

**North Table Mountain Water and Sanitation District**

ANNUAL FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

**DECEMBER 31, 2024 and 2023**





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## INDEPENDENT AUDITORS' REPORT

Board of Directors and Management  
North Table Mountain Water & Sanitation District

### **Opinion**

We have audited the accompanying financial statements of the business-type activities of North Table Mountain Water & Sanitation District (the "District") for the years ended December 31, 2024 and 2023 and the related notes to the financial statements, which collectively comprise North Table Mountain Water & Sanitation District 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 business-type activities of the District, as of December 31, 2024 and 2023 for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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 Auditors' 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.

### **Auditors' 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 auditors' 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 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

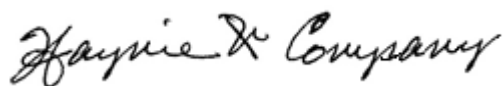
### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management' 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.

### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

Sincerely,



Littleton, Colorado  
June 10, 2025

## **North Table Mountain Water & Sanitation District Management's Discussion and Analysis**

The discussion and analysis is designed to provide an analysis of the District's financial condition and operating results and to inform the reader on the District's financial issues and activities. The Management Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements.

### **Financial Highlights**

- Net position increased by \$399,689, due primarily to an increase in water sales in the current year.
- District operating expenses increased by \$359,359 (4.3%) and operating revenues increased by \$1,527,522 (21.9%) from 2023 to 2024, resulting in a reduced net operating loss of \$292,933 in 2024. This is driven primarily by an increase water sales, offset by increases in repairs and maintenance and raw water expenses.

### **Overview of the Financial Statements**

The financial statements of the District are presented as a special purpose government engaged in business type activities – providing water and sewer services.

The *Statements of Net Position* present information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statements of Revenues, Expenses and Changes in Net Position* present information which reflects how the District's net position changed during the past year. 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. Thus, revenues and expenses are reported in the statements for some items that will only result in cash flows in future fiscal periods.

The *Statements of Cash Flows* report the District's cash flows from operating, noncapital financing, capital financing and investing activities.

These financial statements distinguish functions of the District that will be principally supported by user fees, developer contributions and tap fees. The functions of the District include effective and economical operation of water and wastewater sewer systems within the jurisdictional boundaries of the District. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The district-wide financial statements include only the District itself.

The District adopts an annual appropriated budget to recognize the fiscal impact of operations, non-operating revenues and contributions. A budgetary comparison statement has been provided to demonstrate compliance with this requirement.

The basic financial statements of the District can be found on pages 1-3 of this report.

## Financial Analysis of the District as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$43,745,380 at the close of the most recent fiscal year.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. The District's investment in its capital assets is reported net of related debt. It should be noted that the District has no outstanding long-term debt.

The balance of *unrestricted net position*, \$12,695,755 may be used to meet the government's ongoing obligations to customers and creditors. \$400,000 of the District's net position has been reserved for emergencies.

At the end of the current fiscal year, the District reported positive balances in all categories of net position, for the District as a whole.

The analysis in Table 1 and Table 2 below focusses on the summary of net position and summary of changes in net position for the District.

**Table 1**

### Summary of Net Position

	<u>2024</u>	<u>2023</u> <u>As Restated</u>
<b>Assets</b>		
Current assets	\$ 13,564,926	\$ 11,636,276
Capital assets, net	<u>30,649,625</u>	<u>32,573,648</u>
Total assets	44,214,551	44,209,924
<b>Liabilities</b>		
Current liabilities	293,500	699,273
Long-term liabilities	<u>175,671</u>	<u>164,960</u>
Total liabilities	469,171	864,233
<b>Net Position</b>		
Net investment in capital assets	30,649,625	32,573,648
Reserved for emergencies	400,000	400,000
Unrestricted	<u>12,695,755</u>	<u>10,372,043</u>
	<u>\$ 43,745,380</u>	<u>\$ 43,345,691</u>

**Current Assets.** 2024 current assets increased by approximately 16.6% from the prior year, primarily due to higher balances in cash and cash equivalents and investments in preparation for future capital projects.

