

Cobb Lake Regional Water Treatment Authority

Financial Statements
with Independent Auditor's Report

December 31, 2024



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Cobb Lake Regional Water Treatment Authority

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December 31, 2024

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**HINKLE &
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Business Advisors

Independent Auditor's Report

Board of Directors
Cobb Lake Regional Water Treatment Authority
Fort Collins, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the major fund of Cobb Lake Regional Water Treatment Authority (the Authority) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 major fund of the Authority as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 Authority'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 listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Englewood, Colorado
June 27, 2025



MANAGEMENT'S DISCUSSION AND ANALYSIS

(unaudited)



The Cobb Lake Regional Water Treatment Authority (the “Authority”) offers the readers of the Authority’s financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2024. The Authority was created in 2024. Therefore, there is no annual comparative data within this analysis or the financial statements. In addition to this overview and analysis based on currently known facts, decisions and conditions, the Authority would encourage readers to consider the information presented in the Authority’s financial statements, which begin on page 4 of this report.

The Authority was formed in early 2024 and had its first board meeting on February 6, 2024. During 2024 the Authority spent much of the year setting up governance, management, and administrative items. Other milestones include establishing an annual budget, setting up cash accounts with appropriate authorized signors, and establishing accounting procedures. The formation and startup groundwork laid in 2024 has set the stage for the successful launch of the Authority, which aims to serve the communities of: Town of Eaton, Town of Severance, Town of Windsor and Fort Collins-Loveland Water District.

FINANCIAL HIGHLIGHTS

- ❖ The assets of the Authority exceeded its liabilities at the end of the fiscal year ended December 31, 2024 by \$1.1 million (net position). Of the net position balance, \$136,000 is unrestricted and is available to meet the Authority’s ongoing obligations.
- ❖ The Authority’s revenues were \$278,000.
- ❖ The Authority received contributed land worth \$1 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority’s basic financial statements. The Authority operates as a special Authority under Title 29 Colorado Revised Statutes. Accordingly, the financial statements are prepared to account for operations similar to a business-type enterprise. The basic financial statements include statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flows shown on a comparative basis with the prior year. The notes to the financial statements are considered to be an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided.

- ❖ The statement of net position presents information on all of the Authority’s assets, liabilities and deferred inflows of resources. The difference between assets, liabilities and deferred inflows of resources is reported as net position. Over time, increases and decreases in net position may provide an indication of whether the Authority’s financial position is improving or deteriorating. The statement also provides the basis for determining the overall financial health of the Authority including liquidity and financial flexibility.
- ❖ The statement of revenues, expenses and changes in net position presents information reflecting how the Authority’s net position has changed during the fiscal year just ended. 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 this statement for some items that will only result in cash flows in future periods. This statement

MANAGEMENT'S DISCUSSION AND ANALYSIS

(unaudited)



measures the success of the Authority's overall operation and can be used to determine the Authority's user fee, rates and changes are sufficient to cover operating costs.

- ❖ The statement of cash flows presents information concerning the Authority's cash receipts and cash payments during the year. The statement reports the cash receipts, cash payments, and net cash from operations, non-capital financing and capital and investing activities.

FINANCIAL ANALYSIS

The financial statements of the Authority begin on page 4. The true picture of the financial health of the Authority must be tempered with the operational theory and financial control that is practiced on a daily basis by the Authority.

Financial Policy and Priorities

The financial goal of the Authority is to operate as cost efficiently as possible and similar to the practices of private enterprise. The Authority annually reviews its financial policies to assess their impact on financial activities. Policies that affected financial activities are as follows:

1. Authority administration and operations are funded from fixed operating and maintenance revenue.

Day-To-Day Operational Control of the Authority

For operational control, the Authority has classified all operations into one distinct enterprise fund.

The Authority operates as a self-supporting enterprise. The enterprise fund is funded by revenues received from operating and maintenance revenue and other sources that are sufficient to cover the day-to-day operating expenses of the Authority.

The Authority's day-to-day operational control involves many levels of planning, forecasting and budgeting. Revenues and expenses are allocated to specific Authority functions. The staff presents monthly financial reports to the Board of Directors for review. The report contains monthly revenues and expenditures compared to the adopted budget. This report is an essential tool that is critical to the Authority's long-range financial planning efforts.

