



ICENOGLE SEAVER POGUE

October 22, 2024

Arapahoe County
Board of County Commissioners
5534 South Prince Street
Littleton, CO 80120

Via Email: Commissioners@arapahoegov.com

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203
Via E-Filing

State of Colorado
Office of the State Auditor
Local Government Audit Division
1525 Sherman St., 7th Floor
Denver, CO 80203

Via E-Filing

Arapahoe County Clerk and Recorder
5534 South Prince Street
Littleton, CO 80120
Via Email: clerk@arapahoegov.com

Re: Castlewood Water and Sanitation District
Supplement to Annual Report

Dear Sir or Madam:

Enclosed for your information and records is a copy of the 2023 Audit for Castlewood Water and Sanitation District (the "District"). This Audit is being submitted pursuant to Section I of the District's Annual Report that was submitted on September 17, 2024. At the time of submitting the Annual Report, the Audit was not completed.

Should you have any questions regarding the enclosed, please do not hesitate to contact our office.

Sincerely,

ICENOGLE SEAVER POGUE
A Professional Corporation

Alexandra L. Mejia
Alexandra L. Mejia

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CASTLEWOOD WATER & SANITATION DISTRICT

Arapahoe County, Colorado

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2023 AND 2022

**CASTLEWOOD WATER & SANITATION DISTRICT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Castlewood Water & Sanitation District
Arapahoe County, Colorado

Opinions

We have audited the accompanying financial statements of Castlewood Water & Sanitation District (the District), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 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.

I

Fiscal Focus Partners, LLC

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 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 on pages IV through VIII 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as identified in the table of contents is presented for purposes of additional analysis and legal compliance and is 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Arvada, Colorado
September 24, 2024

**CASTLEWOOD WATER & SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

The management of Castlewood Water and Sanitation District (the District) offers the 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 and 2022.

Financial Highlights

- Net position increased \$1,204,744 in 2023, or 8.3%, since 2022, primarily due to an increase in revenues.
- Net operating loss increased \$102,321 from \$54,758 in the previous year to a net operating loss of \$157,079 on operating revenue of \$1,921,633 in 2022 and \$2,040,604 in 2023, due primarily to increased operating revenue partially offset by increased sewer treatment and facilities location expenses.
- Operating expenses, exclusive of depreciation, increased \$209,786 from the previous year mainly due to increased sewer treatment and facilities location expenses partially offset by decreased repairs and maintenance expenses.
- Funds available (current assets less current liabilities exclusive of the current portion of long-term obligations) increased \$986,130 to \$12,362,317 at December 31, 2023.

Overview of the Financial Statements

Management's discussions and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements, presented on pages 1 – 14 are comprised of Financial Statements and Notes to Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The statement of revenues, expenses, and changes in net position presents information that reflects how the District's net position changed during the past year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The statement of cash flows reports the District's cash flows from operating, noncapital financing, capital, and investing activities.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 4 – 14 of this report.

**CASTLEWOOD WATER & SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Overview of the Financial Statements (Continued)

The supplementary information contained in this report on pages 16 – 21 provides a schedule of expenses, budget and actual information, and assessed valuation, mill levy, and property tax information.

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 net position was \$15,650,361 and \$14,445,617 at the close of the fiscal years 2023 and 2022, respectively. Approximately 80.4% and 79.7% of the District's assets as of December 31, 2023 and 2022 consist of cash and investments, current receivables, and prepaid expenses. The remaining assets represent the current value of capital assets including the sewer system less accumulated depreciation.

Statement of Net Position

	2023	2022	2021
Current Assets	\$ 13,483,932	\$ 12,083,549	\$ 11,204,442
Capital Assets	3,288,044	3,069,430	3,062,294
Total Assets	<u>16,771,976</u>	<u>15,152,979</u>	<u>14,266,736</u>
Current Liabilities	547,793	161,492	72,449
Deferred Inflows of Resources	573,822	545,870	552,207
Total Liabilities and Deferred Inflows of Resources	<u>1,121,615</u>	<u>707,362</u>	<u>624,656</u>
Net Position Invested in Capital Assets	3,288,044	3,069,430	3,062,294
Restricted Net Position - Emergency Reserve	24,000	20,000	17,000
Unrestricted Net Position	12,338,317	11,356,187	10,562,786
Total Net Position	<u>\$ 15,650,361</u>	<u>\$ 14,445,617</u>	<u>\$ 13,642,080</u>