**Capital assets.** The District's investment in capital assets for its business type activities as of December 31, 2024 amounts to \$30,649,625 (net of accumulated depreciation). This investment in capital assets includes water and sewer line systems, office furniture and fixtures, vehicles, land and buildings. The District's capital assets decreased by 5.9% which was mainly driven by current year depreciation. An analysis of capital assets is below.

**Capital Assets**  
(net of depreciation)

	<u>2024</u>	<u>2023</u>	<u>Percentage Change</u>
Land	\$ 533,774	\$ 533,774	0.0%
Raw water rights	1,019,698	1,019,698	0.0%
Water treatment plant	21,460,683	21,436,538	0.1%
Collection, transmission and distribution systems	45,260,255	45,260,255	0.0%
Equipment and vehicles	3,775,076	3,646,303	3.5%
Construction in progress	30,017	5,450	450.8%
Accumulated depreciation	(41,429,878)	(39,328,370)	5.3%
Net Capital Assets	<u>\$ 30,649,625</u>	<u>\$ 32,573,648</u>	<u>-5.9%</u>

**Current Liabilities.** Current liabilities in 2024 decreased by 58.0% from the prior year, primarily due to the metro wastewater accrual in the prior year.

**Long-term Liabilities.** The District's long-term liabilities remained relatively consistent from year to year.

The results of this year's operations for the District as a whole are reported in the Statement of Revenues, Expenses and Changes in Net Position. Table 2 below takes the information from that statement and rearranges it slightly so the reader can see the total revenues for the year compared to fiscal year 2023.

**Table 2**  
**Summary of Changes in Net Position**

	<b>2024</b>	<b>2023</b>
	<u>2024</u>	<u>As Restated</u>
<b>Revenues</b>		
Program Revenues:		
Charges for services	\$ 8,496,660	\$ 6,969,138
General Revenues:		
Investment earnings	352,671	321,394
Capital contributions	319,040	592,703
Other revenues	20,911	-
Total Revenues:	<u>9,189,282</u>	<u>7,883,235</u>
<b>Expenses</b>		
Operating expenses	<u>8,789,593</u>	<u>8,430,234</u>
<b>Change in Net Position</b>	399,689	(546,999)
<b>Net Position—Beginning of Year</b>	<u>43,345,691</u>	<u>43,892,690</u>
<b>Net Position—End of Year</b>	<u>\$ 43,745,380</u>	<u>\$ 43,345,691</u>

**Program Revenues.** The District’s program revenues consist mainly of water and sewer charges. These are on-going monthly charges paid by District customers. Program revenues increased by approximately 21.9% in 2024 compared to prior year which was mostly due to an increase in the number of gallons of water sold in the current year compared to the prior year.

**General Revenues:** The District’s general revenues consist mostly of monies earned on investments and capital contributions which include tap fees. General revenues decreased by 24.2% which was driven by a reduction in tap fees in the current year. The District does not levy a tax on properties in the District.

**Operating Expenses:** There are two categories of expenses tied integrally to the District’s primary mission of providing water and sanitary sewer services: purchase of raw water and collection, transmission and treatment of the wastewater. The four largest expenses in 2024 that make up approximately 78.3% of the District’s operating expenses, in decreasing rank by amount were: depreciation of the District’s capital assts, personnel expense, sewage treatment and purchase of raw water. General and administrative expenses are included in the operating expenses and quantify the cost of support services provided to the District's activities centered on its core mission. These expenses for 2024 increased by \$359,359 or 4.3% from 2023. This increase is driven primarily by an increase in repairs and maintenance and raw water purchases.