Overall Financial Position and Results of Operations

Financial Analysis

A summary of the statement of net position is shown in Table A. The total net position represents the difference between the Authority's total assets, total liabilities and deferred inflows of resources and is one way to measure the Authority's health. Increases or decreases in the Authority's net position are indicators of improving or deteriorating financial health. This information, along with other non-financial information such as population growth or decline, legislative changes or board policy changes, provides an integrated assessment of the Authority's health.

The table indicates that all of the Authority's finances are excellent. However, it is important that on a year-to-year basis the Authority operates within the constraints of its budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(unaudited)



A summary of the statement of net position is shown in Table A.

Table A
Condensed Statement of Net Position

	December 31, 2024
Other Assets	\$ 152,856
Capital Assets	1,000,000
Total Assets	<u>\$ 1,152,856</u>
Other Liabilities	\$ 16,513
Total Liabilities	<u>\$ 16,513</u>
Net Position	
Net Investment in Capital Assets	\$ 1,000,000
Unrestricted	136,343
Total Net Position	<u>\$ 1,136,343</u>

A summary of the statement of revenues, expenses and changes in net position is shown in Table B.

Table B
Condensed Statement of Revenues, Expenses and Changes in Net Position

	December 31, 2024
Operating revenues	\$ 275,693
Operating expenses	139,406
Income from operations	<u>136,287</u>
Non-operating revenue	<u>56</u>
Net income	<u>136,343</u>
Capital contributions	<u>1,000,000</u>
Change in Net Position	1,136,343
Total Net Position - Beginning	-
Total Net Position - Ending	<u>\$ 1,136,343</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

(unaudited)

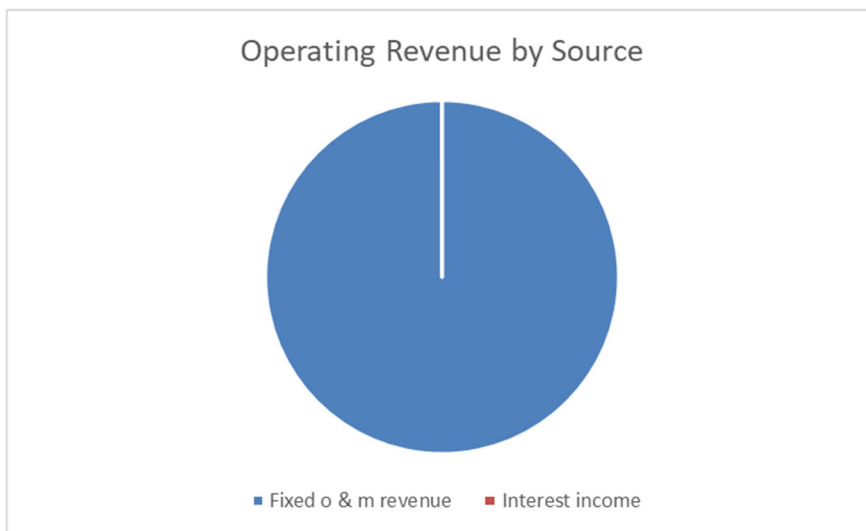


Operating activities increased the Authority's net position by \$136 thousand. Key elements of this change are due to the following:

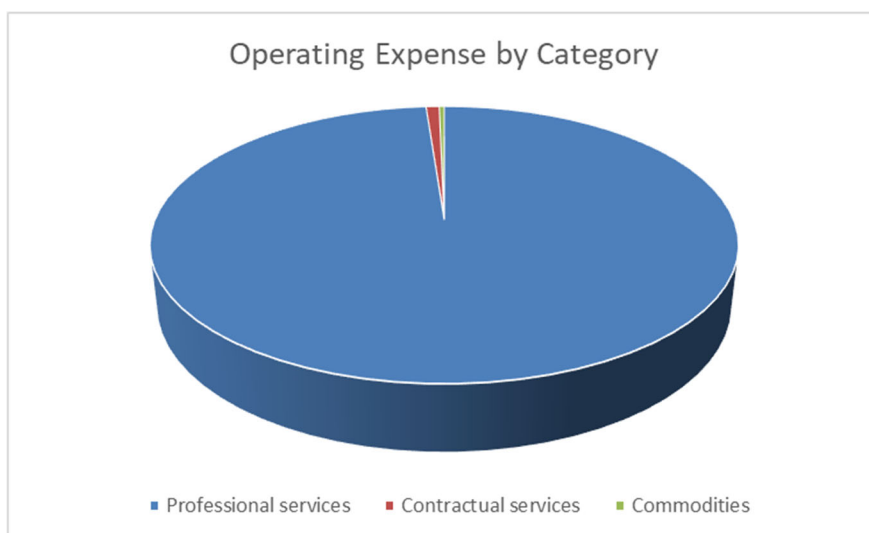
- ❖ 2024 was the Authority's first year. There was a moderate amount of revenue paired with modest expenditures.
- ❖ The expenditures were primarily for administration activities and legal expenditures.

