

BOSTWICK PARK WATER  
CONSERVANCY DISTRICT

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

# **DONALD R. MORELAND & ASSOCIATES, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Bostwick Park Water Conservancy District  
Montrose, Colorado 81401

### **Opinion**

We have audited the accompanying financial statements of Bostwick Park Water Conservancy District, as of and for the years ended December 31, 2024 and 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of Bostwick Park Water Conservancy District as of December 31, 2024 and 2023, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 Bostwick Park Water Conservancy District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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 Bostwick Park Water Conservancy District's ability to continue as a going concern for twelve months from the date of this auditor's report, including any currently known information that may raise substantial doubt shortly thereafter.

Board of Directors  
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**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 and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on these financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

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

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

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**Required Supplementary Information**

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bostwick Park Water Conservancy District's financial statements. The accompanying supplementary information - revenues and expenditures - budget and actual and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Donald R. Moreland + associates, P.C.*

Montrose, Colorado  
February 11, 2026

**MANAGEMENT' S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As management of the Bostwick Park Water Conservancy District, we offer readers of the Bostwick Park Water Conservancy District's financial statements this narrative overview and analysis of the financial activities of the Bostwick Park Water Conservancy District for the fiscal years ended December 31, 2024 and 2023.

### Financial Highlights

- The assets of the Bostwick Park Water Conservancy District (also referred to as the District) exceeded its liabilities and deferred inflows of resources at December 31, 2024 and 2023 by \$5,881,854 and \$5,964,826, respectively (net position). Of this amount, \$540,791 and \$(404,378), respectively (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased (decreased) by \$(82,972) and \$2,842,681 for the years ended December 31, 2024 and 2023, respectively.
- District revenues and expenses remained relatively consistent with prior years, with the exception of increased property and specific ownership taxes, decreased intergovernmental revenue, decreased personnel costs, decreased grant expenses and increased interest expenses.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Bostwick Park Water Conservancy District's basic financial statements. The Bostwick Park Water Conservancy District's basic financial statements are presented as a special purpose government engaged only in business type activities - providing irrigation water and managing the Silverjack Reservoir.

The *statement of net position* presents information on all of the Bostwick Park Water Conservancy District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Bostwick Park Water Conservancy District is improving or deteriorating.

The *statement of revenues, expenses and changes in fund net position* presents information showing how the District's net position changed during the most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The *statement of cash flows* report the District's cash flows from operating, noncapital financing, capital and related financing and investing activities. Also presented are beginning and end of year cash and cash equivalents.

The basic financial statements can be found on pages 8 through 10 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 11 through 19 of the report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* concerning the Bostwick Park Water Conservancy District's budgetary comparisons for revenues and expenditures. Supplementary information can be found on page 20 of this report.

The audit for the year ended December 31, 2023 was conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States. The audit included a schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards and on Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance. No material weaknesses, significant deficiencies or audit findings were reported.

**Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the Bostwick Park Water Conservancy District, assets exceeded liabilities and deferred inflows of resources by \$5,881,854 and \$5,964,826, respectively, at December 31, 2024 and 2023.

All of the District's net position at December 31, 2024 reflects its investment in capital assets (e.g., land, buildings, equipment, project works, canals, reservoirs and water rights), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to agricultural water users and citizens; consequently, these assets are not available for future spending.

**Bostwick Park Water Conservancy District Net Position**

	<u>2024</u>	<u>2023</u>
Current assets	\$ 621,789	1,172,414
Restricted assets	10,000	10,000
Capital assets	6,628,287	6,582,788
Other assets	<u>604,332</u>	<u>          </u>
Total assets	<u>7,864,408</u>	<u>7,765,202</u>
Current liabilities	498,341	1,333,243
Long-term debt	<u>1,139,343</u>	<u>146,565</u>
Total liabilities	<u>1,637,684</u>	<u>1,479,808</u>
Deferred inflows of resources	<u>344,870</u>	<u>320,568</u>
Total deferred inflows of resources	<u>344,870</u>	<u>320,568</u>
Net position:		
Net investment in capital assets	5,331,063	6,359,204
Restricted	10,000	10,000
Unrestricted (deficit)	<u>540,791</u>	<u>(404,378)</u>
Total net position	<u>\$5,881,854</u>	<u>5,964,826</u>

At the end of the current fiscal year, the Bostwick Park Water Conservancy District is able to report positive balances in all categories of net position, except unrestricted net position (deficit). For the prior fiscal year, the District reported positive balances in all categories of net position, except unrestricted net position (deficit).