### Requests for Information

This financial report is designed to provide a general overview of the 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:

North Table Mountain Water & Sanitation District  
14806 West 52<sup>nd</sup> Avenue  
Golden, CO 80403

## **Basic Financial Statements**

# North Table Mountain Water & Sanitation District

## Statements of Net Position December 31, 2024 and 2023

	<b>2024</b>	<b>2023 As Restated</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 5,360,387	\$ 3,960,900
Investments	6,762,386	6,413,757
Accounts receivable:		
Trade accounts	1,024,063	920,939
Inventory	218,452	180,359
Prepaid expenses	199,638	160,321
Total Current Assets	13,564,926	11,636,276
<b>Capital Assets</b>		
Land	533,774	533,774
Raw water rights	1,019,698	1,019,698
Water treatment plant	21,460,683	21,436,538
Collection, transmission and distribution systems	45,260,255	45,260,255
Equipment and vehicles	3,775,076	3,646,303
Construction in progress	30,017	5,450
Total Capital Assets	72,079,503	71,902,018
Less accumulated depreciation	(41,429,878)	(39,328,370)
Net Capital Assets	30,649,625	32,573,648
Total Assets	\$ 44,214,551	\$ 44,209,924
 <b>Liabilities and Net Position</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 96,672	\$ 105,265
Accrued liabilities	22,080	430,950
Compensated absences	174,748	163,058
Total Current Liabilities	293,500	699,273
<b>Long-Term Liabilities</b>		
Compensated absences	175,671	164,960
Total Liabilities	469,171	864,233
<b>Net Position</b>		
Net investment in capital assets	30,649,625	32,573,648
Unrestricted	12,695,755	10,372,043
Reserved for emergencies	400,000	400,000
Total Net Position	43,745,380	43,345,691
Total Liabilities and Net Position	\$ 44,214,551	\$ 44,209,924

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

**North Table Mountain Water & Sanitation District**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b> <b>As Restated</b>
<b>Operating Revenues</b>		
Water sales	\$ 5,979,707	\$ 4,541,228
Sewer charges	2,604,534	2,541,746
Discount - 4%	(221,452)	(190,765)
Water sales, net of discounts	8,362,789	6,892,209
Penalties, late charges and other revenues	133,871	76,929
Total operating revenues	8,496,660	6,969,138
<b>Operating Expenses</b>		
Wage and salary expense	2,108,163	2,142,141
Depreciation	2,122,670	2,137,727
Wastewater expense	1,390,444	1,501,785
Raw water expense	1,264,516	1,061,289
Insurance expense	453,772	426,176
Repairs and maintenance	306,501	206,876
Utilities	250,482	259,568
Supplies expense	188,271	166,602
Employee expense	173,699	164,365
Payroll tax expense	160,404	152,597
Office expenses	101,156	83,935
Professional fees	53,956	51,089
Vehicle expense	35,554	47,114
Other expenses	180,005	28,970
Total operating expenses	8,789,593	8,430,234
<b>Operating Income (Loss)</b>	<b>(292,933)</b>	<b>(1,461,096)</b>
<b>Nonoperating Revenues</b>		
Interest income	2,256	1,763
Net investment gain	350,415	319,631
Gain on disposal of capital assets	20,911	-
Total Nonoperating Revenues	373,582	321,394
<b>Income (Loss) Before Capital Contributions</b>	<b>80,649</b>	<b>(1,139,702)</b>
<b>Capital Contributions</b>		
Tap fees	87,300	220,188
Capital improvement charges	231,740	372,515
Total Capital Contributions	319,040	592,703
<b>Change in Net Position</b>	<b>399,689</b>	<b>(546,999)</b>
<b>Net Position—Beginning of Year</b>	<b>43,345,691</b>	<b>43,892,690</b>
<b>Net Position—End of Year</b>	<b>\$ 43,745,380</b>	<b>\$ 43,345,691</b>