Business-type activities increased the District's net position by \$1,204,744 and \$803,537 in 2023 and 2022, respectively. Key elements of the change in net position were as follows:

- Total revenues increased by \$622,485 in 2023 and increased \$222,785 in 2022 over the prior year. This fluctuation is primarily due to an increase in interest income and sewer income in 2022 and an increase in interest income and sewer income in 2023.
- Lift station expenses decreased \$10,327 in 2023 and increased \$19,604 in 2022 over the prior year. This fluctuation is primarily due to a decrease in maintenance to the lift stations as a result of improvements in 2022.
- Sewer treatment expense increased \$151,375 in 2023 and decreased \$17,017 in 2022 over the prior year. These fluctuations are primarily due to the declines in annual sewer treatment expenses incurred from Metro Wastewater Reclamation District.

**CASTLEWOOD WATER & SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Government-Wide Financial Analysis (Continued)

Statement of Revenue, Expenses, and Changes in Net Position

	2023	2022	2021
OPERATING REVENUES			
Sewer Services	\$ 2,040,604	\$ 1,921,633	\$ 1,865,807
Total Operating Revenues	<u>2,040,604</u>	<u>1,921,633</u>	<u>1,865,807</u>
NONOPERATING REVENUES			
Taxes	580,787	581,517	562,314
Investment Income	631,031	190,683	4,162
Capital Cost Reimbursement	93,239	93,239	103,238
Tap Fees	65,000	-	25,000
Other Income	-	1,104	4,870
Total Nonoperating Revenues	<u>1,370,057</u>	<u>866,543</u>	<u>699,584</u>
Total Revenues	3,410,661	2,788,176	2,565,391
OPERATING EXPENSES			
Sewer	1,795,177	1,585,391	1,543,951
General and Administrative	161,855	156,405	143,989
Depreciation	240,651	234,595	232,915
Total Operating Expenses	<u>2,197,683</u>	<u>1,976,391</u>	<u>1,920,855</u>
Nonoperating Expense	8,234	8,248	7,923
Total Expenses	<u>2,205,917</u>	<u>1,984,639</u>	<u>1,928,778</u>
CHANGE IN NET POSITION	1,204,744	803,537	636,613
Net Position - Beginning of Year	<u>14,445,617</u>	<u>13,642,080</u>	<u>13,005,467</u>
NET POSITION - END OF YEAR	<u>\$ 15,650,361</u>	<u>\$ 14,445,617</u>	<u>\$ 13,642,080</u>

The revenue totaled \$3,410,661 and \$2,788,176 in 2023 and 2022, respectively, and was primarily made up of the sewer service revenue, property and specific ownership taxes, investment income, and lift station fees. In addition, 2023 revenue also included tap fees.

The sewer operating expenses are primarily made up of the fees that are paid to Metro Wastewater Reclamation District for sewage treatment services. These fees totaled \$1,209,113 and \$1,057,738 in 2023 and 2022, respectively. The nonoperating expenses consist of county treasurer's fees.

**CASTLEWOOD WATER & SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Budgetary Highlights

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of debt issuance, sale of assets, and debt repayments, as well as capital outlay in addition to operations and nonoperating revenue and contributions. Capital contributions of facilities and depreciation are not reflected on the budget since they do not affect "funds available." This budgetary accounting is required by State statutes. Additionally, the budget includes the separation of the enterprise, general government and debt service functions within the District.

The District's total expenditures for 2023 did not exceed the original budgeted appropriation. Actual revenue of \$3,674,661 was \$525,155 over budgeted revenue of \$3,149,506.

The difference between the original budgeted expenditures of \$3,362,000 and the actual expenditures of \$2,688,531 was \$673,469. The most notable variances under budget was direct enterprise expenditures of \$609,823.

