

**FOREST VIEW ACRES WATER DISTRICT
REGULAR MEETING
AGENDA AND NOTICE**

<u>Board of Directors</u>	<u>Office:</u>	<u>Term Expiration</u>
David Pheteplace	President	May 2025
Vincent Guthrie	Treasurer	May 2027
Nancy Wilkins	Director	May 2025
Paul McKean	Director	May 2025
Matt Quinlan	Director	May 2027
Gregory Hoffman	Director	May 2025
P.K Robinson	Director	May 2025

DATE: July 26, 2023

TIME: 6:00 p.m.

PLACE: Monument Sanitation District
130 2nd Street, Monument, CO 80132

You can also attend the meeting via Zoom.

<https://us06web.zoom.us/j/81829085804?pwd=VHE3ZWFCUGphZk50elFIRUowZmxIdz09>

Meeting ID: 818 2908 5804

Passcode: 275940

1 (719) 359- 4580 or 1 (720) 707- 2699

I. ADMINISTRATIVE ITEMS:

A. Call to Order the Regular Meeting

B. Approval of Agenda

C. Review and Consider Approval of Draft Minutes from the Previous Meetings (enclosure)

II. PUBLIC COMMENT: ON NON-AGENDA ITEMS

III. OPERATIONS REPORT & MAINTENANCE ITEMS:

A. Review Monthly Report prepared by ORC Water Professionals

IV. CAPITAL/ENGINEERING ITEMS:

A. Consider Approval of Forsgren Engineering Contract

B. Review and Discuss Prioritization of Engineering Projects

V. FINANCIAL ITEMS:

A. Treasurer's Report – Bank Balances/Transactions

1. Review Monthly Cash Position, Unaudited Financial Statements (enclosure)
2. Billing Register Report (enclosure)
3. Tap Fee Report (enclosure)

B. Review; Ratify and/or Approve Monthly Payment of Claims (enclosure)

C. Review and Consider Acceptance of the 2022 Audit and Authorize Execution of Representations Letter (enclosures) (Neil Schilling to present)

VI. OTHER BUSINESS ITEMS / DIRECTOR'S ITEMS:

A. Look Ahead Schedule (enclosure)

VII. LEGAL ITEMS:

A. Easements on Kathi Van Der Gugten Property and Taylor Property

ADJOURN INTO EXECUTIVE SESSION IF NECESSARY Pursuant to §24-6-402(4)(e), C.R.S. to receive legal advice, develop negotiating positions, strategy, or instruct negotiators, pursuant to §24-6-402(4)(b), C.R.S. to consult attorney on specific legal questions.

A. Review and Discuss Contract Negotiations with Forsgren Engineering

VIII. ADJOURNMENT:

The next regular Board Meeting is scheduled for 6 p.m. Wednesday, August 23, 2023

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR
MEETING OF THE BOARD OF DIRECTORS OF
THE FOREST VIEW ACRES WATER DISTRICT
AND THE BOARD OF DIRECTORS OF THE
WATER ACTIVITY ENTERPRISE
HELD
June 28, 2023**

ATTENDANCE

In attendance were Directors:

David Pheteplace, President, Term Expiration: May 2025
Vincent Guthrie, Treasurer, Term Expiration: May 2027
Nancy Wilkins, Term Expiration: May 2025
Paul McKean, Term Expiration: May 2025
Matt Quinlan, Term Expiration: May 2027
Gregory Hoffman, Term Expiration: May 2025
P.K. Robinson, Term Expiration: May 2025

Also, in attendance were:

Joel Meggers; Community Resource Services, LLC (“CRS”)
Molly Couture; Community Resource Services, LLC (“CRS”)
Peter Johnson; Vranesh and Raisch, LLP
Gabby Begeman; ORC Water Professionals
Roger Sams, GMS Engineering
Will Koger, Forsgren Associates, Inc.
Mike Warsake, Forsgren Associates, Inc.

**ADMINISTRATIVE
ITEMS**

The meeting was called to order at 6:00 p.m.

Agenda – Mr. Meggers presented for the Board’s approval the proposed Agenda. Following discussion, upon motion duly made by Director Hoffman, seconded by Director Wilkins and, upon vote, unanimously carried, the agenda as amended to include joining AWWA and Beacon access.

Minutes - The Board reviewed the Minutes of the May 24, 2023, Regular Board meeting. Motion duly made by Director Wilkins, seconded by Director Hoffman and, upon vote, unanimously carried, the minutes were approved as presented. The Board also reviewed the Minutes of the June 19, 2023, Special Board meeting. Motion duly made by Director Wilkins, seconded by Director Hoffman and, upon vote, unanimously carried, the minutes were approved as amended.

Second Round of Interviews, Engineering Firms – Both Forsgren Associates, Inc. and GMS Engineering presented proposals to the Board.

RECORD OF PROCEEDINGS

Members of the Board asked follow-up questions to representatives of the firms.

EXECUTIVE SESSION

ADJOURN INTO EXECUTIVE SESSION Pursuant to §24-6-402(4)(e), C.R.S. to receive legal advice, develop negotiating positions, strategy, or instruct negotiators, pursuant to §24-6-402(4)(b), C.R.S. to consult attorney on specific legal questions.

Motion duly made by Director McKean to move into Executive Session at approximately 7:00 p.m. seconded by Director Guthrie and, upon vote, unanimously carried, the Board moved to Executive Session to review and discuss contract negotiations with engineering firms.

Motion duly made by Director Wilkins to move out of Executive Session at approximately 7:45 p.m., seconded by Director McKean and, upon vote, unanimously carried, the Board moved to return to the regular Agenda.

OPERATIONS REPORT & MAINTENANCE ITEMS

ORC Water Professional's Monthly Operations Report – Ms. Begeman presented and reviewed her report with the Board. She reported on a service line leak that had been identified and addressed; also, there was a shut off identified that cannot shut off, and a recommendation was made to notify the resident that a curb stop installation is needed.