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

**North Table Mountain Water & Sanitation District**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b> <b>As Restated</b>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 8,393,536	\$ 6,860,677
Cash paid to suppliers for goods and services	(4,595,957)	(4,290,757)
Cash paid to employees for services	(2,209,335)	(2,009,169)
Cash paid on behalf of employees	(334,103)	(316,962)
Net Cash From Operating Activities	1,254,141	243,789
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(237,945)	(100,402)
Proceeds from sale of capital assets	60,209	-
Tap fees	87,300	220,188
System development fees collected	231,740	372,515
Net Cash From Capital and Related Financing Activities	141,304	492,301
Cash Flows from Investing Activities:		
Investments matured/sold	1,786	1,749
Net investment income received	2,256	1,763
Net Cash from Investing Activities	4,042	3,512
<b>Net Change in Cash and Cash Equivalents</b>	1,399,487	739,602
Cash and Cash Equivalents—Beginning of Year	3,960,900	3,221,298
Cash and Cash Equivalents—End of Year	\$ 5,360,387	\$ 3,960,900
<b>Reconciliation of Net Operating Income to Net Cash From Operating Activities:</b>		
Net operating income (loss)	\$ (292,933)	\$ (1,329,523)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	2,122,670	2,137,727
Changes in assets and liabilities:		
Accounts receivable	(103,124)	(108,461)
Inventory	(38,093)	41,367
Prepaid expenses	(39,317)	(20,111)
Accounts payable	(8,593)	3,269
Accrued liabilities	(408,870)	(481,878)
Compensated absences	22,401	1,399
Total Adjustments	1,547,074	1,573,312
<b>Net Cash From Operating Activities</b>	<b>\$ 1,254,141</b>	<b>\$ 243,789</b>

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

# North Table Mountain Water & Sanitation District

## Notes to Financial Statements

December 31, 2024 and 2023

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### 1. Definition of Reporting Entity

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North Table Mountain Water & Sanitation District (District) was formed by order of the District Court of Jefferson County, Colorado, in November of 1958. The District is a quasi-municipal corporation and political subdivision of the State of Colorado, and is governed pursuant to the provisions of the Colorado Special District Act (Title 32). The primary operating function of the District is to provide treated water and sewage removal for both residential and industrial users within the District's boundaries.

Since the major part of its income is derived from user charges, the District is classified and accounted for as an "Enterprise Fund". Because of the self-supporting nature of the District, its accounting is on the accrual basis much like a private, profit-making business. However, unlike a private business, the District is not subject to federal and state income taxes.

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.

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### 2. Summary of Significant Accounting Policies

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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 exercised in a manner 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. Tap fees and contributed lines received are recorded as capital contributions when received.

**North Table Mountain Water & Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2024 and 2023**

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**2. Summary of Significant Accounting Policies (continued)**

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**Financial Reporting Entity**

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 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.

**Capital Assets**

The District's property and equipment are carried at cost in the case of outright purchases or construction. In the case of property contributed by sub-dividers or customers, such as water and sewer lines, the asset is recorded at an estimated fair market value at the date of contribution as determined by the District's consulting engineers. Capital assets which include land, buildings, water and sewer distribution and collection systems and furniture and equipment are reported by the District. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Water treatment plan	10- 30 years
Collection, Transmission and Distribution Systems	30 years
Leasehold improvements	5 years
Equipment	5-15 years

**Accounts Receivable**

The District does not provide a reserve for estimated uncollectible accounts for water and sewer services since such accounts are negligible. The District policy regarding delinquent accounts is to place a lien against the real estate and not provide water or sewer services until back charges are paid. A security deposit from customers also helps to ensure collection.

# **North Table Mountain Water & Sanitation District**

## **Notes to Financial Statements (continued)**

### **December 31, 2024 and 2023**

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## **2. Summary of Significant Accounting Policies (continued)**

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### **Budget and Budgetary Accounting**

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 District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end. Contributions of water and/or sewer lines are not reflected as a budgetary revenue or expenditure as they do not generate or require the use of funds available.

### **Operations**

The District distinguishes between operating revenues and expenses and nonoperating items in the Statements of Revenue, Expenses and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water and sewer services to its customers. Operating revenues consist of charges to customers for services provided. Operating expenses include the cost of service, administrative expenses and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **Tap Fees**

Tap fees are recorded as contributions and combined with contributed lines on the Statements of Revenue, Expenses and Changes in Net Position.

### **Contributed Capital**

Contributed capital represent contributions for plant and equipment acquired by the District primarily through donations by customers, developers and sub-dividers. These contributions are in the form of water and sewer lines installed and paid for by others and deeded over to the District.