Capital Assets Activity

The activity related to capital assets during 2022 and 2023 is as follows:

	2021	Changes	2022	Changes	2023
Sewer System	\$ 7,539,303	\$ 241,731	\$ 7,781,034	\$ 459,265	\$ 8,240,299
Lift Stations	3,074,725	-	3,074,725	-	3,074,725
Land and Easements	10,370	-	10,370	-	10,370
Total Capital Assets	<u>10,624,398</u>	<u>241,731</u>	<u>10,866,129</u>	<u>459,265</u>	<u>11,325,394</u>
Accumulated Depreciation	<u>(7,562,104)</u>	<u>(234,595)</u>	<u>(7,796,699)</u>	<u>(240,651)</u>	<u>(8,037,350)</u>
Net Capital Assets	<u>\$ 3,062,294</u>	<u>\$ 7,136</u>	<u>\$ 3,069,430</u>	<u>\$ 218,614</u>	<u>\$ 3,288,044</u>

Net capital assets increased \$218,614 in 2023 due to increased capital outlay and depreciation expense related to the lift stations. Additional information on the District's capital assets can be found in Note 4 of this report.

Economic Factors and Next Year's Budget and Rates

The District expects to maintain a customer base of approximately 2,600. The District expects service treatment fees will increase in the coming years. The District will continue to monitor rates on an annual basis to ensure proper fees are charged for this service. The District has appropriated \$3,820,000 for spending in the 2024 fiscal year budget. It is anticipated that service fee and property tax revenue along with other revenue and accumulated fund balances from previous years will be sufficient to cover these expenditures.

**CASTLEWOOD WATER & SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Request for Information

This report is designed to provide a general overview of the Castlewood Water and Sanitation District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Office of the Castlewood Water and Sanitation District, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, Colorado 80111.

BASIC FINANCIAL STATEMENTS

CASTLEWOOD WATER & SANITATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 12,826,862	\$ 11,417,936
Cash and Cash Equivalents - Restricted	24,000	20,000
Accounts Receivable	37,687	75,386
Receivable - County Treasurer	2,158	2,574
Property Taxes Receivable	573,822	545,870
Prepaid Expenses	19,403	21,783
Capital Assets, Not Being Depreciated	10,370	10,370
Capital Assets, Net	<u>3,277,674</u>	<u>3,059,060</u>
Total Assets	<u><u>\$ 16,771,976</u></u>	<u><u>\$ 15,152,979</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
LIABILITIES		
Accounts Payable	\$ 441,059	\$ 127,423
Retainage Payable	17,335	11,069
Unearned Revenue	58,899	-
Deposits - Imprest Account	<u>30,500</u>	<u>23,000</u>
Total Liabilities	547,793	161,492
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Revenue	<u>573,822</u>	<u>545,870</u>
Total Deferred Inflows of Resources	573,822	545,870
NET POSITION		
Net Investment in Capital Assets	3,288,044	3,069,430
Restricted - Emergency Reserve	24,000	20,000
Unrestricted	<u>12,338,317</u>	<u>11,356,187</u>
Total Net Position	<u><u>15,650,361</u></u>	<u><u>14,445,617</u></u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 16,771,976</u></u>	<u><u>\$ 15,152,979</u></u>

See accompanying Notes to Basic Financial Statements.

CASTLEWOOD WATER & SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
SEWER OPERATIONS		
Operating Revenues:		
Sewer Income	\$ 1,921,742	\$ 1,817,386
Lift Station Fees	114,712	101,777
Plan Review and Connection Fees	4,150	2,470
Total Operating Revenues	<u>2,040,604</u>	<u>1,921,633</u>
Operating Expenses:		
Direct Sewer Expenses	1,795,177	1,585,391
Depreciation	240,651	234,595
Total Operating Expenses	<u>2,035,828</u>	<u>1,819,986</u>
INCOME FROM SEWER OPERATIONS	4,776	101,647
GENERAL AND ADMINISTRATIVE EXPENSES	<u>161,855</u>	<u>156,405</u>
OPERATING LOSS	(157,079)	(54,758)
NONOPERATING REVENUES		
Property Taxes	543,954	545,581
Specific Ownership Taxes	36,833	35,936
Havana - Capital Costs	93,239	93,239
Net Investment Income	631,031	190,683
Miscellaneous	-	1,104
Total Nonoperating Revenues	<u>1,305,057</u>	<u>866,543</u>
NONOPERATING EXPENSES		
County Treasurer's Fees	8,234	8,248
Total Nonoperating Expenses	<u>8,234</u>	<u>8,248</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	1,139,744	803,537
CAPITAL CONTRIBUTIONS		
Sewer Tap Fees	20,000	-
Water Tap Fees	45,000	-
Total Capital Contributions	<u>65,000</u>	<u>-</u>
CHANGE IN NET POSITION	1,204,744	803,537
Net Position - Beginning of Year	<u>14,445,617</u>	<u>13,642,080</u>
NET POSITION - END OF YEAR	<u><u>\$ 15,650,361</u></u>	<u><u>\$ 14,445,617</u></u>

See accompanying Notes to Basic Financial Statements.