Under the GASB 34 reporting model the audit shows the District's net position increased (decreased) by \$(82,972) and \$2842,681, respectively, during the fiscal years ended December 31, 2024 and 2023.

**Bostwick Park Water Conservancy District Changes in Net Position**

	<u>2024</u>	<u>2023</u>
Revenues:		
Operating revenue	\$ 176,792	185,102
Non-operating revenue	908,721	4,292,709
Total revenues	<u>1,085,513</u>	<u>4,477,811</u>
Expenses:		
Operating expenses:		
Administrative and general	836,505	1,259,864
Office building	13,624	14,919
Depreciation	311,677	354,539
Non-operating expenses	6,679	5,808
Total expenses	<u>1,168,485</u>	<u>1,635,130</u>
Change in net position	(82,972)	2,842,681
Net position - beginning of year	<u>5,964,826</u>	<u>3,122,145</u>
Net position - end of year	<u>\$5,881,854</u>	<u>5,964,826</u>

Total expenses have remained relatively consistent from 2023 to 2024, with the exception of decreased administrative and general expenses. Operating revenue incurred an decrease mainly due to decreased reimbursements. Non-operating revenue incurred an decrease mainly due to decreased intergovernmental revenue.

**Budgetary highlights**

Changes between actual revenues and budgeted amounts were primarily due to decreased revenue from federal grants.

Changes between actual expenses and budgeted amounts were primarily due to decreased capital outlay, decreased personnel costs and decreased grant expenses.

**Capital Asset and Debt Administration**

**Capital assets.** The Bostwick Park Water Conservancy District's investment in capital assets as of December 31, 2024 and 2023 amounted to \$6,628,287 and \$6,582,788, respectively, (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, project works, canals, reservoirs and water rights.

The major capital asset events during the years ended December 31, 2024 and 2023 was the following:

- Siphon Lateral and Shinn Park/Waterdog improvements as part of the Colorado River Salinity Reduction Program, other canal and reservoir improvements, and the purchase of equipment.

**Bostwick Park Water Conservancy District Capital Assets**  
(net of depreciation)

	<u>2024</u>	<u>2023</u>
Water rights	\$ 19,494	19,494
Easement	100,000	100,000
Project works	150,509	176,312
Canals and reservoirs	5,709,773	5,639,991
Buildings	210,210	224,781
Equipment	438,301	422,210
Total capital assets	<u>\$6,628,207</u>	<u>6,582,788</u>

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

**Economic Factors and Next Year's Budgets and Rates**

- The District has applied for grants through the Basin States Program operated by the United States Bureau of Reclamation and the Colorado River Water Conservation District for the replacement of portions of the delivery system and to install salinity control measures to reduce salinity in the Colorado River and its tributaries.
- The District will continue to assist the Cimarron Canal and Reservoir Company to improve and enlarge the water distribution system to alleviate possible drought related conditions.

**Request for information**

This financial report is designed to provide a general overview of the Bostwick Park Water Conservancy District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to Bostwick Park Water Conservancy District, 400 South Third, Montrose, Colorado, 81401.