### **Cash and Cash Equivalents**

The District considers cash deposits and highly liquid investments with an intended maturity of three months or less to be cash equivalents.

### **Investments**

The District's policy is to account for investments at fair value in accordance with GASB. Gains or losses on the sale of investments are recognized when the investment is sold.

# North Table Mountain Water & Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2024 and 2023

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## 2. Summary of Significant Accounting Policies (continued)

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### **Inventories**

Inventory is stated at the lower of cost or net realizable value, using the first-in, first-out method, and consists of expendable supplies.

### **Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The net asset amount is also adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments. All other net positions are reported as unrestricted.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

### **Compensated Absences**

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the financial statements.

**Vacation.** The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

**Sick Leave.** The District's policy permits employees to accumulate earned but unused sick leave. Most sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists. In these instances, an accrual for estimated value of sick leave that will be used by employees as time off is included in this liability. However, upon retirement age at 59 ½ or older, employees with a minimum of 10 years of service, sick leave is paid out at the rate 50% for each sick leave earned but not taken at employee's current pay rate upon separation from employment.

### **Management Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**North Table Mountain Water & Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2024 and 2023**

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**2. Summary of Significant Accounting Policies**

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**Subsequent Events**

The District has evaluated subsequent events through June 10, 2025, the date which the financial statements were available to be issued. During this period, the District was not aware of any material recognizable subsequent events.

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**3. Cash, Cash Equivalents and Investments**

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Cash deposits and investments are reflected on the December 31 Statements of Net Position as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 5,360,387	\$ 3,960,900
Investments	<u>6,762,386</u>	<u>6,413,757</u>
Total	<u>\$ 12,122,773</u>	<u>\$ 10,374,657</u>

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state 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 the aggregate uninsured deposits.

The State Regulatory Commissions for banks and financial institutions are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2024 and 2023, the District's cash deposits had a bank balance and a carrying balance as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Carrying Balance</u>	<u>Bank Balance</u>	<u>Carrying Balance</u>	<u>Bank Balance</u>
Deposits with financial institutions	\$ 5,359,687	\$ 5,335,539	\$ 3,960,200	\$ 3,904,402
Petty cash	<u>700</u>	<u>-</u>	<u>700</u>	<u>-</u>
	<u>\$ 5,360,387</u>	<u>\$ 5,335,539</u>	<u>\$ 3,960,900</u>	<u>\$ 3,904,402</u>

**North Table Mountain Water & Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2024 and 2023**

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**3. Cash, Cash Equivalents and Investments (continued)**

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For deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. Deposits that are exposed to custodial credit risk are collateralized with securities held by the pledging financial institution through PDPA.

The District's cash deposits are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes deposits not covered by depository insurance and uncollateralized. Category 2 includes deposits not covered by depository insurance and collateralized with securities held by the pledging financial institution. Category 3 includes deposits not covered by depository insurance and collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name and uncollateralized.

	<b>2024</b>	<b>2023</b>
Insured deposits	\$ 250,000	\$ 250,000
Category 1	700	700
Category 2	5,085,539	3,654,402
Total cash and investments	\$ 5,336,239	\$ 3,905,102

**Investments and Credit Risk**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest. The District also adopted an investment policy that specifies instruments the District may invest in, which include:

- Bank and/or Time Certificates of Deposit (Money Market)
- Banking institutions that are regulated by the FDIC and the Colorado Division of Banking
- Local Government Investment pools
- Securities:
  - U.S. Government Treasury Bills & Notes
  - Obligations of the following U.S. Agencies:
    - Federal Home Loan Bank (FHLB)
    - Federal Home Loan Mortgage Corp. (FHLMC)
    - Federal National Mortgage Association (FNMA)
    - Federal Farm Credit Bank (FFCB)
  - A 1 +/P1 Commercial Paper (rating of AAA and/or AA)

**North Table Mountain Water & Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2024 and 2023**

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**3. Cash, Cash Equivalents and Investments (continued)**

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The local government investment pools, which include Colorado Surplus Asset Fund Trust (CSAFE) is rated AAAM by Moody's for the years ended December 31, 2024 and 2023.

