becomes eligible after completion of one year of service with 40 hours per week, or five months a year. Upon termination of employment, the employee is eligible to withdraw the vested account balance. Employee contributions are immediately vested. Employer contributions vest each plan month at the rate which equals the product of 1/12 multiplied by 20%. The District made contributions during 2024, 2023 and 2022 of \$6,863, \$11,390, and \$12,424, respectively.

Note 6 Tax, Spending, and Debt Limitation

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

The District has created a Water statutory enterprise operation in compliance with Colorado law, which exempts certain business-like operations from Article X, Section 20 of the Colorado Constitution.

Note 7 Risk Management

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

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

Note 8 Reclassifications

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

Other Supplementary Information

High View Water District
Budgetary vs. Actual Comparison - Non GAAP Basis
For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Service charges	\$ 1,339,897	\$ 1,365,078	\$ 25,181
Transfer fees	1,500	875	(625)
On / off charges	100	125	25
Connection fees	-	3,140	3,140
Property taxes	10,612	10,823	211
Specific ownership taxes	800	642	(158)
Interest	62,500	71,333	8,833
Other	1,750	482	(1,268)
Late charges	7,500	8,851	1,351
Gain on sale of asset	-	2,147	2,147
Total Revenues	<u>1,424,659</u>	<u>1,463,496</u>	<u>38,837</u>
Expenses			
Personnel expenses	259,752	215,407	44,345
Water purchases	750,000	716,258	33,742
Other collection and transmission expenses	129,500	146,561	(17,061)
Other general and administrative	163,250	133,800	29,450
County treasurer fees	159	162	(3)
Capital outlay	175,000	113,645	61,355
Contingency and reserves	<u>1,740,502</u>	<u>-</u>	<u>1,740,502</u>
Total Expenses	<u>3,218,163</u>	<u>1,325,833</u>	<u>1,892,330</u>
Revenues over (under) Expenditures	<u>\$ (1,793,504)</u>	<u>137,663</u>	<u>\$ 1,931,167</u>
Reconciliation to Net Income			
Add Capital Outlay		113,645	
Less Depreciation Expense		<u>(75,844)</u>	
Net Income		<u>\$ 175,464</u>	

See the Independent Auditor's Report