**FINANCIAL STATEMENTS**

BOSTWICK PARK WATER CONSERVANCY DISTRICT

## STATEMENT OF NET POSITION

December 31, 2024 and 2023

	2024	2023
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 13,917	31,776
Due from other governments	26,330	66,023
Receivables, property taxes	344,870	320,568
Receivables, water	37,226	45,902
Receivable, related party		668,289
Note receivable, related party, current portion	13,472	
Note receivable, current portion	8,902	
Inventory	170,054	27,640
Prepaid expenses	7,018	12,216
TOTAL CURRENT ASSETS	<u>621,789</u>	<u>1,172,414</u>
RESTRICTED ASSETS		
Cash and cash equivalents	10,000	10,000
PROPERTY AND EQUIPMENT		
Water rights	19,494	19,494
Easement	100,000	100,000
Project works	1,306,142	1,306,142
Canals and reservoirs	6,809,078	6,571,882
Buildings	491,918	491,918
Equipment	1,492,894	1,372,914
	10,219,526	9,862,350
Accumulated depreciation	(3,591,239)	(3,279,562)
PROPERTY AND EQUIPMENT - NET	<u>6,628,287</u>	<u>6,582,788</u>
OTHER ASSETS		
Note receivable, related party, net of current portion	586,528	
Note receivable, net of current portion	17,804	
TOTAL OTHER ASSETS	<u>604,332</u>	
TOTAL ASSETS	<u>7,864,408</u>	<u>7,765,202</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	119,619	20,868
Accounts payable, related party	110,605	83,144
Due to other governments		291,071
Revolving line of credit		815,142
Accrued interest payable	41,027	13,186
Payroll taxes withheld and accrued	69,209	26,453
Long term debt due in one year	157,881	83,379
TOTAL CURRENT LIABILITIES	498,341	1,333,243
LONG-TERM DEBT - NET		
	1,139,343	146,565
TOTAL LIABILITIES	<u>1,637,684</u>	<u>1,479,808</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred revenue, property taxes	344,870	320,568
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>344,870</u>	<u>320,568</u>
<u>NET POSITION</u>		
Net investment in capital assets	5,331,063	6,359,204
Restricted - operations and maintenance	10,000	10,000
Unrestricted (deficit)	540,791	(404,378)
TOTAL NET POSITION \$	<u>5,881,854</u>	<u>5,964,826</u>

See Notes to Financial Statements.

BOSTWICK PARK WATER CONSERVANCY DISTRICT

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>OPERATING REVENUES</u>		
Water assessments	\$ 92,105	57,496
Property rent	16,280	16,280
Reimbursement	47,248	94,380
Miscellaneous	21,159	16,946
TOTAL OPERATING REVENUES	<u>176,792</u>	<u>185,102</u>
<u>OPERATING EXPENSES</u>		
Salaries	408,958	614,219
Payroll taxes	33,972	53,429
Employee benefits	9,753	9,634
Manager reimbursement	82,478	82,425
Canal maintenance	1,875	23,471
Equipment fuel and repairs	33,051	78,529
Repairs and maintenance	3,645	3,160
Supplies	10,699	20,864
Waste disposal	1,009	968
Licenses and fees	783	1,093
Postage	168	650
Office	9,216	8,270
Rent	720	920
Utilities	3,440	3,554
Communications	44,237	42,884
Professional fees	6,675	20,681
Insurance and bonds	23,915	22,816
Travel and training	1,939	2,044
Silverjack dam expenses	1,650	3,315
Miscellaneous	11,101	12,829
Depreciation	304,490	346,230
Interest	106,154	86,073
Penalties and late fees	17,337	
Grants	23,730	168,036
Office building:		
Utilities	7,426	7,957
Janitorial	4,800	4,800
Repairs and maintenance	481	947
Supplies	197	495
Insurance	720	720
Depreciation	7,187	8,309
TOTAL OPERATING EXPENSES	<u>1,161,806</u>	<u>1,629,322</u>
OPERATING INCOME (LOSS)	<u>(985,014)</u>	<u>(1,444,220)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Property and specific ownership tax	383,443	342,282
Intergovernmental revenue	525,272	3,950,422
Interest income	6	5
Treasurer's fees	(6,679)	(5,808)
NET NON-OPERATING REVENUES (EXPENSES)	<u>902,042</u>	<u>4,286,901</u>
CHANGE IN NET POSITION	(82,972)	2,842,681
NET POSITION		
BEGINNING OF YEAR	<u>5,964,826</u>	<u>3,122,145</u>
END OF YEAR	<u>\$ 5,881,854</u>	<u>5,964,826</u>

See Notes to Financial Statements.