**Interest Rate Risk**

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

Revenue bonds of U.S. local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to three years or less.

As of December 31, 2024 and 2023, the District had the following investments:

**2024**

<b>Type of Investment</b>	<b>Maturity</b>	<b>Fair Value</b>
Colorado Surplus Asset Fund Trust (CSAFE)	Less than one year	\$ 3,241,849
Money Market	Less than one year	3,520,537
Total Investments		<u>\$ 6,762,386</u>

**2023**

<b>Type of Investment</b>	<b>Maturity</b>	<b>Fair Value</b>
Colorado Surplus Asset Fund Trust (CSAFE)	Less than one year	\$ 3,073,269
Money Market	Less than one year	3,340,488
Total Investments		<u>\$ 6,413,757</u>

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**North Table Mountain Water & Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2024 and 2023**

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**3. Cash, Cash Equivalents and Investments (continued)**

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**Investments**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's fixed income investments are considered to be Level 1 and are valued using quoted prices in an active market.

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**4. Capital Assets**

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An analysis of the changes in net capital asset for the years ended December 31, 2024 and 2023 follows:

	<b>Balance December 31, 2023</b>	<b>Additions/ Transfers</b>	<b>Retirements/ Transfers</b>	<b>Balance December 31, 2024</b>
Capital assets, not being depreciated:				
Land	\$ 533,774	\$ -	\$ -	\$ 533,774
Raw water rights	1,019,698	-	-	1,019,698
Construction in progress	<u>5,450</u>	<u>24,567</u>	-	<u>30,017</u>
Total capital assets, not being depreciated	<u>1,558,922</u>	<u>24,567</u>	-	<u>1,583,489</u>
Capital assets, being depreciated:				
Water treatment plant	21,436,538	24,145	-	21,460,683
Collection, transmissison and distribution system	45,260,255	-	-	45,260,255
Equipment and vehicles	<u>3,646,303</u>	<u>189,233</u>	<u>(60,460)</u>	<u>3,775,076</u>
Total capital assets, being depreciated	<u>70,343,096</u>	<u>213,378</u>	<u>(60,460)</u>	<u>70,496,014</u>
Less accummulated depreciation for:				
Water treatment plant	(4,880,833)	(777,532)	-	(5,658,365)
Collection, transmissison and distribution system	(31,241,948)	(1,252,154)	-	(32,494,102)
Equipment and vehicles	<u>(3,205,589)</u>	<u>(92,982)</u>	<u>21,160</u>	<u>(3,277,411)</u>
Total accumulated depreciation	<u>(39,328,370)</u>	<u>(2,122,668)</u>	<u>21,160</u>	<u>(41,429,878)</u>
Total capital assets, being depreciated, net	<u>31,014,726</u>	<u>(1,909,290)</u>	<u>(39,300)</u>	<u>29,066,136</u>
Total capital assets, net	<u>\$ 32,573,648</u>	<u>\$ (1,884,723)</u>	<u>\$ (39,300)</u>	<u>\$ 30,649,625</u>

**North Table Mountain Water & Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2024 and 2023**

**4. Capital Assets (continued)**

	Balance December 31, 2022	Additions/ Transfers	Retirements/ Transfers	Balance December 31, 2023
Capital assets, not being depreciated:				
Land	\$ 533,774	\$ -	\$ -	\$ 533,774
Raw water rights	1,019,698	-	-	1,019,698
Construction in progress	13,658	-	(8,208)	5,450
Total capital assets, not being depreciated	<u>1,567,130</u>	<u>-</u>	<u>(8,208)</u>	<u>1,558,922</u>
Capital assets, being depreciated:				
Water treatment plant	21,381,151	55,387	-	21,436,538
Collection, transmissison and distribution system	45,217,282	42,973	-	45,260,255
Equipment and vehicles	<u>3,636,053</u>	<u>10,250</u>	<u>-</u>	<u>3,646,303</u>
Total capital assets, being depreciated	<u>70,234,486</u>	<u>108,610</u>	<u>-</u>	<u>70,343,096</u>
Less accumulated depreciation for:				
Water treatment plant	(4,098,362)	(782,471)	-	(4,880,833)
Collection, transmissison and distribution system	(29,973,616)	(1,268,332)	-	(31,241,948)
Equipment and vehicles	<u>(3,118,665)</u>	<u>(86,924)</u>	<u>-</u>	<u>(3,205,589)</u>
Total accumulated depreciation	<u>(37,190,643)</u>	<u>(2,137,727)</u>	<u>-</u>	<u>(39,328,370)</u>
Total capital assets, being depreciated, net	<u>33,043,843</u>	<u>(2,029,117)</u>	<u>-</u>	<u>31,014,726</u>
Total capital assets, net	<u>\$ 34,610,973</u>	<u>\$ (2,029,117)</u>	<u>\$ (8,208)</u>	<u>\$ 32,573,648</u>

