

BOULDER VALLEY CONSERVATION DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2024

**BOULDER VALLEY CONSERVATION DISTRICT
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DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Boulder Valley Conservation District
Boulder, Larimer, and Weld Counties, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Boulder Valley Conservation District, Colorado (the District) as of and for the year ended December 31, 2024, 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 respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year the ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 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

The District's 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 that financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards 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 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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.



Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

ATLAS CPAs & Advisors PLLC

Longmont, Colorado
June 23, 2025



BOULDER VALLEY CONSERVATION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 108,153 |
| Accounts receivable, net | 267,088 |
| Capital assets: | |
| Depreciable, net | 13,107 |
| Total assets | \$ 388,348 |
| NET POSITION | |
| Invested in capital assets, net of related debt | \$ 13,107 |
| Restricted | |
| TABOR | 28,314 |
| Unrestricted | 346,927 |
| Total net position | 388,348 |
| Total net position | \$ 388,348 |

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

**BOULDER VALLEY CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
YEAR THEN ENDED DECEMBER 31, 2024**

| | Governmental Activities |
|------------------------------------|------------------------------------|
| REVENUES | |
| Charges for services | \$ 1,800 |
| Operating grants and contributions | 1,138,132 |
| Total revenues | 1,139,932 |
| EXPENSES | |
| General government | 949,230 |
| Total expenses | 949,230 |
| GENERAL REVENUES | |
| Investment income | 580 |
| Total general revenues | 580 |
| Increase in net position | 191,282 |
| Net position - beginning | 197,066 |
| Net position - ending | \$ 388,348 |

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

**BOULDER VALLEY CONSERVATION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
DECEMBER 31, 2024**

| | General Fund |
|---------------------------|---------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 108,153 |
| Accounts receivable, net | 267,088 |
| Total assets | 375,241 |
| FUND BALANCE | |
| Fund balance: | |
| Restricted | |
| TABOR | 28,314 |
| Unassigned | 346,927 |
| Total fund balance | \$ 375,241 |

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

BOULDER VALLEY CONSERVATION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET
POSITION
DECEMBER 31, 2024

| | |
|---|--------------------------|
| Fund balance - total governmental fund | \$ 375,241 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental fund balance sheet. | <u>13,107</u> |
| Net position of governmental activities | <u><u>\$ 388,348</u></u> |

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

**BOULDER VALLEY CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN
FUND BALANCE - GOVERNMENTAL FUNDS
YEAR THEN ENDED DECEMBER 31, 2024**

| | <u>General Fund</u> |
|--------------------------------------|--------------------------|
| REVENUES | |
| Grant revenues | \$ 1,138,132 |
| Other income | 1,800 |
| Interest income | <u>580</u> |
| Total revenues | <u>1,140,512</u> |
| EXPENDITURES | |
| Current: | |
| Salaries | 5,823 |
| Professional fees | 4,249 |
| Bad debt | 420 |
| Donations | 1,100 |
| Dues and subscriptions | 1,400 |
| Field supplies | 200 |
| Insurance | 1,803 |
| Meals and entertainment | 53 |
| Meetings and travel | 2,805 |
| Other expenses | 14,789 |
| Office expenses | 516 |
| Grant and project expenses | <u>910,649</u> |
| Total expenditures | <u>943,807</u> |
| Excess of revenues over expenditures | <u>196,705</u> |
| Fund balances - beginning | <u>178,536</u> |
| Fund balances - ending | <u><u>\$ 375,241</u></u> |

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

**BOULDER VALLEY CONSERVATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR THEN ENDED DECEMBER 31, 2024**

| | | |
|---|----|---------|
| Net change in fund balance - total governmental fund | \$ | 196,705 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| <p style="margin-left: 40px;">Governmental funds report capital outlay as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p> <p style="margin-left: 40px;">Depreciation and amortization is reported in the government-wide financial statements</p> | | |
| | | (5,423) |
| Change in net position of governmental activities | \$ | 191,282 |

BOULDER VALLEY CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Boulder Valley Conservation District, Colorado (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Nature of Operations and Financial Reporting Entity

The District is an independent governmental entity operating within Boulder, Larimer, and Weld Counties, Colorado. The District was organized on April 2, 1946, and is governed by a board of supervisors that is selected by an election of landowners within the District's legal boundaries. The District was organized to develop conservation plans which include grazing and cropping systems, irrigation water management, rangeland improvements, and forest health.

The District is not financially accountable for any other organization nor is the District a component unit of any other primary governmental entity.

Coronavirus Disease (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. The District may be adversely affected through governmental and business closures resulting in a reduction of labor demand or decrease in revenues. The District continues to monitor the situation surrounding COVID-19. Management will continue to evaluate the impact it will have on future operations.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

**BOULDER VALLEY CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

Fund Financial Statements

The financial statements of the District are organized on the basis of fund accounting, each of which is considered a separate reporting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent. The District reports the following major governmental fund:

General Fund – This fund is the District's primary operating fund. It accounts for all financial resources of the general government.