BOSTWICK PARK WATER CONSERVANCY DISTRICT  
STATEMENT OF CASH FLOWS  
For the years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from users	\$ 853,657	49,524
Payments to suppliers	(380,609)	(646,246)
Payments to employees	(409,927)	(661,926)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>63,121</u>	<u>(1,258,648)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Property and specific ownership tax - net	376,764	335,475
Intergovernmental	272,976	3,949,396
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>649,740</u>	<u>4,284,871</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Purchase and construction of property and equipment	(357,176)	(2,875,529)
Payment of long-term debt	(41,720)	(78,769)
Proceeds from long-term debt	483,312	
Net increase (decrease) in line of credit	(815,142)	(178,351)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(730,726)</u>	<u>(3,132,649)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest received on demand accounts	6	5
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>6</u>	<u>5</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(17,859)	(106,421)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>41,776</u>	<u>148,197</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u><u>23,917</u></u>	<u><u>41,776</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	\$ (985,014)	(1,444,220)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	311,677	354,539
Changes in assets and liabilities:		
Decrease (increase) in water receivable	8,576	(26,805)
Decrease (increase) in receivable, related party	668,289	(108,773)
Decrease (increase) in inventory	(142,414)	
Decrease (increase) in prepaid expenses	5,198	(1,087)
Increase (decrease) in accounts payable	98,751	(47,154)
Increase (decrease) in accounts payable, related party	27,461	
Increase (decrease) in accrued interest payable	27,841	(503)
Increase (decrease) in payroll taxes withheld and accrued	42,756	15,355
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES \$	<u><u>63,121</u></u>	<u><u>(1,258,648)</u></u>

See Notes to Financial Statements.

**NOTES TO FINANCIAL STATEMENTS**

BOSTWICK PARK WATER CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

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1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The Bostwick Park Water Conservancy District is incorporated as a conservancy district under the laws of the State of Colorado with a judicially appointed board of six directors. The District provides irrigation water and manages the Silverjack Reservoir. The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements of the District consist only of the enterprise fund of the District, a stand-alone government. Based on criteria set forth by GASB, there are no component units for which the District is financially accountable. The more significant of the District's accounting policies are described below.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses for proprietary funds 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 nonoperating revenues and expenses.

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.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

*Proprietary Fund Financial Statements.* The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

BOSTWICK PARK WATER CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2024 and 2023

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1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET ASSETS

*Cash and cash equivalents.* The District considers all cash on hand, demand deposits and short-term highly liquid investments with an original maturity of three months or less to be cash equivalents

*Receivables.* The District considers all accounts receivable collectible and, accordingly, provides no allowance for doubtful accounts.

*Restricted assets.* These assets consist of cash and cash equivalents restricted as to use by covenants of the government contract payable.

*Property taxes receivable.* Property taxes are levied on December 22 and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31, net of an estimated uncollectible portion.

*Inventory.* Inventory is stated at the lower of cost, determined by the first-in, first-out method, or market. Inventory is adjusted for estimated obsolescence and written down to net realizable value based upon estimates of future demand, technology developments, and market conditions.

*Capital assets.* Purchased or constructed capital assets are reported at cost or estimated historical cost. Capital assets acquired from the United States under the contract dated March 18, 1966, are stated at the contract cost amounts. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation is calculated using the straight-line method over the estimated useful lives. Capital assets acquired by capital lease are depreciated over the estimated useful lives and are included in depreciation expense. The estimated useful lives are as follows:

Project works	10 - 53 years
Canals	25 years
Buildings	20 - 25 years
Equipment	5 - 10 years

The cost of water rights include 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.

*Long-term debt.* The District has recorded the full original amount of the \$85,900 contract payable to the United States, described in Note 6, without recognition of imputed interest.