CAPITAL/ ENGINEERING ITEMS

Review and Discuss Prioritization of Engineering Projects – The Board reviewed and discussed the prioritization of projects for the next couple of years. They decided to prioritize the following 3 projects:

1. Interconnect
2. Improvements to the SWTP (ARPA)
3. Clovenhoof Loop

The discussion extension of electrical service for CORE Electric will be postponed for next Board meeting.

The Board discussed the Eligibility Survey Annual Submittal and decided to reduce the cost of the meters to \$50,000.

FINANCIAL ITEMS

Treasurers Report / Bank Balances / Transactions – Director Guthrie presented the monthly cash position and unaudited financial statements that were provided in the board packet.

Billing Register Report (enclosure) – No action was required.

RECORD OF PROCEEDINGS

Tap Fee Report (enclosure) – No action was required.

Payment of Claims: Mr. Meggers presented the current payment of claims in the amount of \$56,777.42, with auto payments totaling \$3,706.99, totaling \$60,484.41. Following review, upon motion duly made by Director McKean, seconded by Director Hoffman, upon vote, the claims were approved, as presented. Director Wilkins abstained.

OTHER BUSINESS
ITEMS/
DIRECTORS
ITEMS:

Engineering Contract: Upon motion duly made by Director McKean, for the Board President to direct legal representation to begin negotiations with Forsgren Associates, Inc to finalize a contract for engineering services, seconded by Director Wilkins, upon vote, unanimously the motion was approved.

Look Ahead Schedule – Mr. Meggers reviewed and discussed the look ahead with the Board.

Joining AWWA – Added to the agenda by Director Wilkins, opportunities were shared for Board members to join AWWA. Motion duly made by Director Wilkins to renew one subscription and to approve the subscription for one other member, seconded by Director McKean and, upon vote, unanimously carried.

Beacon Access – Director Wilkins requested global access through Beacon for members of the Board. This will be discussed further at a future meeting.

AJOURNMENT

There being no further business to come before the Board, upon motion duly made by Director McKean, seconded by Director Hoffman, upon vote, unanimously carried, the Board adjourned the meeting at 8:36 p.m.

Respectfully submitted,

Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES ARE APPROVED AS THE OFFICIAL JUNE 28, 2023, MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

David Pheteplace

Vincent Guthrie

Nancy Wilkins

Gregory Hoffman

Paul McKean

P.K. Robinson

Matt Quinlan

FOREST VIEW ACRES WATER DISTRICT
CASH POSITION SUMMARY
Year to Date (YTD) as of June 30, 2023
Adjusted as of July 19, 2023

Account Activity Item Description	CHECKING	INVESTMENTS		TOTAL ALL ACCOUNTS
	BOK Financial	ColoTrust Plus	Colotrust Edge	
Beginning balance per bank	\$ 154,116	\$ 203,748	\$ 809,520	\$ 1,167,384
YTD credits - Total deposits, wires and transfers	286,898	64,442	20,216	371,556
YTD debits - Total vouchers, wires and transfers	(387,105)	(15,000)	(1,643)	(403,748)
YTD bank balance	53,909	253,190	828,093	1,135,192
Less outstanding checks	-	-	-	-
YTD book balance	53,909	253,190	828,093	1,135,192
Current period activity				
Transfer	10,000	(10,000)	-	-
Current period deposits	21,382	-	-	21,382
Current period payables	(77,041)	-	-	(77,041)
Current period automatic payables	(3,701)	-	-	(3,701)
Total current cash balance	\$ 4,549	\$ 243,190	\$ 828,093	\$ 1,075,832

Note: The monthly operating reserve is \$52,986

Colorado Water Resources & Power Development Authority (Debt Schedule - Unaudited)				
	12/31/2022	2023	YTD 2023	2023
	Principal Balance	Principal Payment	Principal Balance	Interest Payment
Loan D12F295	\$ 1,050,000.00	\$ 50,000.00	\$ 1,000,000.00	\$ -
Loan D16F368	365,004.21	11,842.76	353,161.45	3,650.04
	\$ 1,415,004.21	\$ 61,842.76	\$ 1,353,161.45	\$ 3,650.04

FOREST VIEW ACRES WATER DISTRICT
ALLOCATION OF FUND BALANCES - CASH BASIS (NON-GAAP)
Year to Date (YTD) as of June 30, 2023
UNAUDITED

Account Activity Item Description	GENERAL	OPERATIONS	CAPITAL	TOTALS ALL FUNDS
BEGINNING FUND BALANCES	\$ 141,040	\$ 464,548	\$ 504,978	\$ 1,110,566
YTD REVENUES PER FINANCIAL STATEMENTS				
Availability of service fees	-	-	2,040	2,040
Capital replacement fees	-	-	88,354	88,354
Interest and unrealized gain/(loss)	24,212	-	-	24,212
Late fees and penalties	-	2,010	-	2,010
Miscellaneous	-	236	-	236
Operations fees	-	70,543	-	70,543
Property taxes	55,611	-	-	55,611
Specific ownership taxes	4,027	-	-	4,027
Tap fees	-	-	31,000	31,000
Transfer fees	-	1,200	-	1,200
Water usage fees	-	75,464	-	75,464
Total YTD revenues	83,850	149,453	121,394	354,697
Beginning Fund Balances Plus YTD Revenues	224,890	614,001	626,372	1,465,263
Total YTD EXPENDITURES	(47,505)	(171,239)	(111,327)	(330,071)
ENDING FUND BALANCES	\$ 177,385	\$ 442,762	\$ 515,045	\$ 1,135,192

Budget vs. Actual Page Reference:

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**FOREST VIEW ACRES WATER DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET VS. ACTUAL - CASH BASIS (NON-GAAP)
FOR THE SIX MONTHS ENDED JUNE 30, 2023
Unaudited**

