

**ROXBOROUGH WATER AND
SANITATION DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Roxborough Water and Sanitation District
Littleton, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Roxborough Water & Sanitation District (District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2023, 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. 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

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 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 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's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The Adams Group, LLC

Greenwood Village, Colorado
June 20, 2024

Management's Discussion and Analysis

As management of the Roxborough Water & Sanitation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2023.

Financial Highlights

- Assets exceeded liabilities and deferred inflows of resources by \$124,490,248 at the close of the fiscal year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$12,069,043.
- Total net position increased by \$8,410,366.
- Total cash and investments increased by \$6,737,720 as compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,220,260 or 615.57% of total general fund expenditures.
- The district repaid \$1,353,579 of long term debt during the year ended December 31, 2023. The district anticipates repayment of an additional \$1,392,709 of long term debt in 2024.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the District that are principally to be supported by ad valorem taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include the financing, construction of, and maintenance of public infrastructure improvements constructed or acquired by the District. The business-type activities of the District include water and sewer facilities construction, maintenance and operations.

The government-wide financial statements can be found on pages 1-3 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories - Governmental Funds and Proprietary Funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The governmental funds use the modified accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds - general fund, debt service fund, capital projects fund, and plum valley heights fund - all of which are considered to be major funds except for the capital projects fund in 2023.

The basic governmental fund financial statements can be found on pages 4-7 of this report.

Proprietary Funds. The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its water and sewer operations. These services are reported as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, which are considered to be major funds of the District.

The proprietary fund financial statements can be found on pages 8-11 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 12-25 of this report.

Required Supplementary Information. The District adopts an annual appropriated budget for its general fund and the plum valley heights special revenue fund. The budgetary comparison statements for these funds have been provided as required supplementary information to demonstrate compliance with these budgets. The budget statements and notes are found on pages 26-28 of this report.

Other information. The report includes individual fund schedules. The budgetary comparison schedules have been provided in this section for the debt service fund, the capital projects fund, the water fund, and the sewer fund to demonstrate compliance with these budgets. The budget statements are found on pages 29-34 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities and deferred inflows of resources by \$124,490,248 at the close of the most recent fiscal year.

	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	\$ 14,831,503	\$ 30,047,289	\$ 44,878,792	\$ 12,867,815	\$ 25,198,773	\$ 38,066,588
Capital Assets, net	4,946,543	107,149,745	112,096,288	5,137,584	106,592,741	111,730,325
Total Assets	19,778,046	137,197,034	156,975,080	18,005,399	131,791,514	149,796,913
Current Liabilities	275,203	6,193,147	6,468,350	440,699	5,802,143	6,242,842
Long-Term Obligations	23,210,548	106,352	23,316,900	24,584,507	110,724	24,695,231
Total Liabilities	23,485,751	6,299,499	29,785,250	25,025,206	5,912,867	30,938,073
Deferred Inflows of Resources						
Unavailable revenue - property taxes	2,699,582	0	2,699,582	2,778,958	0	2,778,958
Net Investment in Capital Assets	4,946,543	107,149,745	112,096,288	5,072,087	106,447,229	111,519,316
Restricted Net Position	7,624,045	0	7,624,045	7,214,732	0	7,214,732
Unrestricted Net Position	(18,977,875)	23,747,790	4,769,915	(22,085,584)	19,431,418	(2,654,166)
Total Net Position	\$ (6,407,287)	\$ 130,897,535	\$ 124,490,248	\$ (9,798,765)	\$ 125,878,647	\$ 116,079,882

	Statements of Activities					
	2023			2022		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Revenue						
Program Revenue						
Charges for Services		\$ 7,990,699	\$ 7,990,699		\$ 7,948,623	\$ 7,948,623
Operating Grants		\$ 108,088	\$ 108,088		\$ 122,458	\$ 122,458
Contributions		\$ 6,078,773	\$ 6,078,773		\$ 3,702,245	\$ 3,702,245
<u>General Revenue</u>						
Property Taxes	\$ 2,779,870		\$ 2,779,870	\$ 3,085,613		\$ 3,085,613
Specific Ownership Taxes	\$ 238,199		\$ 238,199	\$ 254,044		\$ 254,044
Investment Income	\$ 326,771	\$ 1,108,589	\$ 1,435,360	\$ 49,573	\$ 299,334	\$ 348,907
Other	\$ 1,506,103	\$ (846,152)	\$ 659,951	\$ (34)	\$ 34	\$ -
Total Revenue	\$ 4,850,943	\$ 14,439,997	\$ 19,290,940	\$ 3,389,196	\$ 12,072,694	\$ 15,461,890
Expenses						
General Government	\$ 723,203		\$ 723,203	\$ 635,907		\$ 635,907
Interest on Long-Term Debt	\$ 736,262		\$ 736,262	\$ 770,172		\$ 770,172
Water/Sewer Facilities		\$ 9,421,109	\$ 9,421,109		\$ 9,565,329	\$ 9,565,329
Total Expenses	\$ 1,459,465	\$ 9,421,109	\$ 10,880,574	\$ 1,406,079	\$ 9,565,329	\$ 10,971,408
Total Primary Government	\$ 3,391,478	\$ 5,018,888	\$ 8,410,366	\$ 1,983,117	\$ 2,507,365	\$ 4,490,482
Transfers						
Change in Net Position	\$ 3,391,478	\$ 5,018,888	\$ 8,410,366	\$ 1,983,117	\$ 2,507,371	\$ 4,490,482
Net Position Beginning	\$ (9,798,765)	\$ 125,878,647	\$ 116,079,882	\$ (11,781,882)	\$ 123,371,282	\$ 111,589,400
Net Position Ending	\$ (6,407,287)	\$ 130,897,535	\$ 124,490,248	\$ (9,798,765)	\$ 125,878,647	\$ 116,079,882

Governmental activities. Governmental activities increased the District's net position by \$3,391,478, several highlights are as follows:

- Transfers in and expense reimbursements increased by \$ 1,506,137
- Investment Income increased by \$277,198 due to higher interest rates.

Business-type activities. Business-type activities increased the District's net position by \$5,018,888. Some of the key elements of the change in net position are as follows:

- Total operating expenses decreased \$144,220 or 1.5% mainly due to increased personnel and operating costs.
- Investment income increased by \$ 809,255 due to higher interest rates.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$12,069,043 of which \$3,220,260 constitutes unassigned fund balance, which is available for spending at the government's discretion within the parameters established for each fund.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,220,260 out of a total fund balance of 3,319,916. In compliance with an amendment to the State Constitution, Article X, Section 20, the district has established an emergency reserve representing 3% of qualifying expenditures. At December 31, 2023, the emergency reserve was \$61,574.