CASTLEWOOD WATER & SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 2,078,303	\$ 1,906,316
Payments to Suppliers	<u>(1,568,351)</u>	<u>(1,674,086)</u>
Net Cash Provided by Operating Activities	509,952	232,230
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property and Specific Ownership Taxes Received	572,969	573,650
Miscellaneous Income	<u>-</u>	<u>1,104</u>
Net Cash Provided by Noncapital Financial Activities	572,969	574,754
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(459,265)	(241,731)
Capital Cost Reimbursement	93,239	93,239
Tap Fees	<u>65,000</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	(301,026)	(148,492)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>631,031</u>	<u>190,683</u>
Net Cash Provided by Investing Activities	<u>631,031</u>	<u>190,683</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,412,926	849,175
Cash and Cash Equivalents - Beginning of Year	<u>11,437,936</u>	<u>10,588,761</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 12,850,862</u></u>	<u><u>\$ 11,437,936</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	\$ (157,079)	\$ (54,758)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	240,651	234,595
(Increase) Decrease in:		
Accounts Receivable	37,699	(15,317)
Prepaid Expenses	2,380	(21,333)
Increase (Decrease) in:		
Accounts Payable, Accrued Expenses, and Deposits	<u>386,301</u>	<u>89,043</u>
Net Cash Provided by Operating Activities	<u><u>\$ 509,952</u></u>	<u><u>\$ 232,230</u></u>

See accompanying Notes to Basic Financial Statements.

CASTLEWOOD WATER & SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 DEFINITION OF REPORTING ENTITY

Castlewood Water & Sanitation District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, is governed pursuant to provisions of the Colorado Special District Act. As a result of a District election November 5, 2002, and effective with the District Court Order dated January 29, 2003, and posting with the County Clerk and Recorder on January 30, 2003, the District was established through a consolidation agreement with the Castlewood Sanitation District, a partially overlapping sanitation district, and the Castlewood Water District, a partially overlapping water district, as a new entity incorporated as Castlewood Water & Sanitation District. The District's service area is located entirely in Arapahoe County, Colorado and partially in the cities of Greenwood Village and Centennial as well as unincorporated Arapahoe County. The District was established to provide sewage transmission and treatment services, as well as water services to its service areas. It contracts with Metro Wastewater Reclamation District (the Metro) for sewage treatment services and with the City and County of Denver through its Board of Water Commissioners (Board or DWD) to provide water to the District's customers (see Note 7).

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District has no employees, and all operations and administrative functions are contracted.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

CASTLEWOOD WATER & SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and loans is recorded as a reduction in liabilities. Inclusion fees, tap fees and contributed assets from developers are recorded as capital contributions when received.

Operating Revenues and Expenses

The District distinguishes between operating revenues and expenses and nonoperating items in the statements of revenues, expenses, and changes in net position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water and sanitation services to its customers. Operating revenues consist of charges to customers for service provided. Operating expenses include the cost of service, administrative expenses, and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

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

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits, certificates of deposit, and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

CASTLEWOOD WATER & SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include land and easements and a sewer system, are reported by the District. Capital assets are defined by the District as assets within an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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 the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Sewer System	40 Years
Lift Stations	25 Years

Deferred Inflow of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item *deferred property tax revenue* is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Contributed Capital

Inclusion Fees – Inclusion fees are recorded as capital contributions in the period the property is included into the District.

Contributed Lines – Lines contributed to the District by developers are recorded as capital contributions and additions to the systems at estimated fair market value when received.

CASTLEWOOD WATER & SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Capital (Continued)

Tap Fees – Public improvements contributed to the District by developers are recorded as capital contributions and additions to the systems at estimated fair value when received.

Equity

Net Position

For government-wide presentation purposes, 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.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, are classified in the accompanying financial statements as follows:

	2023	2022
Statement of Net Position:		
Cash and Cash Equivalents	\$ 12,826,862	\$ 11,417,936
Restricted Cash and Cash Equivalents	24,000	20,000
Total Cash and Investments	<u>\$ 12,850,862</u>	<u>\$ 11,437,936</u>

Cash and investments as of December 31, consist of the following:

	2023	2022
Deposits with Financial Institutions	\$ 54,225	\$ 326,493
Investments	12,796,637	11,111,443
Total Cash and Investments	<u>\$ 12,850,862</u>	<u>\$ 11,437,936</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

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

At December 31, 2023 and 2022, the District's cash deposits had a bank and carrying balance of \$54,243 and \$54,225, and \$326,511 and \$326,493, respectively.