BOSTWICK PARK WATER CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2024 and 2023

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1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET ASSETS (continued)

*Reclassifications.* Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

E. BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budget.

- a. The District's treasurer submits a proposed operating budget to the Board and a public hearing is held prior to December for the following calendar year. The operating budget includes proposed expenditures and the means of financing them.
- b. Prior to January 1, the budget is enacted by passage of a resolution. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) except that grants are budgeted as revenues, principal payments, and capital outlays are budgeted as expenditures, and no provision is made for depreciation. Budgeted expenditures are appropriated in total for the District and the level of control is in total.
- c. The Board of Directors may authorize supplemental appropriations during the year. During 2024 and 2023, no supplemental appropriations were adopted.
- d. Appropriations lapse at the end of the year.

2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Deposits

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

Custodial Credit Risks - 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 balances of \$42,619 and \$80,025, respectively, were exposed to custodial credit risk as \$80,025 and \$80,025, respectively, were insured.

BOSTWICK PARK WATER CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2024 and 2023

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2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)

At December 31, 2024 and 2023 the carrying amount of the District's deposits were presented on the balance sheet as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 13,917	31,776
Restricted Assets -		
Cash and cash equivalents	<u>10,000</u>	<u>10,000</u>
	<u>\$ 23,917</u>	<u>41,776</u>

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. 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; and guaranteed investment contracts.

The District had no investments during the years ended December 31, 2024 and 2023.

3 - RESERVE FUND FOR OPERATIONS AND MAINTENANCE

Pursuant to the contract between the United States of America and Bostwick Park Water Conservancy District for Advancement and Subsequent Repayment of Funds Expended for Emergency Work dated September 27, 1984, the District is required to accumulate a reserve fund of \$10,000 for extraordinary operation and maintenance as defined in the agreement. Expenditures from the fund must have the prior review and approval of the Bureau of Reclamation. The District was in compliance with the contract at December 31, 2024 and 2023.

**BOSTWICK PARK WATER CONSERVANCY DISTRICT**  
NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2024 and 2023

4 - CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2024 and 2023, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>2024</b>				
Capital assets not being depreciated:				
Water rights	\$ 19,494			19,494
Easement	100,000			100,000
Total capital assets not being depreciated	\$ 119,494			119,494
Capital assets being depreciated:				
Project works	1,306,142			1,306,142
Canals and reservoirs	6,571,882	237,136		6,809,078
Buildings	491,918			491,818
Equipment	1,372,914	111,250		1,492,894
Total capital assets being depreciated	9,742,856	357,176		10,100,032
Less accumulated depreciation for:				
Project works	1,129,830	25,803		1,155,633
Canals and reservoirs	931,891	167,414		1,099,305
Buildings	267,137	14,571		281,708
Equipment	950,704	103,889		1,054,593
Total accumulated depreciation	3,279,562	311,677		3,591,239
Total capital assets, net	\$6,582,788	45,499		6,628,287
<b>2023</b>				
Capital assets not being depreciated:				
Water rights	\$ 19,494			19,494
Easement	100,000			100,000
Total capital assets not being depreciated	\$ 119,494			119,494
Capital assets being depreciated:				
Project works	1,306,142			1,306,142
Canals and reservoirs	3,756,071	2,815,811		6,571,882
Buildings	491,918			491,918
Equipment	1,313,196	59,718		1,372,914
Total capital assets being depreciated	6,867,327	2,875,529		9,742,856
Less accumulated depreciation for:				
Project works	1,104,029	25,801		1,129,830
Canals and reservoirs	765,776	166,115		931,891
Buildings	251,739	15,398		267,137
Equipment	803,479	147,225		950,704
Total accumulated depreciation	2,925,023	354,539		3,279,562
Total capital assets, net	\$4,061,798	2,520,990		6,582,788

BOSTWICK PARK WATER CONSERVANCY DISTRICT  
 NOTES TO FINANCIAL STATEMENTS (continued)  
 December 31, 2024 and 2023

5 - SHORT-TERM DEBT

On November 17, 2017, the District entered into an agreement with American AgCredit for a \$1,000,000 variable rate revolving line of credit. The funds borrowed during the 2023 year were for capital additions.