The debt service fund has a total fund balance of \$7,276,316 all of which is restricted for the repayment of long-term indebtedness. The long-term loans payable as of December 31, 2023 is \$23,210,548,

The capital projects fund has a total balance of \$974,331.

The Plum Valley Heights Fund has a total balance of \$498,480.

Proprietary funds. The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds at the end of the year amounted to \$23,747,790. The total net position of the District's proprietary funds as of December 31, 2023 are \$130,897,535. Other factors concerning the finances of this fund have already been addressed in the discussion of the District's business-type activities.

General Fund Budgetary Highlights

The District's total expenditures and transfers for 2023 did not exceed the final budgeted appropriation. The difference between the final budgeted revenue of \$1,887,246 and the actual revenue of \$2,052,453 was \$165,207. The difference between the final budgeted expenditures and transfers of \$1,473,500 and the actual expenditures of \$1,223,134 was \$250,366.

Capital Assets

The District has invested \$112,096,288 in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2023. This investment in capital assets includes water and sewer facilities, water rights and vehicles and equipment.

The capital assets are recorded at cost less estimated accumulated depreciation on the financial statement. The district believes the book value of these capital assets is substantially less than the actual replacement costs of these assets. The district uses an estimated replacement cost when calculating and setting their customer billing rates in an effort to provide reserves for future asset replacements. The district maintains a responsibility to provide water and sewer services to their customers and these reserves are necessary to be able to repair and replace these capital assets as needed. The District's engineering consultants estimate the replacement costs for the water system currently would be approximately \$285,000,000 and the estimated replacement costs for the sewer system currently would be \$275,000,000. Should these reserves be insufficient to provide these repairs or replacements, additional rate increases or borrowings would be required by the district.

Additional information on the District's capital assets can be found in note 4 beginning on page 19 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total outstanding governmental long-term debt of \$23,210,548 as follows:

- 1.\$14,698,680 was related to the Water Enterprise Fund acquisition of a permanent water supply from the City of Aurora. This loan is through the Colorado Water Conservation Board. Payments are annually through December 2044 at an interest rate of 3.25%
- 2.\$1,795,990 is related to the District's 2005 Clean Water Revenue Bonds through the Colorado Water Resources and Power Development Authority (2005 CWRPDA) which are due annually through 2026 and pay interest rates of 3.35% semi-annually on February 1 and August 1.
- 3.Accrued compensated absences accounts for \$9,699 of this amount.
- 4.\$3,363,037 was related to the 2015 CWRPDA Loan. This loan provided financing for the Plum Valley Heights Subdistrict and was used to secure financing for a pipeline to allow customers to discontinue their use of private wells and non-renewable water. This debt is repaid through mill levies assessed to property owners within the subdistrict. Payments are semi-annually through August 2036 at an interest rate of 2.07%.
- 5.\$1,944,672 was related to a CWCB Loan related to the purchase of renewable Raw Water for the Subdistrict. Payments are annually through February 2047 at an interest rate of 3.05%.
- 6.\$1,351,660 was related to a CWCB Loan related to the Ravenna Development Water Infrastructure. Payments are due annually through February 2047 at an interest rate of 3.15%.

The Business Type activities had long-term debt of \$106,352 related to compensated absences.

Additional information on the District's long-term debt can be found in note 5 beginning on page 21 of this report.

Next Year's Budgets and Rates

Government funds:

Property Taxes. The District's assessed value is projected to increase 36.2 % in 2024. The General Fund Mill Levy was reduced to 3.5 mills from 6.208 mills. Any revenues not needed for operations will be transferred to reserves. For 2024, the Debt Service Mill Levy will be reduced from 2 mills to 1.5 to avoid generating more revenue than necessary for debt service payments.

General Fund. The General Fund budget is projected to increase 2.6% from \$773,500 to \$793,500 for 2024. While many general fund expenses will remain unchanged or be increased slightly for 2024, payroll, taxes, and benefits will increase 15% reflecting the need to provide staff with cost-of-living salary increases.

Debt Service Fund. As stated previously, the debt service mill levy will be reduced.

Capital Projects Fund. The Capital Projects Fund will be used to track projects either partially or entirely funded by Dominion under the terms of the Wastewater Conveyance Agreement or the Water Treatment Agreement; the replacement of the Rampart Pump Station with Ravenna bond proceeds per the Ravenna Inclusion Agreement; and by the Valley View Christian Church for the water line needed to connect the Church to the Subdistrict's system.

Proprietary funds:

Water Fund. Water Fund revenues are not projected to change in 2024. Water Fund expenses are projected to increase 22%, because of several large capital projects planned for the year.

Sewer Fund. Sewer Fund revenues are projected to remain similar to the prior year. Sewer Fund expenses are expected to decrease 10% for 2024 versus 2023 due to decreased capital project expenditures.

Plum Valley Heights Subdistrict of Roxborough Water and Sanitation District

The District develops a separate budget for the Subdistrict, but we are only using the Debt Service Fund to track the outstanding debt to the Colorado Water Resources and Power Development Authority and the Colorado Water Conservation Board, for NWDC Project construction costs, water, and miscellaneous expenses such as legal and engineering related only to the Subdistrict. All administrative and operating expenses for the Subdistrict are included in the District's budget.

We are limited to collecting no more than \$450,000 in property taxes to service the debt in the Subdistrict Debt Service Fund. The Assessed Value for the Subdistrict increased 33.5% for the year. Due to this increase, the subdistrict reduced their 2024 mill levy from 20.4 mills to 15.2 mills.