	<u>Current Month</u>	<u>YTD Actual</u>	<u>2023 Adopted Budget</u>	<u>Variance Over (Under)</u>	<u>Percent of Budget 50%</u>
REVENUES					
Property taxes	\$ 6,573	\$ 55,611	\$ 80,000	\$ (24,389)	70%
Specific ownership taxes	697	4,027	8,000	(3,973)	50%
Interest and unrealized gain/(loss)	3,621	24,212	5,000	19,212	484%
Total revenues	<u>10,891</u>	<u>83,850</u>	<u>93,000</u>	<u>(9,150)</u>	<u>90%</u>
EXPENDITURES					
Audit	4,780	4,780	14,000	(9,220)	34%
Directors' fees	700	3,400	9,100	(5,700)	37%
District management and accounting	1,221	9,298	16,000	(6,702)	58%
District website and push notifications	-	500	6,200	(5,700)	8%
Elections	-	1,665	5,000	(3,335)	33%
Insurance and SDA dues	-	640	14,000	(13,360)	5%
Legal	6,656	22,467	16,000	6,467	140%
Miscellaneous	100	2,798	4,000	(1,202)	70%
Postage	-	1,122	4,000	(2,878)	28%
Training and education	-	-	500	(500)	0%
Treasurer fees	99	835	1,200	(365)	70%
US Forest Service	-	-	350	(350)	0%
Emergency reserve	-	-	2,800	(2,800)	0%
Total expenditures	<u>13,556</u>	<u>47,505</u>	<u>93,150</u>	<u>(45,645)</u>	<u>51%</u>
EXCESS OF EXPENDITURES OVER (UNDER) REVENUES	<u>(2,665)</u>	<u>36,345</u>	<u>(150)</u>	<u>36,495</u>	<u>-24230%</u>
OTHER FINANCING USES					
Transfer to operations fund	-	-	(200,000)	200,000	0%
Total other financing uses	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>200,000</u>	<u>0%</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,665)</u>	<u>36,345</u>	<u>\$ (200,150)</u>	<u>\$ 236,495</u>	
BEGINNING FUND BALANCE		<u>141,040</u>			
ENDING FUND BALANCE		<u>\$ 177,385</u>			

**FOREST VIEW ACRES WATER DISTRICT
OPERATIONS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET VS. ACTUAL - CASH BASIS (NON-GAAP)
FOR THE SIX MONTHS ENDED JUNE 30, 2023
Unaudited**

	Current Month	YTD Actual	2023 Adopted Budget	Variance Over (Under)	Percent of Budget 50%
REVENUES					
Late fees and penalties	\$ 390	\$ 2,010	\$ 3,000	\$ (990)	67%
Miscellaneous	25	236	1,000	(764)	24%
Operations fees (\$40/month; 338 accounts)	2,943	70,543	162,240	(91,697)	43%
Transfer fees	300	1,200	3,000	(1,800)	40%
Water usage fees (Tiered)	24,618	75,464	182,000	(106,536)	41%
Total revenues	28,276	149,453	351,240	(201,787)	43%
EXPENDITURES					
General					
Bank fees	74	403	1,000	(597)	40%
Billing	1,603	13,939	21,000	(7,061)	66%
District management and accounting	2,367	18,022	31,000	(12,978)	58%
Meter reading and maintenance	1,342	10,114	5,000	5,114	202%
Meter replacement	-	920	3,000	(2,080)	31%
Miscellaneous	-	1,476	3,500	(2,024)	42%
Remote read data charge (Badger/Nat'l Meter)	-	-	3,800	(3,800)	0%
Utilities - refuse collection (Tri Lakes)	-	-	400	(400)	0%
Subtotal - General expenditures	5,386	44,874	68,700	(23,826)	65%
Surface Water Treatment Plant - 002					
Operator In resp chg (SWTP)	1,477	11,545	30,000	(18,455)	38%
Repairs and maintenance	2,940	21,568	12,000	9,568	180%
Supplies and chemicals	640	9,553	8,700	853	110%
Telephone	-	-	600	(600)	0%
Utilities - electric (CORE)	775	3,968	3,000	968	132%
Water testing	-	-	1,000	(1,000)	0%
Subtotal - SWTP expenditures	5,832	46,634	55,300	(8,666)	84%
Arapahoe Treatment Plant - 000					
Operator In resp chg (ORC)	1,342	11,644	25,000	(13,356)	47%
Repairs and maintenance	-	1,223	6,000	(4,777)	20%
Supplies and chemicals	11,549	14,343	4,500	9,843	319%
Telephone	64	795	2,500	(1,705)	32%
Utilities - electric (CORE 18852 Rockbrook)	2,334	14,028	28,000	(13,972)	50%
Utilities - gas	75	1,064	2,500	(1,436)	43%
Utilities - sewer treatment (PLS)	259	2,029	3,500	(1,471)	58%
Water testing	-	-	4,000	(4,000)	0%
Subtotal - ATP expenditures	15,623	45,126	76,000	(30,874)	59%
Booster Station					
Utilities - booster electric (CORE)	-	1,493	8,000	(6,507)	19%
Operations & maintenance - Booster	-	-	2,000	(2,000)	0%
Subtotal - Booster Station	-	1,493	10,000	(8,507)	15%
Other Expenditures					
Distribution repairs and maintenance	2,135	33,112	40,000	(6,888)	83%
Contingency	-	-	25,000	(25,000)	0%
Subtotal - other expenditures	2,135	33,112	65,000	(31,888)	51%
Total expenditures	28,976	171,239	275,000	(103,761)	62%
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(700)	(21,786)	76,240	(98,026)	-29%
OTHER FINANCING SOURCES (USES)					
Transfer to capital projects fund	-	-	(100,000)	100,000	0%
Transfer from general fund	-	-	200,000	(200,000)	0%
Total other financing sources (uses)	-	-	100,000	(100,000)	0%
NET CHANGE IN FUND BALANCE	\$ (700)	(21,786)	\$ 176,240	\$ (198,026)	
BEGINNING FUND BALANCE		464,548			
ENDING FUND BALANCE		\$ 442,762			

**FOREST VIEW ACRES WATER DISTRICT
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET VS. ACTUAL - CASH BASIS (NON-GAAP)
FOR THE SIX MONTHS ENDED JUNE 30, 2023
Unaudited**