Short-term debt activity for the years ended December 31, 2024 and 2023 was as follows:

	BALANCE BEGINNING OF YEAR	ADDITIONS	REDUCTIONS	BALANCE END OF YEAR
<b>2024</b>				
Revolving line of credit	<u>\$815,142</u>	<u>          </u>	<u>815,142</u>	<u>-0-</u>
<b>2023</b>				
Revolving line of credit	<u>\$993,493</u>	<u>241,000</u>	<u>419,351</u>	<u>815,142</u>

As of December 31, 2023 \$184,858 of the revolving line of credit was unused and available.

6 - LONG-TERM DEBT

On March 18, 1966, the District entered into a contract with the United States providing for the construction, operation and maintenance of the Bostwick Park Project as a participating project under the Colorado River Storage Project Act. The total original amount of the contract of \$859,000 is to be paid in equal annual installments over a period of 50 years without interest, except a .50% per month charge on payments delinquent in excess of 30 days.

On December 16, 2019 the District entered into a government obligation contract with a bank to purchase equipment. The contract is payable in annual installments of \$28,314 including interest at 3.5% and is secured by equipment.

On August 15, 2021, the District entered into a contract to purchase equipment. The contract is payable in monthly installments of \$1,158 including interest at 4.991% and is secured by equipment.

On February 21, 2022, the District entered into a contract to purchase equipment. The contract is payable in monthly installments of \$2,107 including interest at 7.57% and is secured by equipment.

On October 13, 2022, the District entered into a contract to purchase a storage building. The contract is payable in monthly installments of \$753 including interest at 33% and secured by the building.

On June 25, 2024, the District entered into a contract to refinance a line of credit. The contract is payable in annual installments of \$93,407 on March 1, 2025 increasing to \$120,420 on March 1, 2026 including interest at 8.50%, and is secured by real estate and personal property liens.

On October 30, 2024, the District entered into a contract to purchase equipment. The contract is payable in monthly installments of \$2,281 including interest at 9.35% and is secured by equipment.

**BOSTWICK PARK WATER CONSERVANCY DISTRICT**  
NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2024 and 2023

6 - LONG-TERM DEBT (continued)

The contracts payable at December 31, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Contract payable in annual installments of \$17,180	\$ 85,900	85,900
Contract payable in annual installments of \$28,314	27,324	27,354
Contract payable in monthly installments of \$1,158	22,180	34,631
Contract payable in monthly installments of \$2,107	48,601	69,351
Contract payable in monthly installments of \$753	7,064	12,708
Contract payable in annual installments of \$93,407 in 2025 increasing to \$120,420 in 2026	1,000,000	
Contract payable in monthly installments of \$2,281	106,125	
	<u>1,297,224</u>	<u>229,944</u>
Less amounts due in one year	<u>157,881</u>	<u>83,379</u>
	<u>\$1,139,343</u>	<u>146,565</u>

LONG-TERM DEBT - NET \$1,139,343 146,565

Long-term debt is payable as follows:

2025	\$157,881
2026	108,832
2027	82,923
2028	86,309
2029	70,934
2030-2034	790,745

Long-term liability activity for the years ended December 31, 2024 and 2023 was as follows:

	<u>BALANCE BEGINNING OF YEAR</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE END OF YEAR</u>	<u>DUE WITHIN ONE YEAR</u>
<b>2024</b>					
1966 contract payable	\$ 85,900			85,900	34,360
2019 contract payable	27,354			27,354	27,354
2021 contract payable	34,631		12,451	22,180	13,087
2022 contract payable	69,351		20,750	48,601	22,376
2022 contract payable	12,708		5,644	7,064	7,064
2024 contract payable		1,000,000		1,000,000	35,420
2024 contract payable		109,000	2,875	106,125	18,220
	<u>\$ 229,944</u>	<u>1,109,000</u>	<u>41,720</u>	<u>1,297,224</u>	<u>157,881</u>
<b>2023</b>					
1966 contract payable	\$ 103,080		17,180	85,900	17,180
2019 contract payable	53,780		38,274	27,354	27,354
2021 contract payable	46,479		11,848	34,631	12,451
2022 contract payable	88,593		19,242	69,351	20,750
2022 contract payable	16,784		4,076	12,708	5,644
	<u>\$ 308,713</u>		<u>90,620</u>	<u>229,944</u>	<u>83,379</u>