BASIC FINANCIAL STATEMENTS

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and investments	\$ 10,804,690	\$ 28,722,485	\$ 39,527,175
Restricted cash	1,289,149	0	1,289,149
Accounts receivable	0	1,239,801	1,239,801
Property taxes receivable	2,699,582	0	2,699,582
Prepaid expenses	38,082	85,003	123,085
Capital assets not being depreciated	18,440	31,492,144	31,510,584
Capital assets, net of accumulated depreciation	<u>4,928,103</u>	<u>75,657,601</u>	<u>80,585,704</u>
 Total Assets	 <u>19,778,046</u>	 <u>137,197,034</u>	 <u>156,975,080</u>
<u>Liabilities</u>			
Accounts payable	62,878	463,056	525,934
Unearned revenue	0	5,730,091	5,730,091
Accrued interest payable	212,325	0	212,325
Noncurrent liabilities			
Due within one year	1,392,709	17,725	1,410,434
Due in more than one year	<u>21,817,839</u>	<u>88,627</u>	<u>21,906,466</u>
 Total Liabilities	 <u>23,485,751</u>	 <u>6,299,499</u>	 <u>29,785,250</u>
<u>Deferred Inflows of Resources</u>			
Unavailable revenue-property taxes	<u>2,699,582</u>	<u>0</u>	<u>2,699,582</u>
<u>Net Position</u>			
Net investment in capital assets	4,946,543	107,149,745	112,096,288
Restricted	7,624,045	0	7,624,045
Unrestricted	<u>(18,977,875)</u>	<u>23,747,790</u>	<u>4,769,915</u>
 Total Net Position (Deficit)	 <u>\$ (6,407,287)</u>	 <u>\$ 130,897,535</u>	 <u>\$ 124,490,248</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Function/Programs</u>				
Governmental Activities				
General Government	\$ 723,203	\$ 0	\$ 0	\$ 0
Interest on long-term debt	736,262	0	0	0
Total Governmental Activities	<u>1,459,465</u>	<u>0</u>	<u>0</u>	<u>0</u>
Business-Type Activities				
Water	6,275,505	5,236,606	81,518	4,885,520
Sewer	3,145,604	2,754,093	26,570	1,193,253
Total Business-Type Activities	<u>9,421,109</u>	<u>7,990,699</u>	<u>108,088</u>	<u>6,078,773</u>
Total Primary Government	<u>\$ 10,880,574</u>	<u>\$ 7,990,699</u>	<u>\$ 108,088</u>	<u>\$ 6,078,773</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Net (Expense) Revenues and Changes in Net Position		
	Primary Government		
	Govern- mental Activities	Business- Type Activities	Total
<u>Function/Programs</u>			
Governmental Activities			
General Government	\$ (723,203)	\$ 0	\$ (723,203)
Interest on long-term debt	(736,262)	0	(736,262)
Total Governmental Activities	<u>(1,459,465)</u>	<u>0</u>	<u>(1,459,465)</u>
Business-Type Activities			
Water	0	3,928,139	3,928,139
Sewer	0	828,312	828,312
Total Business-Type Activities	<u>0</u>	<u>4,756,451</u>	<u>4,756,451</u>
Total Primary Government	<u>(1,459,465)</u>	<u>4,756,451</u>	<u>3,296,986</u>
General Revenues			
Property taxes	2,779,870	0	2,779,870
Specific ownership taxes	238,199	0	238,199
Dominion reimbursements	659,951	0	659,951
Investment income	326,771	1,108,589	1,435,360
Transfers	846,152	(846,152)	0
Total General Revenues and Transfers	<u>4,850,943</u>	<u>262,437</u>	<u>5,113,380</u>
Change in Net Position	3,391,478	5,018,888	8,410,366
Net Position (Deficit), Beginning	<u>(9,798,765)</u>	<u>125,878,647</u>	<u>116,079,882</u>
Net Position (Deficit), Ending	<u>\$ (6,407,287)</u>	<u>\$ 130,897,535</u>	<u>\$ 124,490,248</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Debt Service	Plum Valley Heights	(Nonmajor) Capital Projects	Total
<u>Assets</u>					
Cash and investments	\$ 3,304,833	\$ 5,987,167	\$ 499,697	\$ 1,012,993	\$ 10,804,690
Restricted cash	0	1,289,149	0	0	1,289,149
Property taxes receivable	1,576,131	675,485	447,966	0	2,699,582
Prepaid items	38,082	0	0	0	38,082
Total Assets	<u>\$ 4,919,046</u>	<u>\$ 7,951,801</u>	<u>\$ 947,663</u>	<u>\$ 1,012,993</u>	<u>\$ 14,831,503</u>
<u>Liabilities</u>					
Accounts payable	\$ 22,999	\$ 0	\$ 1,217	\$ 38,662	\$ 62,878
Total Liabilities	<u>22,999</u>	<u>0</u>	<u>1,217</u>	<u>38,662</u>	<u>62,878</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue- property taxes	1,576,131	675,485	447,966	0	2,699,582
<u>Fund Balances</u>					
Nonspendable:					
Prepaid items	38,082	0	0	0	38,082
Restricted for:					
Emergencies	61,574	0	0	0	61,574
Debt service	0	7,276,316	0	0	7,276,316
Special revenue fund	0	0	498,480	0	498,480
Assigned - capital projects	0	0	0	974,331	974,331
Unassigned	3,220,260	0	0	0	3,220,260
Total Fund Balances	<u>3,319,916</u>	<u>7,276,316</u>	<u>498,480</u>	<u>974,331</u>	<u>12,069,043</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,919,046</u>	<u>\$ 7,951,801</u>	<u>\$ 947,663</u>	<u>\$ 1,012,993</u>	<u>\$ 14,831,503</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances of governmental funds	\$ 12,069,043
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount is net of accumulated depreciation of \$1,366,221.	4,946,543
Accrued interest payable.	(212,325)
Long-term liabilities, including related items, including loans payable (\$23,154,039), loan premium (\$46,810) accrued compensated absences (\$9,699), are not due and payable in the current year and, therefore, are not reported in the funds.	<u>(23,210,548)</u>
Total Net Position (Deficit) of Governmental Activities	<u>\$ (6,407,287)</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General	Debt Service	Plum Valley Heights	(Nonmajor) Capital Projects	Total
<u>Revenues</u>					
Property taxes	\$ 1,761,866	\$ 567,626	\$ 450,378	\$ 0	\$ 2,779,870
Specific ownership taxes	147,162	49,115	41,922	0	238,199
Dominion reimbursements	0	0	0	659,951	659,951
Investment income	143,425	164,329	19,017	0	326,771
Total Revenues	<u>2,052,453</u>	<u>781,070</u>	<u>511,317</u>	<u>659,951</u>	<u>4,004,791</u>
<u>Expenditures</u>					
General government	523,134	8,509	20,899	0	552,542
Debt Service					
Principal	0	1,065,872	287,707	0	1,353,579
Interest and fiscal charges	0	619,316	132,560	0	751,876
Total Expenditures	<u>523,134</u>	<u>1,693,697</u>	<u>441,166</u>	<u>0</u>	<u>2,657,997</u>
Revenues Over (Under) Expenditures	<u>1,529,319</u>	<u>(912,627)</u>	<u>70,151</u>	<u>659,951</u>	<u>1,346,794</u>
<u>Other Financing Sources (Uses)</u>					
Transfers In	0	1,232,856	0	1,950,000	3,182,856
Transfers Out	(700,000)	0	0	(1,636,704)	(2,336,704)
Total Other Financing Sources (Uses)	<u>(700,000)</u>	<u>1,232,856</u>	<u>0</u>	<u>313,296</u>	<u>846,152</u>
Net Change in Fund Balances	829,319	320,229	70,151	973,247	2,192,946
Fund Balances, Beginning	<u>2,490,597</u>	<u>6,956,087</u>	<u>428,329</u>	<u>1,084</u>	<u>9,876,097</u>
Fund Balances, Ending	<u>\$ 3,319,916</u>	<u>\$ 7,276,316</u>	<u>\$ 498,480</u>	<u>\$ 974,331</u>	<u>\$ 12,069,043</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Amounts reported for governmental activities in the statements of activities are different because:

Net change in fund balances, total governmental funds	\$ 2,192,946
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This amount represents depreciation expense in excess of capital outlay in the current year.	(191,041)
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This amount is the net effect of these differences in the treatment of long-term debt and related items: amortization of loan premium \$23,133, change in accrued interest payable \$15,614, and change in compensated absences \$2,753.	35,994
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Payments of principal are expenditures in the governmental funds, but they change long-term liabilities in the statement of net position and do not affect the statement of activities.	<u>1,353,579</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 3,391,478</u></u>
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The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Assets</u>			
Current Assets			
Cash and investments	\$ 14,376,985	\$ 14,345,500	\$ 28,722,485
Accounts receivable	625,079	614,722	1,239,801
Prepaid expenses	56,669	28,334	85,003
Total Current Assets	<u>15,058,733</u>	<u>14,988,556</u>	<u>30,047,289</u>
Noncurrent Assets			
Capital assets not being depreciated	25,219,566	6,272,578	31,492,144
Capital assets, net	<u>62,894,994</u>	<u>12,762,607</u>	<u>75,657,601</u>
Total Noncurrent Assets	<u>88,114,560</u>	<u>19,035,185</u>	<u>107,149,745</u>
Total Assets	<u>103,173,293</u>	<u>34,023,741</u>	<u>137,197,034</u>
<u>Liabilities</u>			
Current liabilities			
Accounts payable	239,863	223,193	463,056
Unearned revenue	<u>3,201,864</u>	<u>2,528,227</u>	<u>5,730,091</u>
Total Current Liabilities	<u>3,441,727</u>	<u>2,751,420</u>	<u>6,193,147</u>
Noncurrent Liabilities			
Compensated absences - current	11,037	6,688	17,725
Compensated absences - long-term	<u>55,187</u>	<u>33,440</u>	<u>88,627</u>
Total Noncurrent Liabilities	<u>66,224</u>	<u>40,128</u>	<u>106,352</u>
Total Liabilities	<u>3,507,951</u>	<u>2,791,548</u>	<u>6,299,499</u>
<u>Net Position</u>			
Net investment in capital assets	88,114,560	19,035,185	107,149,745
Unrestricted	<u>11,550,782</u>	<u>12,197,008</u>	<u>23,747,790</u>
Total Net Position	<u>\$ 99,665,342</u>	<u>\$ 31,232,193</u>	<u>\$ 130,897,535</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Operating Revenues</u>			
Charges for services	\$ 4,723,530	\$ 2,379,331	\$ 7,102,861
Dominion capital lease O-line	0	364,900	364,900
Permit fees	7,100	6,600	13,700
Outside treatment	391,113	0	391,113
Inclusion fees	75,686	0	75,686
Miscellaneous income	39,177	3,262	42,439
	<u>5,236,606</u>	<u>2,754,093</u>	<u>7,990,699</u>
<u>Operating Expenses</u>			
Personnel services	1,034,069	451,966	1,486,035
Operations	3,252,311	1,825,453	5,077,764
Depreciation	1,989,125	868,185	2,857,310
	<u>6,275,505</u>	<u>3,145,604</u>	<u>9,421,109</u>
Operating Income (Loss)	<u>(1,038,899)</u>	<u>(391,511)</u>	<u>(1,430,410)</u>
<u>Nonoperating Revenues</u>			
Investment Income	473,803	634,786	1,108,589
Gain on sale of water rights	1,034,405	0	1,034,405
Availability Charges	81,518	26,570	108,088
	<u>1,589,726</u>	<u>661,356</u>	<u>2,251,082</u>
Net Income Before Transfers and Capital Contributions	550,827	269,845	820,672
Transfer in	1,542,933	793,771	2,336,704
Transfer out	(3,156,285)	(26,571)	(3,182,856)
Capital contributions	3,851,115	1,193,253	5,044,368
Change in Net Position	2,788,590	2,230,298	5,018,888
Net Position, beginning	<u>96,876,752</u>	<u>29,001,895</u>	<u>125,878,647</u>
Net Position, ending	<u>\$ 99,665,342</u>	<u>\$ 31,232,193</u>	<u>\$ 130,897,535</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Cash Flows from Operating Activities</u>			
Cash received from customers	\$ 5,270,403	\$ 2,640,605	\$ 7,911,008
Cash payments to suppliers	(3,564,710)	(1,721,891)	(5,286,601)
Cash payments to employees	(1,042,260)	(448,147)	(1,490,407)
Other cash received	39,177	3,262	42,439
	<u>702,610</u>	<u>473,829</u>	<u>1,176,439</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers from other funds	1,542,933	793,771	2,336,704
Transfers to other funds	(3,156,285)	(26,571)	(3,182,856)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(1,613,352)</u>	<u>767,200</u>	<u>(846,152)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>			
Acquisition and construction of capital assets	(2,716,931)	(1,932,823)	(4,649,754)
Proceeds from sale of capital assets	2,269,845	0	2,269,845
Capital charges received	3,851,115	1,796,448	5,647,563
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>3,404,029</u>	<u>(136,375)</u>	<u>3,267,654</u>
<u>Cash Flows from Investing Activities</u>			
Investment income	473,803	634,786	1,108,589
Net Cash Provided by Investing Activities	<u>473,803</u>	<u>634,786</u>	<u>1,108,589</u>
Net increase in cash and investments	2,967,090	1,739,440	4,706,530
Cash and investments, beginning	<u>11,409,895</u>	<u>12,606,060</u>	<u>24,015,955</u>
Cash and investments, ending	<u>\$ 14,376,985</u>	<u>\$ 14,345,500</u>	<u>\$ 28,722,485</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities			
Operating loss	\$ (1,038,899)	\$ (391,511)	\$ (1,430,410)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	1,989,125	868,185	2,857,310
Receipt of system availability charges	81,518	26,570	108,088
Changes in assets and liabilities			
Accounts receivable	1,189	(136,796)	(135,607)
Prepaid Expenses	(4,253)	(2,126)	(6,379)
Accounts payable	(308,146)	105,688	(202,458)
Unearned revenue	(9,733)	0	(9,733)
Accrued compensated absences	(8,191)	3,819	(4,372)
Net Cash Provided by Operating Activities	<u>\$ 702,610</u>	<u>\$ 473,829</u>	<u>\$ 1,176,439</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Roxborough Water and Sanitation District (the “District”), previously the Roxborough Park Metropolitan District, was formed on January 12, 1972, to provide water, sewer and fire protection services within its boundaries. Effective July 1, 1999, the District’s fire protection services were merged into the West Metro Fire Protection District (the “WMFP”). By intergovernmental agreement, the District conveyed ownership of the fire station and all fire equipment to the WMFP, along with property tax revenues related to these services. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the District conform to generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are reported as part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District.