	<u>Current Month</u>	<u>YTD Actual</u>	<u>2023 Adopted Budget</u>	<u>Variance Over (Under)</u>	<u>Percent of Budget 50%</u>
REVENUES					
Availability of service fees (\$20/month, 17 accounts)	\$ -	\$ 2,040	\$ 4,080	\$ (2,040)	50%
Capital replacement fee (\$50/month, 338 accounts)	3,854	88,354	202,800	(114,446)	44%
ARPA Grant	-	-	310,000	(310,000)	0%
Tap fees	-	30,000	30,000	-	100%
Tap fees - admin	-	1,000	1,000	-	100%
Total revenues	<u>3,854</u>	<u>121,394</u>	<u>547,880</u>	<u>(426,486)</u>	<u>22%</u>
EXPENDITURES					
CWRPDA & DWRF principal	-	61,843	123,804	(61,961)	50%
CWRPDA & DWRF interest	-	3,650	7,182	(3,532)	51%
Arapahoe Treatment Plant improvements	-	-	10,000	(10,000)	0%
District management and accounting	1,909	14,530	20,000	(5,470)	73%
Engineering	3,661	7,557	24,000	(16,443)	31%
Inclusions - Red Rock Acres	60	606	5,000	(4,394)	12%
Easements (Taylor & KVDG)	-	-	35,000	(35,000)	0%
Mapping	4,510	7,052	17,500	(10,448)	40%
Clovenhoof Easement & Pipeline (w/ Palmer Lake Sewer)	-	2,858	380,000	(377,142)	1%
SWTP improvements - filter upgrade (ARPA)	-	-	300,000	(300,000)	0%
Capital replacement	3,295	5,806	10,000	(4,194)	58%
Monument Interconnect	4,490	7,425	287,000	(279,575)	3%
Total expenditures	<u>17,925</u>	<u>111,327</u>	<u>1,219,486</u>	<u>(1,108,159)</u>	<u>9%</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(14,071)</u>	<u>10,067</u>	<u>(671,606)</u>	<u>681,673</u>	<u>-1%</u>
OTHER FINANCING SOURCES					
Transfer from operations fund	-	-	100,000	(100,000)	0%
Total other financing sources	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>(100,000)</u>	<u>0%</u>
NET CHANGE IN FUND BALANCE	<u>\$ (14,071)</u>	<u>10,067</u>	<u>\$ (571,606)</u>	<u>\$ 581,673</u>	
BEGINNING FUND BALANCE		<u>504,978</u>			
ENDING FUND BALANCE		<u>\$ 515,045</u>			

Run Type: Cycle

Cycle Code: A, Run Number: 993, Billing From: 07.01.2023 To 07.31.2023, Updated: Yes

Billing Summary Recap / Totals

No Of Bills:	339
No Estimated:	12
Consumption:	1,524,651
Miscellaneous Charge Amount:	0.00
Service Amount Billed:	45,369.12
Service Adjustments:	305.10
Fuel Adjustments:	0.00
Tax Amount:	0.00
Service Arrears:	2,586.37
Penalties:	641.74
Deposits Applied:	0.00
Current Interest Applied:	0.00
Previous Interest Applied:	0.00
New Balance:	48,902.33
Budget Billings:	0.00
Payment Plan Amounts:	0.00