CASTLEWOOD WATER & SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has adopted a formal investment policy to establish clear and consistent guidelines for the management of available fund balances. The objective of the District's portfolio is to provide adequate safety, liquidity, and diversity while optimizing yield.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

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

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

As of December 31, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>2023</u>	<u>2022</u>
Colorado Surplus Asset Fund	Weighted-Average		
Trust (CSAFE)	Under 60 Days	\$ 7,554,093	\$ 6,958,899
Colorado Statewide Investment Pool	Weighted-Average		
LGIP	Under 60 Days	5,242,544	4,152,544
Total		<u>\$ 12,796,637</u>	<u>\$ 11,111,443</u>

CASTLEWOOD WATER & SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operates similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, highest rated commercial paper, and any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAaf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Colorado Statewide Investment Pool LGIP (CSIP)

The District invested in the Colorado Statewide Investment Program (the Fund), an investment program established for local government entities in Colorado, nonprofit institutions, and other institutional entities. The Program invests in Colorado Investors Class of the PFM Funds Prime Series, a money market mutual fund registered under the Investment Company Act of 1940. The Fund is managed to maintain a dollar-weighted average portfolio of 60 days or less and seeks to maintain a value per share of \$1.00. The Fund is rated AAAM by Standard & Poor's. CSIP records its investments at amortized cost and the District records its investments in CSIP at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

CASTLEWOOD WATER & SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 4 CAPITAL ASSETS

Capital asset activity for the years ended December 31, is as follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Capital Assets, Not Being Depreciated:				
Land and Easements	\$ 10,370	\$ -	\$ -	\$ 10,370
Total Capital Assets, Not Being Depreciated	10,370	-	-	10,370
Capital Assets, Being Depreciated:				
Sewer System	7,781,034	459,265	-	8,240,299
Lift Stations	3,074,725	-	-	3,074,725
Total Capital Assets, Being Depreciated	10,855,759	459,265	-	11,315,024
Less: Accumulated Depreciation for:				
Sewer System	6,370,827	149,166	-	6,519,993
Lift Stations	1,425,872	91,485	-	1,517,357
Total Accumulated Depreciation	7,796,699	240,651	-	8,037,350
Total Capital Assets, Being Depreciated, Net	3,059,060	218,614	-	3,277,674
Capital Assets, Net	\$ 3,069,430	\$ 218,614	\$ -	\$ 3,288,044
	December 31, 2021	Increases	Decreases	December 31, 2022
Capital Assets, Not Being Depreciated:				
Land and Easements	\$ 10,370	\$ -	\$ -	\$ 10,370
Total Capital Assets, Not Being Depreciated	10,370	-	-	10,370
Capital Assets, Being Depreciated:				
Sewer System	7,539,303	241,731	-	7,781,034
Lift Stations	3,074,725	-	-	3,074,725
Total Capital Assets, Being Depreciated	10,614,028	241,731	-	10,855,759
Less: Accumulated Depreciation for:				
Sewer System	6,227,713	143,114	-	6,370,827
Lift Stations	1,334,391	91,481	-	1,425,872
Total Accumulated Depreciation	7,562,104	234,595	-	7,796,699
Total Capital Assets, Being Depreciated, Net	3,051,924	7,136	-	3,059,060
Capital Assets, Net	\$ 3,062,294	\$ 7,136	\$ -	\$ 3,069,430

Depreciation expense of \$240,651 and \$234,595 was charged to sewer operations for the years ended December 31, 2023 and 2022, respectively.

**CASTLEWOOD WATER & SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LONG-TERM OBLIGATIONS

Authorized Debt

This District is a merged entity, and any debt authorization would have been approved under either Castlewood Water or Castlewood Sanitation. As a result, the District considers any debt authorization stale.

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation. As of December 31, 2023 and 2022, the District had net investment in capital assets of \$3,288,044 and \$3,069,430 respectively.

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position of \$24,000 and \$20,000 as of December 31, 2023 and 2022, respectively, for emergencies (see Note 10).