Based upon the application of this criteria, the District reports Plum Valley Heights as a blended component unit. Colorado State Statutes allow for the formation of subdistricts. Under the statute, subdistricts are independent quasi-municipal corporations, for whom the District’s Board of Directors constitutes the Plum Valley Heights Board of Directors. In addition, management of the District is also management of the subdistrict. Plum Valley Heights does not prepare separate financial statements.

As a result of an election in November 2016, the water activities of Ravenna Metropolitan District were absorbed by the District. This has resulted in additional properties and customers receiving water services from the District.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Separate financial statements are provided for governmental and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

In the fund financial statements, the District reports the following major governmental funds.

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for resources accumulated for, and payments made on, long-term obligations of the District.

The *Plum Valley Heights Fund* accounts for the activity in the subdistrict of Plum Valley Heights. This fund is reported as a special revenue fund, as the revenues derived from this subdistrict are used to support its operations.

Additionally, the District reports the following major proprietary funds.

The *Water Fund* accounts for the activities associated with the provision of water services.

The *Sewer Fund* accounts for the activities associated with the provision of sewer services.

Cash and Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents are defined as investments with original maturities of three months or less. Pooled cash and investments are categorized as cash equivalents.

Receivables – All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2023, the District expects to collect all accounts receivable balances.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and for the proprietary funds in the fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Collection and Distribution Systems	30-60 years
Vehicles and Equipment	3-15 years

Deferred Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Accordingly, the item, *unavailable revenue*, is reported for property taxes levied in the current year but collected for use in the next fiscal period.

Compensated Absences – Employees of the District are allowed to accumulate unused vacation and sick time. Employees are limited to 960 hours of accrued sick time and are not allowed to carry more than 100 hours of accrued vacation to the following year. Upon termination of employment from the District, an employee will be compensated for all accrued vacation time and 50% of accrued sick time. Accrued sick time in excess of 960 hours at year end is paid out at 50%. A liability for these compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements.

Long-Term Debt – In the government-wide financial statements, and for the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize debt premiums and discounts during the current year. The face amount of debt issued is reported as other financing sources.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes, determined by a formal action of the Board of Directors. The Board of Directors is the highest level of decision-making body for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board of Directors may assign fund balances for specific purposes.

Unassigned – All other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance is available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

Net Position

Net position in the government-wide Statement of Net Position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments. At December 31, 2023, the net position of the governmental activities is a deficit of \$6,407,287. This is the result of the governmental funds being responsible for the repayment of loans that were used to finance construction of capital assets which were then transferred to the enterprise funds. As revenues are collected for debt service payments management believes the net position will become positive.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits them to the District on a monthly basis.

NOTE 2 - CASH AND INVESTMENTS

At December 31, 2023, cash and investments consisted of the following:

Deposits	\$ 18,682,185
Restricted cash	1,289,149
Investments	20,844,990
Total	<u>\$ 40,816,324</u>

Restricted cash is comprised of debt service reserves required by the lender.

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 regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2023, the District had bank deposits, with a book balance of \$19,971,334, comprised of \$250,000 which was covered by FDIC insurance and the remaining covered by PDPA.

Investments

The District is required to comply with State statutes which specify instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

The District's investment policy follows State statutes and allows the following investments.

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

Interest Rate Risk – State statutes limit investments in U.S. Agency securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

The District has interest rate risk related only to the investment in the Colorado Local Government Liquid Asset Trust (COLOTRUST). At December 31, 2023, COLOTRUST'S Plus+ portfolio had a weighted average maturity of 60 days.

Credit Risk – State statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

Local Government Investment Pools – At December 31, 2023, the District had \$20,844,990 invested in COLOTRUST, an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating COLOTRUST. COLOTRUST operate similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST are limited to those allowed by State statutes.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. COLOTRUST are rated AAAM by Standard and Poor's and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 3 - INTERFUND BALANCES AND TRANSACTIONS

<u>Transfer out</u>	<u>Amount</u>	<u>Transfer in</u>	<u>Amount</u>
General Fund	\$ 700,000	Debt Service Fund	\$ 1,232,856
Capital Projects Fund	1,636,704	Capital Projects Fund	1,950,000
Water Fund	3,156,285	Water Fund	1,542,933
Sewer Fund	26,571	Sewer Fund	793,771
	<u>\$ 5,519,560</u>		<u>\$ 5,519,560</u>

Availability charges collected by the Water and Sewer Funds are required by State statute to be used for debt service and are transferred to the Debt Service Fund. The transfers from the General Fund to the Water and Sewer Funds were determined during the budget process. Transfers from the Debt Service Fund to Plum Valley Heights relate to debt service payments.