**5. Compensated Absences Payable**

The following is a summary of long-term debt transactions for the District for the year ended December 31, 2024.

	Balance December 31, 2023 ( as restated)	Additions	Retirements	Balance December 31, 2024	Due Within One Year
Compensated absences *	<u>\$ 328,018</u>	<u>\$ 22,401</u>	<u>\$ -</u>	<u>\$ 350,419</u>	<u>\$ 174,748</u>

\* The change in compensated absences above is a net change for the year.

# North Table Mountain Water & Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2024 and 2023

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#### 6. Retirement Plans (continued)

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The District has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. This plan is administered by the Colorado Retirement Association (CRA). The plan allows employees to defer a portion of their salary until future years. Participation in the plan to the extent of a minimum of 4% is a requirement of employment with the District.

Employees hired prior to July 2016 are grandfathered into a plan where the employer will match up to 7% of the employee's contributions to their 401(a) plan. However, if the employee contributes less than 7% to their 401(a) account, the employer will catch up the remaining % to meet 7% total employer contribution, to the employee's 457 plan account.

Employees hired on or after July 1, 2016 are required to contribute no less than 4% to their 401(a) account. The District will match dollar for dollar up to 7%. If an employee elects to defer more than 7%, they may do that within the 457 plan.

The total employee and employer contributions to an employee's 457 plan account may not exceed the annual IRS limits.

During the years ended December 31, 2024 and 2023, the District contributed \$130,983 and \$135,067, respectively, to the plan. Total covered payroll under the plan during the years ended December 31, 2024 and 2023 was \$2,055,256 and \$1,990,183, respectively.

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#### 7. Net Position

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The District has net position consisting of three components — net investment in capital assets, reserved for emergencies and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation. The District had no outstanding debt as of December 31, 2024 and 2023. As of December 31, 2024 and 2023, the District had net investment in capital assets of \$30,649,625 and \$32,573,648, respectively.

Restricted net position includes net position 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 \$400,000 of restricted net position for both December 31, 2024 and 2023, which fulfills the TABOR requirement for local governments to emergency reserves representing at least 3% of fiscal year spending (excluding debt service).

# North Table Mountain Water & Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2024 and 2023

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#### 7. Net Position (continued)

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Unrestricted net position consists of net position that does not meet the definition of invested in capital assets or restricted. When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are considered expended.

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#### 8. Risk Management

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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 disasters. The District participates in the Colorado Special Districts Property and Liability Pool (the "Pool"), which is an organization created by inter-governmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate.

It provides coverage for property claims up to the values declared, and liability claims for up to \$1,000,000. It is reinsured for up to 80% of the first \$250,000 of each casualty claim and for 100% of the excess. Public official liability claims are reinsured for the full limit of \$1,000,000.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members.

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#### 9. Adjustments and Restatement – GASB 101 Implementation

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In 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. This Statement establishes a unified recognition and measurement model for all types of compensated absences, such as vacation, sick leave, and other paid time off benefits. Under GASB 101, liabilities for compensated absences are recognized as employees earn the benefits, rather than when it becomes probable they will be used or paid. The Statement also clarifies guidance for estimating usage, payout rates, and required disclosures.