The District's unrestricted net position as of December 31, 2023 and 2022, totaled \$12,338,317 and \$11,356,187 respectively.

NOTE 7 AGREEMENTS

Denver Water for Total Service Agreement

The District provides water to its users under a Total Service Contract with the City and County of Denver through its Board of Water Commissioners (the Board or DWD). The Board sets the rates billed.

Sewage Treatment and Disposal Agreement

The District is a "special connector" by agreement dated November 15, 1983 with Metro Wastewater Reclamation District (Metro), which provides the treatment of sewage collected within the District. The standard service agreement with Metro provides for annual charges to be assessed by formula against the District on an estimated basis. Adjustments to the estimated charge for metered flow and actual costs are billed and payable or credited during the two succeeding years. Metro assesses tap fees against the District for connections to the system.

CASTLEWOOD WATER & SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 7 AGREEMENTS (CONTINUED)

Sanitary Sewage Interconnection Agreement

On December 19, 2011, the District entered into an agreement with Goldsmith Gulch Sanitation District (Goldsmith Gulch) to service a select area within the District. The service area includes 81 single family residences (the Properties). The District will connect its wastewater collection system into Goldsmith Gulch's wastewater system in order to serve the Properties. The District will pay all costs associated with the connection of the wastewater systems.

Service at the connection will commence no earlier than January 1, 2012. Fees for the services provided by Goldsmith Gulch will consist of: 1) an annual service fee of \$144 per SFE for 81 SFEs (Service Fee) or the amount regularly charged to District residents for the year in question, plus an annual surcharge on each service fee of \$5 per SFE (Surcharge) to compensate Goldsmith Gulch for the increased electrical costs associated with providing service to the Properties (which may be modified by Goldsmith Gulch every three years to accommodate for increases or decreases in the cost of electricity), 2) an annual amount equal to Goldsmith Gulch's most recently certified property tax mill levy multiplied by the aggregate assessed value of the Properties, and 3) a processing fee of \$100 per invoice.

Goldsmith Gulch is responsible for routine maintenance of that portion of Goldsmith Gulch's wastewater collection system utilized by the District, per the agreement. Any and all costs incurred by the Goldsmith Gulch that are not deemed routine, as defined by the agreement, shall be shared proportionately between the District and Goldsmith Gulch.

On July 12, 2013, the first amendment to the agreement for sanitary sewage interconnection was approved. The first amendment removes all references to Lift Station No. 1 and obligation of the District to contribute costs thereof.

On June 20, 2016, the second amendment to the agreement for sanitary sewage interconnection was approved. Pursuant to the second amendment, the District shall, at its sole expense, design and construct a wastewater connection to Goldsmith Gulch's wastewater collection system (the Connection). The pipeline which makes the Connection into the Goldsmith Gulch wastewater collection system from the District's system is owned, operated and maintained by the District.

NOTE 8 INTERFUND AND OPERATING TRANSFERS

The District transferred \$264,000 and \$210,000 during 2023 and 2022, respectively, from the Governmental Fund to the Enterprise Fund for the funding of operations.

CASTLEWOOD WATER & SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, public officials' liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed 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 District continues to carry commercial insurance coverage for other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion. Therefore, the District adopted a resolution pursuant to CRS 37-45.1-101 et seq. to establish a water activity enterprise.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

CASTLEWOOD WATER & SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise will require judicial interpretation.

SUPPLEMENTARY INFORMATION

CASTLEWOOD WATER & SANITATION DISTRICT
SCHEDULE OF EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
DIRECT SEWER EXPENSES		
Customer Billing	\$ 74,449	\$ 63,794
Facilities Location	187,390	88,158
Repairs and Maintenance	95,150	145,079
Sewage Treatment	1,209,113	1,057,738
Engineering	132,619	123,839
Lift Station Expenses	96,456	106,783
Total Direct Sewer Expenses	<u>\$ 1,795,177</u>	<u>\$ 1,585,391</u>
 GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting	\$ 50,362	\$ 50,747
Audit	5,500	4,900
Directors' Fees	4,100	5,200
Insurance	22,038	15,872
Legal	62,524	65,095
Election Expenses	4,270	3,291
Miscellaneous	13,061	11,300
Total General and Administrative Expenses	<u>\$ 161,855</u>	<u>\$ 156,405</u>