Operating Activities

Operating revenues increased the Authority's Net position by \$275,693



Operating expenses decreased the Authority's net position by \$139,406



MANAGEMENT'S DISCUSSION AND ANALYSIS

(unaudited)



Capital contributions were \$1,000,000.

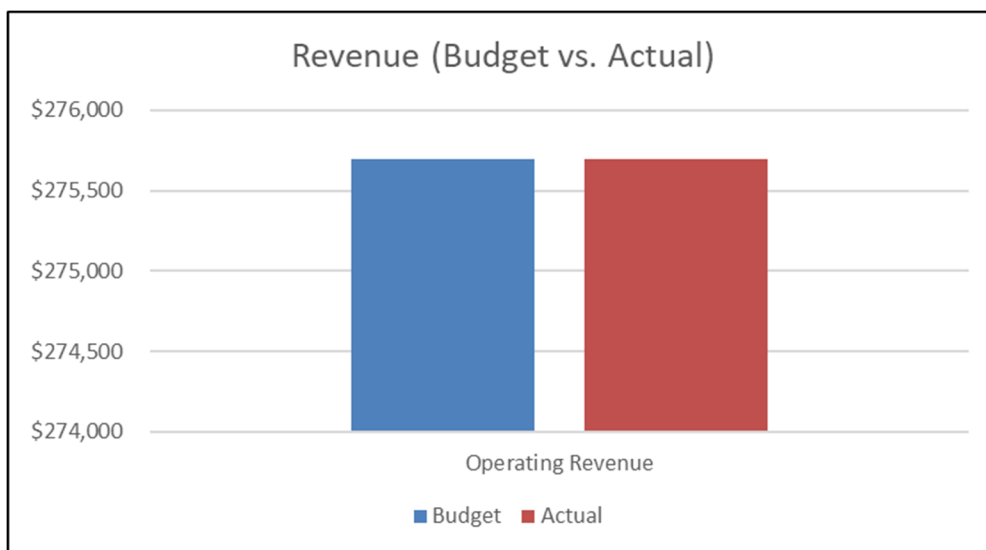
- ❖ Contributions of capital assets were \$1.0 million. The contribution was for approximately 144 acres of land.

Budgetary Highlights

The Authority prepares its budget on a modified accrual basis, which is a non-GAAP basis of accounting. The modified accrual basis reports capital contributions as revenue, capital purchases as charges, and does not report depreciation as an expense. A schedule of revenue and expenditures -- actual and budget (non-GAAP budgetary basis) begins on page 13 of this report.

The variance between actual revenue and expenditures and the budgeted amounts is summarized as follows:

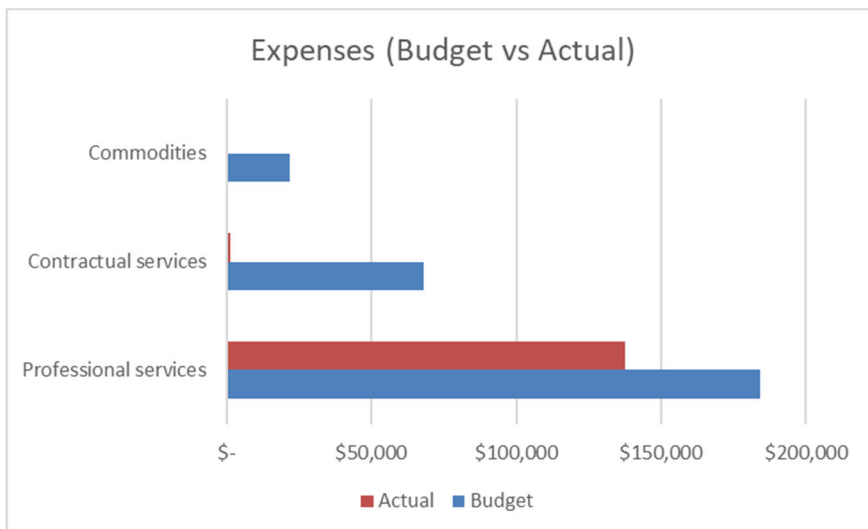
- ❖ Operating revenue was the same between actual and budgeted amounts.