Budgets

In accordance with state budget law, the District holds public hearings in the fall each year to approve the budget and appropriate funds for the ensuing year. The appropriation is at the total fund expenditures, fund balance remaining, and other financing uses level, and lapses at year-end. The District's board of directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise noted.

Compensated Absences

Vacation Leave

Full-time employees working forty (40) hours per week earn paid annual leave on a calendar year basis according to the following: eight (8) hours per month during the first through fifth years of service; ten (10) hours per month during the sixth through tenth years of service; and fourteen (14) hours per month during the eleventh and subsequent years of service. Employees may carry-over unused hours from one year to the next up to a maximum accrual of eighty (80) hours.

Sick Leave

Full-time employees working forty (40) hours per week earn paid sick leave at the rate of eight (8) hours per full month of employment. Employees working fewer than forty (40) but twenty (20) or more hours per week earn sick leave on a prorated basis, but not less than 1 hour of paid sick leave for every thirty (30) hours worked.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

BOULDER VALLEY CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America required management to make: (1) estimates and assumptions that affect the reported amounts of assets and liabilities and (2) disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable of the District consists of grants from local and other governmental entities. Grants receivable are unsecured and are stated at the amount the District expects to collect. As of December 31, 2024, grants receivable are considered fully collectable and no allowance for doubtful accounts has been recorded.

Capital Assets

The District's capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost greater than \$5,000 and an estimated useful life in excess of one year.

Property, plant, and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

| <u>Type of Asset</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Buildings and improvements | 3 – 40 |
| Improvements, other than building | 3 – 40 |
| Furniture, vehicles and equipment | 5 - 20 |

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund acquisition.

Leases

Effective January 1, 2022, the District implemented GASB No. 87, *Leases*. As the lessee, the District determines whether a contract is, or contains a lease at inception. Lease agreements with a maximum lease term of twelve months or less, including options to extend, are accounted for as short-term leases. Lease agreements that transfer ownership of the underlying asset to the District at the end of the contract are recorded as a finance purchase with a related lease liability. Lease agreements not classified as a short-term lease, or a finance purchase are accounted for as an intangible right to use lease asset. An Intangible right to use lease asset represents the District's right to use an underlying asset during the lease term and the lease liability represents the District's obligation to make lease payments arising from the lease. Intangible right to use lease assets and lease liabilities are recognized at lease commencement based upon the estimate present value of unpaid lease payments over the lease term. The District uses its incremental borrowing rate based on information available at lease commencement in determining the present value of unpaid lease payments. As the lessor, the District applies the same criteria but recognizes a lease receivable and a deferred inflow of resources equal to the present value of the lease payments. The District had no leases applicable to the standard as of December 31, 2024.

BOULDER VALLEY CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

Subscription-Based Information Technology Arrangements

Effective January 1, 2023, the District implemented GASB No. 96, Subscription-Based Information Technology Arrangements (SBITA). The District determines whether a contract conveys control of the right to use another party's (SBITA vendor's) IT software, infrastructure, or data warehouse, alone or in combination with tangible capital assets (underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The SBITA liability is the present value of the annual payments using the District's incremental borrowing rate. The liability is amortized providing the principal and interest components of the payments over the SBITA term. The SBITA asset is measured as the SBITA liability plus any capitalized expenditures/expenses incurred in the initial implementation stage. The SBITA asset is depreciated (amortized) using a straight-line depreciation method over the term of the SBITA arrangement. The District did not have any SBITA's applicable to the implementation of the standard during the year ended December 31, 2024 that were considered to be material to the financial statements.

Accounting Changes and Error Corrections

Effective January 1, 2023, the District implemented GASB Statement No. 100, Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The standard did not have an impact on the District's financial statements for the year ended December 31, 2024.

Fund Equity

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

Nonspendable - amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Restricted - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - amounts that can only be used for specific purposes determined by formal action of the District's decision making authority (the governing Board) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned - amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or an official designated for that purpose.

Unassigned - the residual classification for the District's General Fund that includes amounts not contained in other classifications.

**BOULDER VALLEY CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

Intergovernmental Grants and Aid

Monies received from other government agencies in the form of grants or aid based on an entitlement period are recorded as intergovernmental receivables and revenues when entitlement occurs. Reimbursement grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

NOTE 2 – CASH AND INVESTMENTS

District’s Cash and Cash Equivalents 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 102% of the aggregate uninsured deposits.