FWAWD Water Taps - Current 07/21/2023

Ch. #	Date	Property Address	Parcel #	Location # in billing system
2007	9/30/2007			
not collected	7/9/2008	4571 Red Rock Ranch Dr	Lot 13	13510
2008	12/09/2008	2450 Lake Meadow Dr.		13520
12,500.00	11/14/2008	18015 Stone View Rd.		13530
2009	5/30/2009	4590 Red Rock Ranch Dr	Lot 4	13430
not collected	5/30/2009	4540 Redstone Ridge Rd	Lot 16	13550
not collected	7/16/2009	4551 Red Rock Ranch Dr	Lot 14	13520
2010	7/31/2010	4620 Limestone Rd.		13370
not collected	2/5/2011	4650 Red Rock Ranch Dr	Lot 6	13610
2011	5/13/2011	18425 Stone View Rd.		13000
16,000.00	8/5/2011	4445 Sandstone Dr.		13050
not collected	9/19/2011	4651 Red Rock Ranch Dr	Lot 10	13480
16,000.00	9/30/2011	4560 Redstone Ridge Rd.	Lot 17	13540
2012	10834	9/7/2012 4640 Limestone Rd.		13240
1,000.00	7/30/2013	4580 Redstone Ridge Rd.	Lot 18	13550
1,000.00	8/24/2013	4591 Red Rock Ranch Dr.	Lot 12	13500
2013	6007	12/17/2013 18625 Mesa Verde Rd (3750 El Rancho Way)		13040
16,000.00	1029	1/10/2014 4670 Red Rock Ranch	Lot 7	13450
2014	1,000.00	7478 1/22/2014 4570 Red Rock Ranch Dr.	Lot 3	13420
not collected	4/1/2014	4620 Redstone Ridge Rd	Lot 19	13560
16,000.00	13849	7/24/2014 3520 Mesa Verde Rd	Lot 1	13650
1,000.00	2161	10/2/2014 4510 Red Rock Ranch Rd		13400
2015	16,000.00	1450 1/16/2015 18240 StoneView Rd.	Lot 23	12980
1,000.00	2030	3/4/2015 4619 Redstone Ridge Rd		13600
16,000.00	5858	5/8/2015 18805 Cloven Hoof Dr.		13649
16,000.00	2645	3/25/2018 4949 Redstone Ridge Road	Lot 1, Rockwood Minor Subdivision	13654
16,000.00	14916	7/22/2015 2840 Lake Meadow Dr.		13280
2016	1,000.00	3028 3/1/2016 4631 Red Rock Ranch Dr.	Lot 11	13490
1,000.00	3244	6/6/2016 4531 Red Rock Ranch Dr.	Lot 15	13642
16,000.00	11289	10/22/2016 3580 Mesa Verde Rd.		13651
1,000.00	1095	11/8/2016 4550 Red Rock Ranch Dr.	Lot 2	13410
16,000.00	7428	12/18/2016 3550 Mesa Verde Rd.		13653
not collected	5/25/2017	4659 Redstone Ridge	Lot 22	13590
2017	2844547	8/18/2017 4660 Redstone Ridge	Lot 21	13580
16,000.00	7615	9/28/2017 18515 Vista View Drive		13655
16,000.00	15997	12/11/2017 18815 Rockbrook Rd		13270
16,000.00	1003	3/12/2018 18445 Pine Park Road		13160
2018	2645	3/25/2018 4909 Redstone Ridge	Lot 2, Rockwood Minor Subdivision	13656
1,000.00	2589	4/5/2018 4671 Red Rock Ranch Dr.	Lot 9	13470
16,000.00	202	8/31/2018 3885 Sierra Vista Rd		13290
500.00	49690925	10/26/2018 3885 Sierra Vista Rd	Lot 5	13290
1,000.00	995055	11/16/2018 4610 Red Rock Ranch Dr.		13440
500.00	58056911	11/27/2018 3885 Sierra Vista Rd		13290
2019	75712026	1/31/2019 3885 Sierra Vista Rd		13290
500.00	81906723	2/21/2019 3885 Sierra Vista Rd		13290
500.00	91145877	3/28/2019 3885 Sierra Vista Rd		13290
2019	98576002	4/25/2019 3885 Sierra Vista Rd		13290
1,000.00	717	5/1/2019 4640 Redstone Ridge	Lot 20	13570
500.00	7472910	5/28/2019 3885 Sierra Vista Rd		13290
500.00	41960018	6/28/2019 3885 Sierra Vista Rd		13290
31,000.00	30832	7/1/2019 18439 Forest View Rd		13661
500.00	48478693	7/18/2019 3885 Sierra Vista Rd		13290
500.00	58270979	8/28/2019 3885 Sierra Vista Rd		13290
31,000.00	80057045	9/19/2019 18401 Forest View Rd		13662
500.00	65682442	9/27/2019 3885 Sierra Vista Rd		13290
500.00	73974458	10/31/2019 3885 Sierra Vista Rd		13290
500.00	81858109	11/27/2019 3885 Sierra Vista Rd		13290
500.00	89256725	12/27/2019 3885 Sierra Vista Rd		13290
500.00	97586846	1/31/2020 3885 Sierra Vista Rd		13290
500.00	36829664	2/28/2020 3885 Sierra Vista Rd		13290
500.00	11640034	3/24/2020 3885 Sierra Vista Rd		13020
31,000.00	947471312	4/16/2020 4820 Limestone Rd		13290
500.00	18902826	4/28/2020 3885 Sierra Vista Rd		13290
500.00	37309030	5/27/2020 3885 Sierra Vista Rd		13290
500.00	44103070	6/30/2020 3885 Sierra Vista Rd		13290
4,500.00	46327832	6/30/2020 3885 Sierra Vista Rd		13290
31,000.00	6209	8/25/2020 18365 Forest View Rd	Morton	13666
31,000.00	8090	9/24/2020 18320 Stone View Rd	Baxter	13300
31,000.00	5861	11/2/2020 18755 Rockbrook Rd	Bertz	13663
31,000.00	2896	12/22/2020 18300 Stone View Rd (lot 4 Blik 5)(recently numbered)	Smith sold to Tapper 7/14/2020 - Pre-paid Tap	
1,000.00	1911	5/27/2021 4691 Red Rock Ranch Dr	Lot 8	13460

	31,000.00	1232	9/29/2021	4840 Limestone Rd					13030	Luman
2022	31,000.00	Wire Transfer	3/4/2022	3630 Mesa Verde Rd					13200	DY Properties, LLC (David Yack)
	31,000.00	1003/1004/1005	3/29/2022	4855 Sandstone Rd					12990	Matthew & Julie Burmeister
2023	31,000.00	123	5/22/2023	4310 Red Forest Rd					13230	Ernst
				Future Protected Traps						
				4910 Redstone Ridge (renumbered to 4690 Red Rock Ranch Rd)					13657	Tap Fee Unpaid - no meter installed per Gabby
				4625 Red Forest Rd					12970	Lambe
				(7117005028) Location 17-11-67 (County Assessor shows 00 Redstone Ridge Rd address)					13010	Tracy Walters
				2695 Lake Meadow Dr					13100	Jacinto
				18105 Stone View Rd					13110	Michaels
				17345 Shiloh Pines Dr (Lot 43 Bldg 2 Shiloh Pines Sub)(no street number available until 5/2023)					13130	Burke - Schedule #7116401003 (purchased 8/10/2022)
				3715 El Rancho Way					13140	Lucent
				18335 Phile Park Rd					13150	Cressman
				4511 Red Rock Ranch Dr, was 18495 Phile Park Rd		7117004016			13170	Current
				3515 Range View Rd					13180	Zengerle/Acree
				3560 Range View Rd					13190	Zengerle/Acree
				3890 Range View Rd					13310	Pryor
				4549 Redstone Ridge Rd					13652	Benzeleski
				18325 Forest View Rd					13664	Jensen
				18545 Vista View Dr					13667	Kitelson
				18565 Vista View Dr					13668	Kitelson
				18595 Vista View Dr					13669	News - (no AOS fees charged due to agreement)
				4835 Sandstone Dr					13671	Andrichak
										Lot 20 Red Rock Ranch Inc