CASTLEWOOD WATER & SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS) – ALL FUNDS COMBINED
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance- Positive (Negative)
REVENUES			
Sewer Service Fees	\$ 1,912,725	\$ 1,911,600	\$ (1,125)
Sewer Service Late Fees	10,000	10,142	142
Connection and Inspection Charges	3,200	4,150	950
Lift Station Fees	114,712	114,712	-
Miscellaneous Income	100	-	(100)
Property Taxes	545,870	543,954	(1,916)
Specific Ownership Taxes	32,752	36,833	4,081
Net Investment Income	210,000	631,031	421,031
Havana - Capital Costs	93,147	93,239	92
Tap Fees:			
Sewer	-	20,000	20,000
Water	-	45,000	45,000
Transfer from Other Funds	227,000	264,000	37,000
Total Revenues	<u>3,149,506</u>	<u>3,674,661</u>	<u>525,155</u>
EXPENDITURES			
Direct Enterprise Expenditures	2,405,000	1,795,177	609,823
General and Administrative Expenditures	221,812	161,855	59,957
Nonoperating Expenditures	8,188	8,234	(46)
Capital Outlay	500,000	459,265	40,735
Transfers to Enterprise	227,000	264,000	(37,000)
Total Expenditures	<u>3,362,000</u>	<u>2,688,531</u>	<u>673,469</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(212,494)	986,130	1,198,624
Funds Available - Beginning of Year	<u>10,925,585</u>	<u>11,376,187</u>	<u>450,602</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 10,713,091</u>	<u>\$ 12,362,317</u>	<u>\$ 1,649,226</u>
Funds Available are Defined as Follows:			
Current Assets		\$ 13,483,932	
Less: Current Liabilities and Deferred Inflows of Resources		<u>(1,121,615)</u>	
Funds Available		<u>\$ 12,362,317</u>	
Reconciliation of Budgetary Basis (Actual) to Statement of Revenues, Expenses, and Changes in Net Position:			
Revenues (Budgetary Basis)		\$ 3,674,661	
Transfer Between Funds		<u>(264,000)</u>	
Total Revenue per Statement of Revenues, Expenses, and Changes in Net Position		3,410,661	
Expenditures (Budgetary Basis)		2,688,531	
Depreciation		240,651	
Transfer Between Funds		(264,000)	
Capital Outlay		<u>(459,265)</u>	
Total Expenses per Statement of Revenues, Expenses, and Changes in Net Position		<u>2,205,917</u>	
Change in Net Position per Statement of Revenues, Expenses, and Changes in Net Position		<u>\$ 1,204,744</u>	

**CASTLEWOOD WATER & SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS) – GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance- Positive (Negative)
DISTRICT REVENUES			
Property Taxes	\$ 545,870	\$ 543,954	\$ (1,916)
Specific Ownership Taxes	32,752	36,833	4,081
Net Investment Income	65,000	188,899	123,899
Miscellaneous Income	100	-	(100)
Total District Revenues	<u>643,722</u>	<u>769,686</u>	<u>125,964</u>
DISTRICT EXPENDITURES			
General and Administrative Expenditures	221,812	161,855	59,957
Nonoperating Expenditures	8,188	8,234	(46)
Transfers to Enterprise	<u>227,000</u>	<u>264,000</u>	<u>(37,000)</u>
Total District Expenditures	<u>457,000</u>	<u>434,089</u>	<u>22,911</u>
EXCESS DISTRICT REVENUES OVER DISTRICT EXPENDITURES	186,722	335,597	148,875
District Funds Available - Beginning of Year	<u>3,223,869</u>	<u>3,240,044</u>	<u>16,175</u>
DISTRICT FUNDS AVAILABLE - END OF YEAR	<u><u>\$ 3,410,591</u></u>	<u><u>\$ 3,575,641</u></u>	<u><u>\$ 165,050</u></u>