NOTE 4 - CAPITAL ASSETS

	<u>Balance</u> <u>12/31/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/23</u>
<u>Governmental-Type Activities</u>				
Capital assets, not being depreciated:				
Easements	\$ 18,440	\$ 0	\$ 0	\$ 18,440
Capital assets, being depreciated:				
Infrastructure	6,074,963	0	0	6,074,963
Furniture and equipment	183,337	36,024	0	219,361
Total being depreciated	6,258,300	36,024	0	6,294,324
Less accumulated depreciation:	(1,139,156)	(227,065)	0	(1,366,221)
Total being depreciated, net	5,119,144	(191,041)	0	4,928,103
Governmental-Type Activities				
Capital Assets, Net	<u>\$ 5,137,584</u>	<u>\$ (191,041)</u>	<u>\$ 0</u>	<u>\$ 4,946,543</u>

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	*	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
<u>Business-Type Activities</u>					
Capital assets, not being depreciated:					
Land	\$	204,511	\$ 0	\$ 0	\$ 204,511
Tap fees		27,928,095	0	0	27,928,095
Water rights		1,235,440	0	1,235,440	0
Construction in progress		2,765,767	593,771	0	3,359,538
Total not being depreciated		<u>32,133,813</u>	<u>593,771</u>	<u>1,235,440</u>	<u>31,492,144</u>
Capital assets, being depreciated:					
Land improvements		5,514	0	0	5,514
Collections and distribution		108,483,558	3,707,649	0	112,191,207
Vehicles and equipment		805,677	348,334	0	1,154,011
Total being depreciated		<u>109,294,749</u>	<u>4,055,983</u>	<u>0</u>	<u>113,350,732</u>
Less accumulated depreciation:					
Land improvements		(5,514)	0	0	(5,514)
Collections and distribution		(34,148,913)	(2,763,946)	0	(36,912,859)
Vehicles and equipment		(681,394)	(93,364)	0	(774,758)
Total accumulated depreciation		<u>(34,835,821)</u>	<u>(2,857,310)</u>	<u>0</u>	<u>(37,693,131)</u>
Total capital assets, being depreciated, net		<u>74,458,928</u>	<u>1,198,673</u>	<u>0</u>	<u>75,657,601</u>
Business-Type Activities					
Capital Assets, Net	\$	<u>\$ 106,592,741</u>	\$ 1,792,444	<u>\$ 1,235,440</u>	<u>\$ 107,149,745</u>

* Certain cost balances as of 12/31/2022 were reclassified to conform with current year presentation.

Depreciation expense was charged to programs of the District as follows during the year ended December 31, 2023:

Governmental activities	
General Government	<u>\$ 227,065</u>
Business-type activities	
Water	\$ 1,989,125
Sewer	<u>868,185</u>
Total	<u>\$ 2,857,310</u>

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2023:

	Balance 12/31/22	Additions	Payments	Balance 12/31/23	Due Within One Year
<u>Governmental-Type Activities:</u>					
2005 CWRPDA Loan	\$ 2,340,000	\$ 0	\$ 544,010	\$ 1,795,990	\$ 560,000
Loan Premium	69,943	0	23,133	46,810	0
2014 CWCB Loan	15,181,911	0	483,231	14,698,680	498,935
2015 CWCB-Raw Water Loan	1,999,145	0	54,473	1,944,672	56,135
2015 CWRPDA Loan	3,596,271	0	233,234	3,363,037	236,174
2019 CWCB Loan	1,390,291	0	38,631	1,351,660	39,848
Compensated absences	6,946	10,483	7,730	9,699	1,617
Total	<u>\$24,584,507</u>	<u>\$ 10,483</u>	<u>\$ 1,384,442</u>	<u>\$23,210,548</u>	<u>\$1,392,709</u>

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

2005 Clean Water Revenue Bonds were issued by the Colorado Water Resources and Power Development Authority and proceeds were loaned to the District to finance a sewer pipeline and two pump stations. Principal and interest payments are due semi-annually on February 1 and August 1, through 2026. Interest accrues at the rate of 3.35% per annum.

2014 Colorado Water Conservation Board Note was entered into in November 2014. The loan proceeds were used to purchase a permanent water supply from the City of Aurora by the enterprise funds. Principal and interest payments are due annually on December 1 through 2044. Interest accrues at the rate of 3.25% per annum.

During 2015, the District entered into a loan agreement with the Colorado Water Conservation Board for the Raw Water Supply Project to obtain a renewable subdistrict water supply and allow customers to discontinue their current use of private wells and non-renewable water. The total loan amount is \$2,248,260 payable over 30 years at an interest rate of 3.05%. Interest and loan fees are due when the project is completed. The loan matures February 2047.

2015 Clean Water Revenue Bonds were issued by the Colorado Water Resources and Power Development Authority and proceeds were loaned to the District to finance the Plum Valley Heights water pipeline. Principal and interest payments are due semi-annually on February 1 and August 1, through 2036. Interest accrues at the rate of 2.07% per annum.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 - LONG-TERM DEBT (CONTINUED)

2019 Colorado Water Conservation Board Note was entered into in January 2019. The loan proceeds received were used for the Ravenna development interconnect. Principal and interest payments are due annually on February 1 through 2047. Interest accrues at the rate of 3.15% per annum.

Future payments for the outstanding debt, which has a maturity schedule, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,391,092	\$ 716,811	\$ 2,107,903
2025	1,448,217	720,276	2,168,493
2026	1,510,953	653,396	2,164,349
2027	895,802	584,810	1,480,612
2028	920,618	561,913	1,482,531
2029-2033	5,017,495	2,390,547	7,408,042
2034-2038	5,222,648	1,556,856	6,779,504
2039-2043	5,107,261	765,313	5,872,574
2044-2047	1,639,953	82,934	1,722,887
Total	<u>\$23,154,039</u>	<u>\$ 8,032,856</u>	<u>\$31,186,895</u>

Business-Type Activities

Following are the long-term debt transactions of the business-type activities for the year ended December 31, 2023:

<u>Business-Type Activities</u>	<u>Balance</u> <u>12/31/22</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/23</u>	<u>Due Within</u> <u>One Year</u>
Accrued compensated absences	<u>\$ 110,724</u>	<u>\$ 72,333</u>	<u>\$ 76,705</u>	<u>\$ 106,352</u>	<u>\$ 17,725</u>

NOTE 6 - PUBLIC ENTITY RISK POOL

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. For these risks of loss, the District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 - PUBLIC ENTITY RISK POOL (CONTINUED)

In the event aggregated losses incurred by the Pool exceeded amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

The purposes of the Pool are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to property and to persons or property which might result in claims being made against members of the Pool, their employees and officers.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability of loss, to the limit of the financial resources of the Pool.

It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members. The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the Pool. Settled claims have not exceeded coverage in any of the past three fiscal years.