- ❖ Operating expenditures were under budget by \$135,000 due to several factors:
 - Professional services: the Authority did not utilize contracted administrative or legal as much as was originally anticipated.
 - Contractual services: the Authority did not secure insurance in 2024; therefore, no expense was incurred.
 - Commodities: the Authority did not experience any miscellaneous or unexpected items to be utilized from contingency.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(unaudited)



Capital Assets

Capital Assets. The Authority's investment in capital assets as of December 31, 2024, amounted to \$1.0 million (net of accumulated depreciation). This investment in capital assets includes land.

Conditions Impacting Future Operations

- ❖ Authority entities are among the 15 Front Range participants in Northern Water's Northern Integrated Supply Project (NISP), which seeks to meet the growing demands for water as the Northern Colorado's population increases. As part of this 20-year project, Cache la Poudre River water will be stored in Glade Reservoir, delivered to the Authority water treatment plant in Weld County and distributed to the four entities through a shared underground pipeline. The NISP project, and any related delays, will have an impact on the Authority.
- ❖ The Cobb Lake pipeline construction is anticipated to begin in 2027 and the water treatment facility in Weld County is estimated to be complete and operational by 2030, securing reliable and quality water treatment for Northern Colorado. Delays in the design or construction of the project will monetarily impact these projects.
- ❖ Easement, both permanent and temporary, acquisitions could affect the design and construction schedule of the pipeline and treatment plant.

Contact

Questions concerning any of the information presented in this report or requests for additional information should be directed to the Authority's manager at the following address:

Chris Matkins
Authority Manager
5150 Snead Drive
Ft. Collins, CO 80525

Basic Financial Statements

COBB LAKE REGIONAL WATER TREATMENT AUTHORITY
STATEMENT OF NET POSITION
December 31, 2024

ASSETS

	2024
Current Assets:	
Cash and cash equivalents	\$ 152,856
Total current assets	152,856
Capital Assets	
Capital assets, not being depreciated	1,000,000
Total capital assets	1,000,000
Total Assets	\$ 1,152,856

LIABILITIES AND NET POSITION

Current Liabilities:	
Accounts payable	\$ 16,513
Total current liabilities	16,513
Total Liabilities	16,513
Net Position:	
Net investment in capital assets	1,000,000
Unrestricted	136,343
Total Net Position	\$ 1,136,343

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

COBB LAKE REGIONAL WATER TREATMENT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended December 31, 2024

	2024
Operating Revenues	\$ 275,693
Operating Expenses	
Professional services	137,750
Contractual services	1,199
Commodities	457
Total operating expenses	139,406
Operating income	136,287
Non-operating income	
Interest income	56
Total non-operating income	56
Net Income	136,343
Capital Contributions	1,000,000
Change in Net Position	1,136,343
Total Net Position - Beginning of Year	-
Total Net Position - End of Period	\$ 1,136,343

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

COBB LAKE REGIONAL WATER TREATMENT AUTHORITY
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2024

	2024
Cash flows from operating activities	
Cash received from customers	\$ 275,693
Cash paid to suppliers	(122,893)
Net cash flows from operating activities	152,800
Cash flows from investing activities	
Earnings on investments	56
Net cash flows from investing activities	56
Net change in cash and cash equivalents	152,856
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	\$ 152,856

(Continued)

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

COBB LAKE REGIONAL WATER TREATMENT AUTHORITY
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2024
(Continued)

	2024
Reconciliation of operating income to net cash flows from operating activities:	
Income from operations	\$ 136,287
Adjustments to reconcile operating (loss) income to cash flows from operating activities:	
Changes in assets and liabilities:	
Accounts payable	16,513
Net cash flows from operating activities	\$ 152,800
Noncash capital and related financing transactions	
Capital assets contributed	\$ 1,000,000

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

Cobb Lake Regional Water Treatment Authority
Notes to Financial Statements
December 31, 2024

1. Summary of Significant Accounting Policies

Form of Organization

The Cobb Lake Regional Water Treatment Authority (the “Authority”) is organized under the provisions of Section 29-1-204.2(4) of the Colorado Revised Statutes, (“C.R.S.”). It is a quasi-municipal corporation and a political subdivision of the State of Colorado with all powers thereof.