CASTLEWOOD WATER & SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS) – ENTERPRISE FUND
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance- Positive (Negative)
ENTERPRISE REVENUES			
Sewer Service Fees	\$ 1,912,725	\$ 1,911,600	\$ (1,125)
Sewer Service Late Fees	10,000	10,142	142
Connection and Inspection Charges	3,200	4,150	950
Lift Station Fees	114,712	114,712	-
Net Investment Income	145,000	442,132	297,132
Havana - Capital Costs	93,147	93,239	92
Sewer Tap Fees	-	20,000	20,000
Water Tap Fees	-	45,000	45,000
Transfer From Other Funds	227,000	264,000	37,000
Total Enterprise Revenues	<u>2,505,784</u>	<u>2,904,975</u>	<u>399,191</u>
ENTERPRISE EXPENDITURES			
Direct Enterprise Expenditures	2,405,000	1,795,177	609,823
Capital Outlay	500,000	459,265	40,735
Total Enterprise Expenditures	<u>2,905,000</u>	<u>2,254,442</u>	<u>650,558</u>
EXCESS ENTERPRISE REVENUES OVER (UNDER) ENTERPRISE EXPENDITURES	(399,216)	650,533	1,049,749
Enterprise Funds Available - Beginning of Year	<u>7,701,716</u>	<u>8,136,143</u>	<u>434,427</u>
ENTERPRISE FUNDS AVAILABLE - END OF YEAR	<u>\$ 7,302,500</u>	<u>\$ 8,786,676</u>	<u>\$ 1,484,176</u>

**CASTLEWOOD WATER & SANITATION DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY
TAXES COLLECTED – TAXING AREAS 4115 - 4118
DECEMBER 31, 2023**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		Operations		Levied	Collected	
2019	\$ 561,101,155	.593	(1)	\$ 332,432	\$ 328,016	98.67 %
2020	640,765,322	.593	(2)	375,962	370,309	98.50
2021	635,746,604	.592	(3)	367,946	364,585	99.09
2022	654,642,311	.592	(4)	388,486	383,830	98.80
2023	644,403,318	.593		382,132	380,791	99.65
Estimated for the Year Ending December 31, 2024	\$ 726,209,008	.593	(5)	\$ 427,613		

- 1) This includes a temporary mill levy reduction of .008 and .035 for the areas in the District identified as #4116 and #4118, respectively, and a levy of .036 for collection of refunds and abatements in area #4118.
- 2) This includes a temporary mill levy reduction of .039, .029 and .106 for the areas in the District identified as #4116, #4117, and #4118, respectively, and a levy of .003 and .024 for collection of refunds and abatements in area #4116 and #4118.
- 3) This includes a temporary mill levy reduction of .004, .001 and .032 for the areas in the District identified as #4116, #4117, and #4118, respectively, and a levy of .003 and .002 for collection of refunds and abatements in area #4116 and #4118.
- 4) This includes a temporary mill levy reduction of .034 for the areas in the District identified as #4118 and a levy of .046 for collection of refunds and abatements in area #4118.
- 5) This includes a temporary mill levy reduction of .020, .108 and .032 for the areas in the District identified as #4116, #4117, and #4118, respectively, and a levy of .030 for collection of refunds and abatements in area #4118.

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy if delinquent taxes are collected.

**CASTLEWOOD WATER & SANITATION DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY
TAXES COLLECTED – TAXING AREAS 4115 AND 4119
DECEMBER 31, 2023**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		Operations		Levied	Collected	
2019	\$ 495,849,588	.283	(1)	\$ 140,151	\$ 138,289	98.67 %
2020	565,585,953	.222	(2)	125,974	124,080	98.50
2021	563,201,011	.274	(3)	162,647	161,161	99.09
2022	578,744,695	.275	(4)	163,721	161,751	98.80
2023	570,844,036	.275	(5)	163,738	163,163	99.65
Estimated for the Year Ending December 31, 2024	\$ 644,268,689	.275	(6)	\$ 146,209		

- 1) This includes a temporary mill levy reduction of .015 for the area in the District identified as #4119 and a levy of .008 for collection of refunds and abatements in area #4115.
- 2) This includes a temporary mill levy reduction of .065 for the area in the District identified as #4115 and a levy of .012 for collection of refunds and abatements in area #4115.
- 3) This includes a temporary mill levy reduction of .015 for the area in the District identified as #4115 and a levy of .014 for collection of refunds and abatements in area #4115.
- 4) This includes a levy of .008 for collection of refunds and abatements in area #4115.
- 5) This includes a levy of .012 for collection of refunds and abatements in area #4115.
- 6) This includes a temporary mill levy reduction of .051 for the area in the District identified as #4115 and a temporary mill levy reduction of .052 for the area in the District identified as #4119 and a levy of .003 for collection of refunds and abatements in area #4115.

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy if delinquent taxes are collected.