NOTE 7 - RETIREMENT COMMITMENTS

Profit Sharing Plan

The District has established a profit sharing pension plan on behalf of all District employees. The contribution requirements of plan participants and the District are established and may be amended by the Board of Directors. All employees are eligible to participate in the plan upon employment, and become fully vested after five years of service. Forfeitures are used to offset current contributions. There were no forfeitures during 2023.

The District may contribute up to 15% of each participating employee's compensation. During the year ended December 31, 2023, the District contributed \$148,137 to the Plan. All contributions are deposited to the individual employee's self-directed accounts and the District has no further fiduciary responsibility for the plan assets.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 - RETIREMENT COMMITMENTS (CONTINUED)

Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all District employees and permits them to defer a portion of their salary until future years. All plan investments are held in trust for the exclusive benefit of the employees. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment") which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

In November 2001, the District electors allowed the District to spend the full proceeds of any taxes, fees, charges, grants, rates, tolls or any other revenues collected in fiscal year 2000 and in all subsequent fiscal years without regard to any limitation contained in the Amendment. In November 2014, the Subdistrict electors also allowed Plum Valley Heights to spend the full proceeds of any taxes, fees, charges, grants, rates, tolls or any other revenues collected in fiscal year 2014 and in all subsequent fiscal years without regard to any limitation contained in the Amendment.

The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, the emergency reserve of \$61,574 was reported as a restriction of fund balances and in the government wide statements.

Other Commitments and Contingencies

The District has entered into a contract to purchase sewer treatment services from the City of Littleton, Colorado. This City is treating all wastewater of the District. The contract is irrevocable by the District as long as bonds to finance the City's treatment plant are still outstanding.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Other Commitments and Contingencies (continued)

During 2020, the District entered into an intergovernmental agreement (IGA) with Dominion Water and Sanitation District (Dominion) for the temporary use of and acquisition of capacity in the District's wastewater conveyance system. Pursuant to the IGA, Dominion is required to pay the District (1) an annual payment of \$150,000 and up to \$400,000 dependent on the number of Dominion equivalent residential unit (EQR) connections, (2) an operations fee of twenty dollars per month per EQR connection, and (3) an annual capital improvements fee of \$1,000,000 through the year ended December 31, 2021 and an additional \$1,000,000 depending on the number of EQR connections, up to a total of \$5,000,000. During the year ended December 31, 2023, Dominion paid the District \$1,000,000 in capital improvements fees. Total capital improvement payments received since inception of the IGA through December 31, 2023 was \$3,000,000 and is included in unearned revenue until the District incurs construction costs pursuant to the IGA. The IGA is effective until December 31, 2028.

REQUIRED SUPPLEMENTARY INFORMATION

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 1,761,246	\$ 1,761,866	\$ 620
Specific ownership taxes	120,000	147,162	27,162
Investment income	5,000	143,425	138,425
Miscellaneous income	1,000	0	(1,000)
Total Revenues	<u>1,887,246</u>	<u>2,052,453</u>	<u>165,207</u>
<u>Expenditures</u>			
Salaries and benefits	130,000	102,259	27,741
Accounting and audit	61,500	59,031	2,469
Contract labor	10,000	995	9,005
Director fees	8,000	8,000	0
Election expense	30,000	28,470	1,530
Education	20,000	9,770	10,230
Engineering	40,000	15,376	24,624
Insurance	30,000	29,392	608
Legal fees	25,000	16,841	8,159
Miscellaneous	10,000	11,189	(1,189)
Office expense	40,000	48,069	(8,069)
Permits, dues and subscriptions	30,000	27,356	2,644
Rent	5,000	2,694	2,306
Repairs and maintenance	205,000	98,423	106,577
Treasurer fees	45,000	26,418	18,582
Utilities	2,000	1,471	529
Vehicle expense	5,000	1,356	3,644
Bank charges	2,000	0	2,000
Capital outlay	75,000	36,024	38,976
Total Expenditures	<u>773,500</u>	<u>523,134</u>	<u>250,366</u>
Excess of Revenues Over Expenditures	1,113,746	1,529,319	415,573
<u>Other Financing Sources (Uses)</u>			
Transfers out	<u>(700,000)</u>	<u>(700,000)</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ 413,746</u>	829,319	<u>\$ 415,573</u>
Fund Balances, Beginning		<u>2,490,597</u>	
Fund Balances, Ending		<u>\$ 3,319,916</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
PLUM VALLEY HEIGHTS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 450,300	\$ 450,378	\$ 78
Specific ownership taxes	50,000	41,922	(8,078)
Investment income	1,000	19,017	18,017
 Total Revenues	 <u>501,300</u>	 <u>511,317</u>	 <u>10,017</u>
<u>Expenditures</u>			
Accounting and audit	12,000	12,000	0
Bank service charges		0	0
Education	1,000	0	1,000
Engineering	2,500	0	2,500
Legal fees	2,500	2,164	336
Treasurer fees	9,000	6,735	2,265
Debt Service:			
Principal	287,707	287,707	0
Interest	130,753	132,560	(1,807)
 Total Expenditures	 <u>445,460</u>	 <u>441,166</u>	 <u>4,294</u>
 Excess of Revenues Over Expenditures	 <u>55,840</u>	 <u>70,151</u>	 <u>14,311</u>
 Net Change in Fund Balances	 <u>\$ 55,840</u>	 70,151	 <u>\$ 14,311</u>
 Fund Balances, Beginning		 <u>428,329</u>	
 Fund Balances, Ending		 <u>\$ 498,480</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 1 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

Budgets are legally adopted for all funds of the District. Budgets for the General and Debt Service Funds, Capital Projects, and Plum Valley Heights are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures, and depreciation is not budgeted.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- In October, District management 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.
- Public hearings are conducted in November to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