**Payables Invoices
Forest View Acres
July 2023**

Current Payables					
Invoice #	Date of Service	Vendor	Description	Itemized	Amount Due
80130622	06/29/23	Badger Meter	Meter Reading and Maintenance		\$ 324.85
06.30.23	06/30/23	CRS of Colorado	District Management	\$ 11,531.00	
			Office Supplies - Postage	\$ 304.20	
			District Website Maintenance	\$ 100.00	
			Audit	\$ 1,436.00	
			ARPA	\$ 1,484.00	
					\$ 14,855.20
27919	06/30/23	Diversified Underground, Inc	Distribution Repairs and Maintenance		\$ 2,220.00
894687	05/18/23	Hydro Resources	Dawson Well		\$ 4,721.58
		Inland Potable Services	Repairs and Maintenance		
		J & K Excavating	Distribution Repairs and Maintenance		
257644	06/30/23	ORC Water Professionals, Inc	Operator in Resp Chg - SWTP	\$ 402.71	
			Operator in Resp Chg (ORC)	\$ 2,886.07	
			Distribution Repairs and Maint	\$ 1,812.19	
			Miscellaneous Expense	\$ 134.24	
			Meter Reading and Maintenance	\$ 134.24	
			Supplies/Chemicals	\$ 5,437.50	
					\$ 10,806.95
13736	07/18/23	Schilling & Company, Inc	Audit		\$ 6,700.00
223060636	06/30/23	Utility Notification Center of Colorado	Distribution Repairs and Maintenance		\$ 30.96
44757	06/30/23	Vranesh and Raisch, LPP	Legal		\$ 3,460.50
		David Pheteplace	Director fee		\$ 100.00
		Gregory Hoffman	Director fee		\$ 100.00
		Matt Quinlan	Director fee		\$ 100.00
		Nancy Wilkins	Director fee		\$ 100.00
		P.K. Robinson	Director fee		\$ 100.00
		Paul McKean	Director fee		\$ 100.00
		Vincent Guthrie	Director fee		\$ 100.00
Easement Agmt	07/03/23	Kathryn Van Der Gugten	Easements - check #5393 processed		\$ 33,220.50
					Total \$ 77,040.54

Electronic payments including ACH payments and Wire transfers					
Invoice #	Date of Service	Vendor	Description	Itemized	Amount Due
4505 5321 16 06.23	06/19/23	Black Hills Energy	Gas		\$ 51.05
21119200 06.23	06/19/23	CORE Electric Cooperative	Electric		\$ 2,730.50
30030100 06.23		Mountain View Electric Association	Electric		\$ 574.00
30030200 06.23		Mountain View Electric Association	Electric		\$ 130.00
603/06.23	07/03/23	Palmer Lake Sanitation	Sanitation		\$ 215.35
				Total	\$ 3,700.90

GRAND TOTAL \$ 80,741.44

**FOREST VIEW ACRES WATER DISTRICT
El Paso County, Colorado**

**FINANCIAL STATEMENTS
DECEMBER 31, 2022**

(With Unaudited Comparative December 31, 2021 Financial Statements)

Draft 07/19/23

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SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

Independent Auditor's Report

Board of Directors
Forest View Acres Water District
El Paso County, Colorado

Opinions

We have audited the financial statements of the Forest View Acres Water District (District) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's 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 Forest View Acres Water District, as of December 31, 2022 and 2021, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Comparative Information

The accompanying statement of net position of Forest View Acres Water District as of December 31, 2021, and the related statements of revenues, expenses and changes in net position and cash flows, and the related notes to the financial statements, for the year then ended were not audited, reviewed, or compiled by us and, accordingly we do not express an opinion or any other form of assurance on them.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility 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

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

Supplemental 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 supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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 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 supplemental information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information is comprised of the other information as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Highlands Ranch, Colorado
July __, 2023

BASIC FINANCIAL STATEMENTS

Draft 07/19/23

FOREST VIEW ACRES WATER DISTRICT
STATEMENTS OF NET POSITION
December 31, 2022
(with unaudited comparative totals for December 31, 2021)

	2022	2021
		(Unaudited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents - unrestricted	\$ 1,021,948	\$ 935,759
Cash and cash equivalents - restricted	88,618	97,833
Accounts receivable - customers	20,016	17,692
Cash with county treasurer	693	638
Property taxes receivable	80,000	81,522
Prepaid expenses	11,922	10,474
Total current assets	1,223,197	1,143,918
CAPITAL ASSETS		
Land	64,192	64,192
Water rights	2,296,675	2,296,675
Master plan	84,823	84,823
Construction in progress	79,138	12,468
Water treatment plants	1,947,821	1,947,821
Water collection and distribution	4,523,330	4,523,330
Wells	700,970	700,970
Meters	122,293	122,293
	9,819,242	9,752,572
Less accumulated depreciation	3,469,732	3,319,225
Total capital assets	6,349,510	6,433,347
TOTAL ASSETS	7,572,707	7,577,265
LIABILITIES		
Accounts payable	80,306	101,251
Noncurrent liabilities:		
Due within one year	123,804	123,336
Due in more than one year	1,291,200	1,415,004
Total liabilities	1,495,310	1,639,591
DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue	80,000	81,522
Total deferred inflows of resources	80,000	81,522
NET POSITION		
Net investment in capital assets	4,934,506	4,895,007
Restricted for:		
Operations and maintenance	85,818	95,433
Emergencies	2,800	2,400
Unrestricted	974,273	863,312
Total net position	\$ 5,997,397	\$ 5,856,152

These financial statements should be read only in connection with
the accompanying notes to financial statements.

FOREST VIEW ACRES WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION
Year Ended December 31, 2022
(with unaudited comparative totals for the year ended December 31, 2021)

	2022	2021
		(Unaudited)
OPERATING REVENUES		
Water usage and related fees	\$ 555,716	\$ 562,474
Total operating revenues	555,716	562,474
OPERATING EXPENSES		
Operations manager	52,654	55,116
Repairs and maintenance	154,376	260,072
Supplies and chemicals	8,303	19,110
Utilities	38,528	44,566
Engineering	22,511	12,934
Other	8,391	5,335
Depreciation	150,507	150,507
Total operating expenses	435,270	547,640
GROSS INCOME FROM OPERATIONS	120,446	14,834
GENERAL AND ADMINISTRATIVE EXPENSES		
District management	70,261	56,358
Utility billing	20,494	19,565
Election costs	2,153	380
Insurance/SDA dues	11,241	11,241
Director fees	6,000	8,400
Legal	28,014	14,811
Audit	-	13,000
Other	11,958	3,097
Total general and administrative expenses	150,121	126,852
NET LOSS FROM OPERATIONS	(29,675)	(112,018)
NONOPERATING REVENUES AND EXPENSES		
Property and specific ownership taxes	91,496	76,877
Interest	13,410	57
Miscellaneous income	2,889	1,006
CWR&PDA loan interest	(7,650)	(8,111)
County treasurer fees	(1,225)	(1,033)
Reimbursables	-	(36,771)
Total nonoperating revenues and expenses	98,920	32,025
INCOME (LOSS) BEFORE CONTRIBUTIONS	69,245	(79,993)
CONTRIBUTIONS		
Water tap and inclusion fees	72,000	50,364
Total contributions	72,000	50,364
CHANGE IN NET POSITION	141,245	(29,629)
NET POSITION - BEGINNING OF YEAR	5,856,152	5,885,781
NET POSITION - END OF YEAR	\$ 5,997,397	\$ 5,856,152