Basis of Accounting

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental entities. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority applies all applicable GASB pronouncements.

Financial Reporting Entity

For financial reporting purposes, management has considered all potential component units in defining the Authority. The basic criterion for including a potential component unit is the Authority’s ability to exercise significant operational control or financial accountability with the Authority. Financial relationship or operational control is determined on the basis of the Authority’s obligation to fund deficits, responsibility for debt, budgetary authority, fiscal management, selection of governing authority and/or management, and the ability to significantly influence operations.

Based on the criteria mentioned above, no other entities are considered to be component units of the Authority, nor is the Authority a component unit of any other governmental entity.

Basic Financial Statements

The Authority is a special-purpose government engaged only in business-type activities. As such, enterprise fund financial statements are presented.

Basis of Presentation

Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflow of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the statement of net position. Revenues and expenses are recorded in the accounting period in which they are earned or incurred, and they become measurable. Total net position is segregated into net investment in capital assets, restricted for debt service and emergencies, and unrestricted net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

Cobb Lake Regional Water Treatment Authority
Notes to Financial Statements
December 31, 2024

Budgets and Budgetary Accounting

An annual budget and appropriation resolution is adopted by the Board of Directors in accordance with state statutes. The budget is prepared on a basis consistent with GAAP except that capital asset additions and principal payments on debt are budgeted as expenditures, and debt proceeds are budgeted as revenues and depreciation and contributed capital assets are not budgeted.

1. On or about October 15, the Authority staff submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at regular Board meetings to obtain public comments.
3. Prior to December 31, the budget is legally adopted by the Board of Directors.
4. Unused appropriations lapse at the end of each year.

Total appropriated expenditures for the Authority are as follows:

	Original Budget	Total Revisions	Revised Budget
<hr/>			
Business-Type Fund:			
Enterprise function	\$275,693	\$-	\$275,693
<hr/>			

Comparison of actual operations on the accrual basis to the annual budget is not meaningful. However, a statement comparing actual (budgetary basis) to the budget is included as other supplementary information. The adjustments necessary to convert the actual revenue and expenditures to the budgetary basis are presented in the following schedule.

	2024
<hr/>	
Change in net position	\$ 1,136,343
Non-cash capital contributions	(1,000,000)
<hr/>	
Excess revenues over expenditures, budgetary basis	\$ 136,343
<hr/>	

Cash and Cash Equivalents

The Authority considers all highly liquid investments purchased with an original maturity of three months or less, including local government investment pools, to be cash and cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Revenues are recognized when earned. Customers are billed annually. Accounts receivable result from the timing of billed accounts and are shown net of an allowance for doubtful accounts. The Authority has determined that no allowance is necessary on December 31, 2024, based on historical collection experience.

Cobb Lake Regional Water Treatment Authority
Notes to Financial Statements
December 31, 2024

Operating Revenues and Expenses

The Authority distinguishes between operating revenues and expenses and non-operating items in the statements of revenues, expenses and changes in net position. Operating revenues and expenses generally result from providing services in connection with the Authority's purpose of providing water treatment 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 expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses or capital contributions.

Capital Assets

Capital assets purchased or acquired with an original cost or acquisition value at the date of donation, if donated, of greater than \$5,000 and expected life greater than 12 months are reported at historical cost. Property replacements and improvements, which extend the lives of assets, are capitalized and subsequently depreciated. Contributed assets are reported at their acquisition cost at the date received. The cost of maintenance and repairs is charged against income as incurred.

Net Position

Net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt, if any, that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position – This category represents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Authority, which is not restricted for any project or other purpose. A deficit will require future funding.

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

Use of Estimates

Preparation of the Authority's financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items 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.

Subsequent Events

The Authority evaluated subsequent events through June 27, 2025, the date these financial statements were available to be issued. There were no other material subsequent events that required recognition or additional disclosure.