In accordance with the provisions of GASB 101, the District has applied the Statement retrospectively. As a result, the ending net position as of December 31, 2023 was restated to reflect the updated liability balance under the new model. The restatement is summarized as follows:

**North Table Mountain Water & Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2024 and 2023**

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**9. Adjustments and Restatement – GASB 101 Implementation (continued)**

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<b>Restatement in the Statement of Net Position</b>					
	<b>December 31, 2023 As Orginally Stated</b>	<b>Restatement - GASB 101 implementation</b>	<b>December 31, 2023 As Restated</b>		
Compensated absences	\$ 196,445	\$ 131,573	\$ 328,018		

<b>Restatement in Revenus, Expenditures and Changes in Net Position</b>					
	<b>December 31, 2023 As Orginally Stated</b>	<b>Restatement - GASB 101 implementation</b>	<b>December 31, 2023 As Restated</b>		
Wage and Salary	\$ 2,010,568	\$ 131,573	\$ 2,142,141		
Net Position- End of Year	\$ 43,477,264	\$ (131,573)	\$ 43,345,691		

## **Supplementary Information**

**North Table Mountain Water & Sanitation District**  
**Schedule of Revenues, Expenses and Changes in Net Position**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2024**

	<b>Original and Final Budgeted Amounts</b>	<b>2024 Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating Revenues</b>			
Water sales	\$ 5,300,000	\$ 5,979,707	\$ 679,707
Sewer charges	2,700,000	2,604,534	(95,466)
Discount - 4%	(215,000)	(221,452)	(6,452)
Water sales, net of discounts	7,785,000	8,362,789	577,789
Inspection fees	-	-	-
Penalties, late charges and other revenues	70,000	133,871	63,871
Total operating revenues	<u>7,855,000</u>	<u>8,496,660</u>	<u>641,660</u>
<b>Operating Expenses</b>			
Wage and salary expense	2,325,000	2,108,163	216,837
Wastewater expense	1,735,000	1,390,444	344,556
Raw water expense	1,235,000	1,264,516	(29,516)
Insurance expense	475,000	453,772	21,228
Repairs and maintenance	190,000	306,501	(116,501)
Utilities	275,000	250,482	24,518
Supplies expense	205,000	188,271	16,729
Employee expense	150,000	173,699	(23,699)
Payroll tax expense	-	160,404	(160,404)
Office expenses	95,000	101,156	(6,156)
Professional fees	60,000	53,956	6,044
Vehicle expense	45,000	35,554	9,446
Other expenses	55,000	180,005	(125,005)
Capital outlay	2,327,000	100,402	2,226,598
Total operating expenses	<u>9,172,000</u>	<u>6,767,325</u>	<u>2,404,675</u>
<b>Operating Income (Loss)</b>	<u>(1,317,000)</u>	<u>1,729,335</u>	<u>3,046,335</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest income	-	2,256	2,256
Net investment income	335,000	350,415	15,415
Total Nonoperating Revenues (Expenses)	<u>335,000</u>	<u>373,582</u>	<u>38,582</u>
<b>Income Before Capital Contributions</b>	<u>(982,000)</u>	<u>2,102,917</u>	<u>3,084,917</u>
<b>Capital Contributions</b>			
Tap fees	560,000	87,300	(472,700)
Capital improvement charges	-	231,740	231,740
Total Capital Contributions	<u>560,000</u>	<u>319,040</u>	<u>(240,960)</u>
<b>Change in Net Position</b>	<u>(422,000)</u>	<u>2,421,957</u>	<u>2,843,957</u>
<b>Net Position—Beginning of Year</b>	<u>(5,826,699)</u>	<u>43,345,691</u>	<u>49,172,390</u>
<b>Net Position—End of Year</b>	<u>\$ (6,248,699)</u>	<u>\$45,767,648</u>	<u>\$ 52,016,347</u>
<b>Reconciliation to GAAP-Basis Financial Statements</b>			
Change in net position - budget basis		\$ 2,421,957	
Capital outlay		100,402	
Depreciation		(2,122,670)	
Change in net position - GAAP basis		<u>\$ 399,689</u>	