SUPPLEMENTARY INFORMATION

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Dominion reimbursements	\$ 1,000,000	\$ 659,951	\$ (340,049)
Total Revenues	<u>1,000,000</u>	<u>659,951</u>	<u>(340,049)</u>
<u>Expenditures</u>			
Capital Outlay	<u>3,815,000</u>	<u>0</u>	<u>3,815,000</u>
Total Expenditures	<u>3,815,000</u>	<u>0</u>	<u>3,815,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,815,000)</u>	<u>659,951</u>	<u>3,474,951</u>
Other Financing Sources (Uses)			
Transfers in	3,565,000	1,950,000	(1,615,000)
Transfers out	<u>0</u>	<u>(1,636,704)</u>	<u>(1,636,704)</u>
Total other financing sources	<u>3,565,000</u>	<u>313,296</u>	<u>(3,251,704)</u>
Net Change in Fund Balances	<u>\$ 750,000</u>	973,247	<u>\$ 223,247</u>
Fund Balances, Beginning		<u>1,084</u>	
Fund Balances, Ending		<u>\$ 974,331</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Property taxes	\$ 567,412	\$ 567,626	\$ 214
Specific ownership taxes	80,000	49,115	(30,885)
Investment income	30,000	164,329	134,329
	<u>677,412</u>	<u>781,070</u>	<u>103,658</u>
<u>Expenditures</u>			
Treasurers fees	15,000	8,509	6,491
Debt Service			
Principal	1,065,872	1,065,872	0
Interest	676,952	619,316	57,636
	<u>1,757,824</u>	<u>1,693,697</u>	<u>64,127</u>
Excess of Revenues Over Expenditures	(1,080,412)	(912,627)	167,785
<u>Other Financing Sources (Uses)</u>			
Transfers in	1,252,000	1,232,856	(19,144)
Total other financing sources	1,252,000	1,232,856	(19,144)
Net Change in Fund Balances	<u>\$ 171,588</u>	320,229	<u>\$ 148,641</u>
Fund Balances, Beginning		<u>6,956,087</u>	
Fund Balances, Ending		<u>\$ 7,276,316</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 3,200,000	\$ 4,723,530	\$ 1,523,530
Permit fees	1,200	7,100	5,900
Other water sales	330,000	391,113	61,113
Miscellaneous	77,200	39,177	(38,023)
Capital charges	1,116,808	1,267,709	150,901
Dominion distribution operations	2,005,000	2,064,176	59,176
Inclusion fees	50,000	75,686	25,686
Reimbursements	20,000	235,328	215,328
System development charges	525,000	283,902	(241,098)
Investment income	50,000	473,803	423,803
Availability charges	120,000	81,518	(38,482)
Ravenna bond proceeds	3,196,997	0	(3,196,997)
Transfers in	500,000	1,542,933	1,042,933
Total Revenues	11,192,205	11,185,975	(6,230)
<u>Expenditures</u>			
Accounting and audit	65,000	59,375	5,625
Permits, dues and subscriptions	8,000	12,737	(4,737)
Contract labor	55,000	35,025	19,975
Education	50,000	30,196	19,804
Engineering	375,000	176,606	198,394
GPS/GIS	50,000	17,473	32,527
Insurance	50,000	58,431	(8,431)
Lab and test fees	25,000	12,343	12,657
Legal fees	75,000	37,761	37,239
Meter expense	125,000	38,345	86,655
Miscellaneous	20,000	10,405	9,595
Office expense	40,000	28,979	11,021
Operating supplies	175,000	77,118	97,882
Payroll, taxes and benefits	1,085,000	1,034,069	50,931
Repairs and maintenance	475,000	496,745	(21,745)
Safety Equipment	7,000	4,116	2,884
Utilities	315,000	324,835	(9,835)
Vehicle expense	15,000	20,438	(5,438)
Dominion	80,000	0	80,000
Water cost	2,100,000	1,705,580	394,420
Capital outlay	4,695,000	2,716,931	1,978,069
Conservation rebates	25,000	21,670	3,330
Water rights	2,500	84,133	(81,633)
Transfers out	4,721,808	3,156,285	1,565,523
Total Expenditures	14,634,308	10,159,596	4,474,712
Change in Net Position, Budgetary Basis	\$ (3,442,103)	1,026,379	\$ (4,480,942)

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS
WATER FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

Reconciliation to GAAP Basis	
Capital outlay	\$ 2,716,931
Depreciation	(1,989,125)
Gain on sale of water rights	<u>1,034,405</u>
Change in net position, GAAP Basis	2,788,590
Net position, beginning	<u>96,876,752</u>
Net position, ending	<u><u>\$ 99,665,342</u></u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 1,800,000	\$ 1,985,116	\$ 185,116
Charges for services-Lockheed			
Martin Agreement	300,000	394,215	94,215
Dominion capital lease O-line	200,000	364,900	164,900
Dominion sewer conveyance	0	518,060	518,060
Permit fees	33,000	6,600	(26,400)
Miscellaneous income (loss)	20,000	3,262	(16,738)
Investment income	55,000	634,786	579,786
Availability charges	40,000	26,570	(13,430)
System development charges	200,000	117,656	(82,344)
Dominion sewer services	410,000	396,805	(13,195)
Capital - surcharges	160,000	160,732	732
Transfer in	200,000	793,771	593,771
Total Revenues	<u>3,418,000</u>	<u>5,402,473</u>	<u>1,984,473</u>
<u>Expenditures</u>			
Accounting and audit	31,500	28,500	3,000
Contract labor	30,000	32,995	(2,995)
Dominion expense	0	738	(738)
Education	25,000	11,019	13,981
Engineering	125,000	113,788	11,212
GPS/GIS	25,000	12,273	12,727
Insurance	30,000	29,719	281
Lab and test fees	1,000	1,120	(120)
Legal fees	15,000	16,664	(1,664)
Miscellaneous	4,000	5,471	(1,471)
Littleton service fees	1,100,000	1,142,655	(42,655)
Office expense	15,000	22,744	(7,744)
Operating supplies	100,000	76,656	23,344
Permits, dues and subscriptions	1,000	6,348	(5,348)
Payroll, taxes and benefits	485,000	451,966	33,034
Repairs and maintenance	150,000	197,691	(47,691)
Safety Equipment	2,000	551	1,449
Utilities	100,000	114,692	(14,692)
Vehicle expense	2,000	11,829	(9,829)
Capital outlay	2,280,000	1,932,823	347,177
Transfer out	40,000	26,571	13,429
Total Expenditures	<u>4,561,500</u>	<u>4,236,813</u>	<u>324,687</u>
Change in Net Position, Budgetary Basis	<u>\$ (1,143,500)</u>	1,165,660	<u>\$ 2,309,160</u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS
SEWER FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

Reconciliation to GAAP Basis	
Capital outlay	\$ 1,932,823
Depreciation	<u>(868,185)</u>
Change in net position, GAAP Basis	2,230,298
Net position, beginning	<u>29,001,895</u>
Net position, ending	<u><u>\$ 31,232,193</u></u>

See the accompanying Independent Auditors' Report.