These financial statements should be read only in connection with
the accompanying notes to financial statements.

FOREST VIEW ACRES WATER DISTRICT
STATEMENTS OF CASH FLOWS
Year Ended December 31, 2022
(with unaudited comparative totals for the year ended December 31, 2021)

	2022	2021
		(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 553,392	\$ 571,867
Cash payments to suppliers for goods and services	(457,826)	(443,818)
Net cash provided by operating activities	95,566	128,049
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property and specific ownership, net of fees	90,216	75,807
Net cash provided by noncapital financing activities	90,216	75,807
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Miscellaneous revenues	2,889	1,006
Contributed capital - tap fees	72,000	50,364
Acquisition of capital assets	(66,121)	(16,882)
Principal paid on long-term debt	(123,336)	(122,875)
Interest paid on long-term debt	(7,650)	(8,111)
Net cash used in capital and related financing activities	(122,218)	(96,498)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	13,410	57
Net cash provided by investing activities	13,410	57
NET INCREASE IN CASH AND CASH EQUIVALENTS	76,974	107,415
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,033,592	926,177
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,110,566	\$ 1,033,592
Reconciliation of net income (loss) from operations to net cash provided by operating activities		
Net loss from operations	\$ (29,675)	\$ (112,018)
Adjustments to reconcile net loss from operations to net cash provided by operating activities:		
Depreciation	150,507	150,507
Effect of changes in operating assets and liabilities:		
Accounts receivable	(2,324)	9,393
Prepaid expenses	(1,448)	(477)
Loss of disposal of assets	-	48,195
Accounts payable	(21,494)	32,449
Net cash provided by operating activities	\$ 95,566	\$ 128,049

These financial statements should be read only in connection with the accompanying notes to financial statements.

FOREST VIEW ACRES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(with unaudited comparative information for December 31, 2021)

NOTE 1 – DEFINITION OF REPORTING ENTITY

Forest View Acres Water District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in El Paso County, Colorado. The District was established to provide water for domestic and other public and private purposes within its service area.

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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

Comparative Presentation

The statement of the net position as of December 31, 2021, and the statement of revenues, expenses and change in fund net position, statement of cash flows for the year ended December 31, 2021 and accompanying 2021 footnotes are presented for comparative purposes and are unaudited.

FOREST VIEW ACRES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(with unaudited comparative information for December 31, 2021)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 are recorded as reductions in liabilities. 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 non-operating items in the Statements of Revenues, Expenses and Change in Fund 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 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 non-operating revenues and expenses or capital contributions.

Budgets

In accordance with the Local Government Budget Law of Colorado, the District's board of directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's board of directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The District budgeted for general operations and administration, capital improvements and water operations in a separate funds for the year ended December 31, 2022. These activities have been combined and presented as an enterprise fund for financial statement purposes as the District's operations meet the definition of a special-purpose government engaged only in business-type activities as defined by the Governmental Accounting Standards Board.

FOREST VIEW ACRES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(with unaudited comparative information for December 31, 2021)

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 30 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 revenue in deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Cash Equivalents

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

Capital Assets

Capital assets, which include land, water rights, plant and buildings, distribution and collection systems and wells are reported by the District. Capital assets are defined by the District as assets with 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 estimated fair market 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 capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Water treatment plants	20 years
Water collection and distribution	50 years
Wells	20-50 years
Meters	20 years

FOREST VIEW ACRES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(with unaudited comparative information for December 31, 2021)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tap Fees and Contributed Water Rights

Tap fees are recorded as capital contributions when received. Water rights contributed to the District by developers are recorded as capital contributions and additions to the capital assets of the District at estimated fair market value when received.

Water Rights

The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

Deferred Inflows of Resources

In addition to liabilities, the statement of net 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The revenue continues to be recognized when earned in the government-wide statements. 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.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments are reflected on the December 31, 2022 and 2021 statement of net position as follows:

	<u>2022</u>	<u>2021</u>
		(Unaudited)
Cash and cash equivalents - unrestricted	\$ 1,021,948	\$ 860,759
Cash and cash equivalents - restricted	88,618	172,833
	<u>\$ 1,110,566</u>	<u>\$ 1,033,592</u>

Cash and investments as of December 31, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
		(Unaudited)
Deposits with financial institutions	\$ 97,298	\$ 123,950
Investments	1,013,268	909,642
	<u>\$ 1,110,566</u>	<u>\$ 1,033,592</u>

FOREST VIEW ACRES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(with unaudited comparative information for December 31, 2021)

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 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, 2022 and 2021, the District's cash deposits had bank balances of \$154,116 and \$126,828 and carrying balances of \$97,298 and \$123,950 respectively.

Investments

The District has not adopted a formal investment policy, however, the District follows state statutes regarding investments. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

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.