BOSTWICK PARK WATER CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2024 and 2023

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7 - RELATED PARTY TRANSACTIONS

The Bostwick Park Water Conservancy District (District) has an agreement for the carriage and distribution of irrigation water with the Cimarron Canal and Reservoir Company (Company) dated March 18, 1966 whereby the cost of operation, maintenance, and repair of all Company and District project works is to be borne mutually in the ratio of 35 percent by the Company and 65 percent by the District. In years prior to 2013, the cost was borne mutually in the ratio of 65% by the Company and 35% by the District. The agreement was amended in 2013 to more accurately reflect the cost of operation.

In 2013, the District acquired an undivided co-interest in the Company ditch-easement rights.

The District leases a residence and certain outbuildings to the Company under an operating lease. Annual lease payments are \$5,000 through 2034 with an option for an additional ten year term. Net buildings on operating leases totaled \$266,724 at December 31, 2024 and 2023, respectively. The buildings are depreciated on a straight-line basis over ten to twenty-five years. The accumulated depreciation on these buildings was \$207,585 and \$200,201 at December 31, 2024 and 2023, respectively. The corresponding annual depreciation expense was \$7,374 and \$8,144 in 2024 and 2023, respectively.

The District by assignment from the Company also leases real estate under a noncancellable operating lease. The lease is for a period of ten years and expires January 1, 2034. Annual lease payments are \$200. Future minimum lease payments total \$1,600 at December 31, 2024 are scheduled as follows:

2025	\$200
2026	200
2027	200
2028	200
2029	200
2030-2033	600

At December 31, 2024 and 2023, the District had a net receivable (payable) to the Company in the amount of \$27,461 and \$668,289, respectively.

As of December 31, 2024, and 2023, an entity of which the manager of the District is a member had advanced the District \$83,144.

8 - TAX, SPENDING AND DEBT LIMITATIONS

The Colorado Constitution, Article X, Section 20, has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Section is complex and subject to judicial interpretation. It is the opinion of management and the legal counsel that the District's water activity is an enterprise within the meaning of Article X, Section 20, and is not subject to the revenue limitations nor required to establish the emergency reserves, but is subject to the property tax limitations contained therein.

9 - RISK MANAGEMENT

The District is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Such exposure, except for the distribution system, is covered by purchase of commercial insurance, including worker's

BOSTWICK PARK WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2024 and 2023

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10 - COMMITMENTS

The District has entered into contracts for the System Optimization Plan and the System Lateral Pipeline Project totaling \$65,000, at December 31, 2014. At December 31, 2024, the contracts had been completed.

11 - SUBSEQUENT EVENTS

Subsequent events were evaluated through February 11, 2026 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

**BOSTWICK PARK WATER CONSERVANCY DISTRICT**  
**SUPPLEMENTARY INFORMATION - REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**For the years ended December 31, 2024 and 2023**