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

At December 31, 2024, the District had cash deposits with a bank balance of \$162,995 and a carrying balance of \$108,153.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 3 – RECEIVABLES

Receivables as of December 31, 2024 for the District’s general fund, including the applicable allowances for uncollectible accounts, which as of December 31, 2024 are \$0, are as follows:

| | | |
|-------------------|----|-----------------------|
| | | <u>General Fund</u> |
| Grants | \$ | <u>267,088</u> |
| Total Receivables | \$ | <u><u>267,088</u></u> |

**BOULDER VALLEY CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

| Governmental Activities: | Beginning Balance | Additions | Deletions | Ending Balance |
|---------------------------------|------------------------------|------------------|------------------|---------------------------|
| Furniture and equipment | \$ 27,117 | \$ - | \$ - | \$ 27,117 |
| Total Capital Assets | 27,117 | - | - | 27,117 |
| Less: Accumulated Depreciation | (8,587) | (5,423) | - | (14,010) |
| Total Capital assets, net | \$ 18,530 | \$ (5,423) | \$ - | \$ 13,107 |

Depreciation expense for the year ended December 31, 2024 was \$5,423; all depreciation expense was charged to the general government function.

NOTE 5– RELATED PARTY TRANSACTIONS

During the year ended December 31, 2024, certain board members received producer incentives and equipment grant funds under one of the District’s conservation programs totaling \$4,024.

NOTE 6– RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and general liability.

Claims and Judgments

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors and omissions, or acts of God. The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization composed of approximately 200 members created by intergovernmental agreement to provide property and general liability, automobile physical damage and liability, public officials' liability, and boiler and machinery coverage to its members. The Pool provides coverage for property claims up to the values declared and liability and public officials' coverage for claims up to \$2,000,000.

NOTE 7– CONTINGENCIES

Claims and Judgments

The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. It is the opinion of management that such reimbursements, if any, will not have a material effect on the Town's financial position.

BOULDER VALLEY CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8– TAX, SPENDING, REVENUE and DEBT LIMITATIONS

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used to declare emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The District has reserved \$28,314, which is the approximate required reserve at December 31, 2024.

NOTE 9 – COMPLIANCE WITH STATE STATUTES

The District did not have any expenditures that exceeded appropriations for the year ended December 31, 2024.

NOTE 10 – NEW GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- GASB Statement No. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosures*

NOTE 11 - SUBSEQUENT EVENTS

In preparing the financial statements, the District has evaluated events and transactions for potential disclosure through June 23, 2025, the date the financial statements are available to be issued. Management determined there are no events that have occurred subsequent to December 31, 2024 that would require disclosure.

BOULDER VALLEY CONSERVATION DISTRICT
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(BUDGET AND ACTUAL)
YEAR THEN ENDED DECEMBER 31, 2024

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------------|--------------------------------------|-------------------|------------------|
| REVENUES | | | |
| Grant revenues | \$ 1,376,795 | \$ 1,138,132 | \$ (238,663) |
| Other income | 700 | 1,800 | 1,100 |
| Interest income | 1,000 | 580 | (420) |
| Total revenues | <u>1,378,495</u> | <u>1,140,512</u> | <u>(237,983)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Salaries | - | 5,823 | (5,823) |
| Professional fees | 15,600 | 4,249 | 11,351 |
| Bad debt | - | 420 | (420) |
| Donations | 2,000 | 1,100 | 900 |
| Dues and subscriptions | 3,400 | 1,400 | 2,000 |
| Field supplies | 500 | 200 | 300 |
| Insurance | 1,600 | 1,803 | (203) |
| Meals and entertainment | - | 53 | (53) |
| Meetings and travel | 1,200 | 2,805 | (1,605) |
| Other expenses | 11,310 | 14,789 | (3,479) |
| Office expenses | 545 | 516 | 29 |
| Grant and project expenses | 1,303,319 | 910,649 | 392,670 |
| Total expenditures | <u>1,339,474</u> | <u>943,807</u> | <u>395,667</u> |
| Excess of revenues over expenditures | <u>39,021</u> | <u>196,705</u> | <u>157,684</u> |
| Fund balances - beginning | <u>178,536</u> | <u>178,536</u> | |
| Fund balances - ending | <u>\$ 217,557</u> | <u>\$ 375,241</u> | |

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



**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**

Board of Supervisors
Boulder Valley Conservation District, Colorado

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Boulder Valley Conservation District, Colorado (the "District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 23, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Boulder Valley Conservation District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ATLAS CPAs & Auditors PLLC

Longmont, Colorado
June 23, 2025

**BOULDER VALLEY CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2024**

Finding 2024-001

Significant Deficiencies in Internal Control over Financial Reporting—Inadequate Segregation of Duties

Criteria: The segregation of duties and responsibilities between different individuals for custody of assets, recordkeeping for those assets, and reconciliation of those asset accounts is an important control activity needed to adequately protect the District’s assets and ensure accurate financial reporting.

Condition: Presently, the same individuals perform all duties at the District.

Context: We observed inadequate segregation of duties by reviewing an organizational chart, observing the small number of staff present at the District, and through interviews of personnel and management.

Effect or Potential Effect: Without sufficient segregation of duties, the risk significantly increases that errors and fraud related to the receipts, disbursements, and payroll, including misappropriation of assets, could occur and not be detected within a timely basis.

Cause: The entity’s limited size and staffing resources have made it difficult for management to provide sufficient staffing to fully segregate incompatible duties in a cost-effective manner.