Cobb Lake Regional Water Treatment Authority
Notes to Financial Statements
December 31, 2024

2. Cash and Investments

Cash Deposits

Custodial Credit Risk

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The Authority’s deposit policy is in accordance with C.R.S. 11-10.5-101, Colorado Public Deposit Protection Act (“PDPA”), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is maintained by another institution, or held in trust for all of the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution’s internal records identify collateral by depositor, and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commission for banks and financial services is 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 Authority had deposits with financial institutions with a carrying amount of \$152,856. The bank balances with the financial institutions were \$259,432, of which, \$250,000 was covered by federal depository insurance. The remaining balance of \$9,432 was collateralized with securities held by the financial institutions’ agents but not in the Authority’s name.

3. Capital Assets

The following is a summary of capital asset activity for the year ended December 31, 2024:

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
Capital assets, not being depreciated:				
Land and easements	\$ -	\$1,000,000	\$ -	\$1,000,000
Total capital assets, not being depreciated	-	1,000,000	-	1,000,000
 Capital assets, net	 \$ -	 \$1,000,000	 \$ -	 \$1,000,000

Cobb Lake Regional Water Treatment Authority
Notes to Financial Statements
December 31, 2024

4. Contingency

Risk Management

The Authority 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 Authority is a member of the Colorado Intergovernmental Risk Sharing Agency (“CIRSA”). CIRSA is an organization composed of approximately 293 communities 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. CIRSA provides coverage for property claims up to the values declared and liability and public official’s coverage for claims up to \$1,000,000.

At December 31, 2024, CIRSA has assets of \$104,866,894, liabilities of \$67,056,273 and surplus of \$37,810,621. The liability includes no long-term debt. Total underwriting revenues for 2024 amounted to \$52,206,819 and total underwriting expenses were \$51,275,583 resulting in an excess of underwriting revenues over expenses of \$931,236. The amount of the Authority’s share of these amounts is less than 1%.

5. Transactions with Other Governmental Entities

In 2024, the Authority was created. The Authority is a forward-thinking regional collaboration created to meet the long-term water treatment needs of the Fort Collins-Loveland Water District and the Towns of Eaton, Severance and Windsor. The Authority’s mission is to treat and deliver clean, safe, and affordable water to the four entities involved—Fort Collins-Loveland Water District, Town of Windsor, Town of Severance and Town of Eaton.

Approximately 144 acres of land was contributed to the Authority by Fort Collins-Loveland Water District, Town of Windsor, Town of Severance and Town of Eaton.

The Fort Collins-Loveland Water District provides certain services to the Authority for a nominal annual amount. In 2024, the Fort Collins-Loveland Water District not only provided certain services but also covered the Authority expenses until the Authority had its formation documents and cash accounts. The total of those expenses was \$157,782. The Fort Collins-Loveland Water District was repaid \$106,576 from the Authority for the expenses.

Supplementary Information

COBB LAKE REGIONAL WATER TREATMENT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2024

	2024			
	Budget - Original	Budget - Final	Actual Amounts (Budgetary Basis)	Variance Favorable (Unfavorable)
Enterprise Function:				
Revenue				
Operating Revenue				
Fixed operating & maintenance revenue	\$ 275,693	\$ 275,693	\$ 275,693	\$ -
Interest income	-	-	56	56
Total operating revenue	275,693	275,693	275,749	56
Expenditures - Operating				
Professional services				
Directors expenses	5,000	5,000	-	5,000
Contract support (Ally Utility)	116,740	116,740	87,685	29,055
Legal services	61,000	61,000	50,065	10,935
PR/Outreach	2,500	2,500	-	2,500
Total professional services	185,240	185,240	137,750	47,490
Contractual services				
IT, web hosting, MS, & SCADA support	8,053	8,053	760	7,293
Grounds maintenance (rodent maintenance)	10,000	10,000	-	10,000
Bank fees	-	-	98	(98)
SDA membership	400	400	341	59
Insurance, property, liability	50,000	50,000	-	50,000
Total contractual services	68,453	68,453	1,199	67,254
Commodities				
Office supplies	2,000	2,000	457	1,543
Miscellaneous (contingency)	20,000	20,000	-	20,000
Total commodities	22,000	22,000	457	21,543
Total operating expenses	275,693	275,693	139,406	136,287
Excess (deficiency) of budgetary revenues over budgetary expenditures	\$ -	\$ -	\$ 136,343	\$ 136,343

See accompanying Independent Auditor's Report.