	2024		2023		VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL AND FINAL BUDGET	ACTUAL	ORIGINAL AND FINAL BUDGET	ACTUAL	
<b>PROPRIETARY REVENUES</b>					
Water assessments	\$ 92,050	92,105			
Property rent	16,280	16,280	62,087	57,496	(4,591)
Reimbursement	50,000	47,248	10,000	94,380	84,380
Income from investments	5	6	5	5	-
Intergovernmental revenue	31,813,171	525,272	30,469,293	3,950,422	(26,518,871)
Other revenue	1,000	21,159	205,000	16,946	(188,054)
<b>TOTAL PROPRIETARY REVENUES</b>	<b>31,972,506</b>	<b>702,070</b>	<b>30,762,665</b>	<b>4,135,529</b>	<b>(26,627,136)</b>
<b>EXPENDITURES</b>					
Salaries	307,000	408,958	175,000	634,219	(439,219)
Payroll taxes	23,486	33,972	13,388	53,429	(40,041)
Employee benefits	7,500	9,753	7,500	9,634	(2,134)
Manager reimbursement	90,000	82,478	90,000	82,425	7,575
Canal maintenance	15,000	1,875	13,125	23,471	(13,471)
Equipment fuel and repairs	20,000	33,051	40,000	78,529	(38,529)
Repairs and maintenance	6,300	3,645	6,300	3,160	3,140
Supplies	8,000	10,699	8,000	20,864	(12,864)
Equipment rental	12,000	1,009	12,000	968	12,000
Waste disposal	2,000	783	2,000	1,032	1,032
Licenses and fees		168		1,093	(1,093)
Postage		168		650	(650)
Office	2,000	9,216	2,000	8,270	(6,270)
Rent	1,500	720	1,500	920	580
Utilities	4,500	3,440	4,500	3,554	946
Communications	22,000	44,237	22,000	42,884	(20,884)
Professional fees	30,000	6,675	30,000	20,681	9,319
Insurance and bonds	30,000	23,915	30,000	22,816	7,184
Advertising and public notices	100		100	100	
Travel and training	1,939	3,061	5,000	2,044	2,956
Interest	80,000	106,154	20,000	86,073	(66,073)
Penalties and late fees		17,337			
Grants		23,730		168,036	(168,036)
Office building expenses	16,000	13,624	16,000	14,919	1,081
Capital outlay	26,743,517	357,176	27,043,517	2,875,529	24,167,988
Debt retirement	11,320	41,720	30,400	61,589	(61,589)
Miscellaneous	2,500	31,101	2,500	12,829	(10,329)
<b>TOTAL PROPRIETARY EXPENDITURES</b>	<b>27,439,723</b>	<b>1,247,315</b>	<b>27,543,305</b>	<b>4,209,566</b>	<b>23,332,739</b>
<b>EXCESS OF PROPRIETARY REVENUES OVER (UNDER) EXPENDITURES</b>	<b>4,532,783</b>	<b>(545,245)</b>	<b>3,221,360</b>	<b>(73,057)</b>	<b>(3,294,417)</b>
<b>GOVERNMENT REVENUES</b>					
Property and specific ownership taxes	360,961	363,443	330,956	342,282	11,326
Silverjack dam expenses	4,500	1,650	4,500	3,115	1,185
Treasurer's fees	8,000	6,679	8,000	5,808	2,192
Debt retirement	17,180		17,180	17,180	-
Contingency			75,000		75,000
<b>TOTAL GOVERNMENT EXPENDITURES</b>	<b>29,680</b>	<b>8,329</b>	<b>104,660</b>	<b>26,303</b>	<b>78,377</b>
<b>EXCESS OF GOVERNMENT REVENUES OVER GOVERNMENT EXPENDITURES</b>	<b>331,281</b>	<b>375,114</b>	<b>226,276</b>	<b>315,979</b>	<b>89,703</b>
<b>TOTAL DISTRICT REVENUES</b>	<b>32,333,467</b>	<b>1,085,513</b>	<b>31,093,621</b>	<b>4,477,811</b>	<b>(26,615,810)</b>
<b>TOTAL DISTRICT EXPENDITURES</b>	<b>27,469,403</b>	<b>1,255,704</b>	<b>27,645,985</b>	<b>4,234,889</b>	<b>23,411,096</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>4,864,064</b>	<b>(170,191)</b>	<b>3,447,636</b>	<b>242,922</b>	<b>(3,204,714)</b>
<b>RECONCILIATION OF EXCESS OF REVENUES OVER (UNDER) EXPENDITURES TO CHANGE IN FUND NET POSITION:</b>					
Depreciation		(311,677)			(354,519)
Capital outlay		357,176			2,875,529
Debt retirement		41,720			78,769
		(92,972)			2,842,681