FOREST VIEW ACRES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(with unaudited comparative information for December 31, 2021)

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2022 and 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Value</u>	
		<u>2022</u>	<u>2021</u>
Colorado Local Government			(Unaudited)
Liquid Asset Trust:			
COLOTRUST PLUS+	Weighted average maturity under 60 days	\$ 203,748	\$ 109,975
COLOTRUST EDGE	Weighted average maturity under one year	809,520	799,677
		<u>\$ 1,013,268</u>	<u>\$ 909,652</u>

ColoTrust

During 2022 and 2021, the District invested in the Colorado Local Government Liquid Asset Trust (Colostrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colostrust. The District invested in COLOTRUST PLUS+ (PLUS) and COLOTRUST EDGE (EDGE), two of the three portfolios offered by Colostrust. PLUS+ operates similarly to a money market fund and each share is equal in value to \$1.00. There are no unfunded commitments, the redemption period frequency is daily and there is no redemption period. Allowable investments in the PLUS+ portfolio include U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. EDGE investments consist of money market instruments and medium-term notes designed for the short to intermediate reserve and surplus funds of Colorado governments.

A designated custodial bank serves as custodian for Colostrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for Colostrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by Colostrust. PLUS+ is rated AAAM by S&P Global Ratings and EDGE is rated AAAf/S1 by Fitch Ratings.

FOREST VIEW ACRES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(with unaudited comparative information for December 31, 2021)

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investment Valuation

Certain investments measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted priced in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is estimated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in Colotrust at year end for which the investment evaluations were determined as follows.

Colotrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of Colotrust, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with FASB guidance. It is the goal of PLUS+ to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by Colotrust and there can be no assurance that the NAV will not vary from \$1.00 per share. EDGE does not seek to maintain a stable NAV. EDGE initially established a \$10.00 transactional share price. The principal value of an EDGE investment may fluctuate and could be greater or less than the share price at price of purchase, prior to redemption and at the time of redemption.

FOREST VIEW ACRES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(with unaudited comparative information for December 31, 2021)

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the years ended December 31, 2022 and 2021 follows:

	<u>Balance at December 31, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2022</u>
Capital assets, not being depreciated:				
Land	\$ 64,192	\$ -	\$ -	\$ 64,192
Water rights	2,296,675	-	-	2,296,675
Master plan	84,823	-	-	84,823
Construction in progress	12,468	66,670	-	79,138
Total capital assets, not being depreciated	<u>2,458,158</u>	<u>66,670</u>	<u>-</u>	<u>2,524,828</u>
Capital assets, being depreciated:				
Water treatment plants	1,947,821	-	-	1,947,821
Water collection and distribution	4,523,330	-	-	4,523,330
Wells	700,970	-	-	700,970
Meters	122,293	-	-	122,293
Total capital assets being depreciated	<u>7,294,414</u>	<u>-</u>	<u>-</u>	<u>7,294,414</u>
Less accumulated depreciation for:				
Water treatment plants	1,302,101	50,891	-	1,352,992
Water collection and distribution	1,333,275	90,467	-	1,423,742
Wells	668,562	3,035	-	671,597
Meters	15,287	6,114	-	21,401
Total accumulated depreciation	<u>3,319,225</u>	<u>150,507</u>	<u>-</u>	<u>3,469,732</u>
Total capital assets being depreciated, net	<u>3,975,189</u>	<u>(150,507)</u>	<u>-</u>	<u>3,824,682</u>
Total capital assets, net	<u>\$ 6,433,347</u>	<u>\$ (83,837)</u>	<u>\$ -</u>	<u>\$ 6,349,510</u>

FOREST VIEW ACRES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(with unaudited comparative information for December 31, 2021)

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	(Unaudited)			Balance at December 31, 2021
	Balance at December 31, 2020	Increases	Decreases	
Capital assets, not being depreciated:				
Land	\$ 64,192	\$ -	\$ -	\$ 64,192
Water rights	2,296,675	-	-	2,296,675
Master plan	84,823	-	-	84,823
Construction in progress	48,195	12,468	48,195	12,468
Total capital assets, not being depreciated	<u>2,493,885</u>	<u>12,468</u>	<u>48,195</u>	<u>2,458,158</u>
Capital assets, being depreciated:				
Water treatment plants	1,947,821	-	-	1,947,821
Water collection and distribution	4,523,330	-	-	4,523,330
Wells	700,970	-	-	700,970
Meters	122,293	-	-	122,293
Total capital assets being depreciated	<u>7,294,414</u>	<u>-</u>	<u>-</u>	<u>7,294,414</u>
Less accumulated depreciation for:				
Water treatment plants	1,251,210	50,891	-	1,302,101
Water collection and distribution	1,242,809	90,466	-	1,333,275
Wells	665,527	3,035	-	668,562
Meters	9,172	6,115	-	15,287
Total accumulated depreciation	<u>3,168,718</u>	<u>150,507</u>	<u>-</u>	<u>3,319,225</u>
Total capital assets being depreciated, net	<u>4,125,696</u>	<u>(150,507)</u>	<u>-</u>	<u>3,975,189</u>
Total capital assets, net	<u>\$ 6,619,581</u>	<u>\$ (138,039)</u>	<u>\$ 48,195</u>	<u>\$ 6,433,347</u>

FOREST VIEW ACRES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(with unaudited comparative information for December 31, 2021)

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the years ended December 31, 2022 and 2021.

	<u>Balance at December 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2022</u>	<u>Due Within One Year</u>
CWR&PDA Loan #D12F295	\$ 1,150,000	\$ -	\$ 100,000	\$ 1,050,000	\$ 100,000
CWR&PDA Loan #D16F368	388,340	-	23,336	365,004	23,804
	<u>\$ 1,538,340</u>	<u>\$ -</u>	<u>\$ 123,336</u>	<u>\$ 1,415,004</u>	<u>\$ 123,804</u>

(Unaudited)

	<u>Balance at December 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2021</u>	<u>Due Within One Year</u>
CWR&PDA Loan #D12F295	\$ 1,250,000	\$ -	\$ 100,000	\$ 1,150,000	\$ 100,000
CWR&PDA Loan #D16F368	411,215	-	22,875	388,340	23,336
	<u>\$ 1,661,215</u>	<u>\$ -</u>	<u>\$ 122,875</u>	<u>\$ 1,538,340</u>	<u>\$ 123,336</u>

CWR&PDA Loan #D12F295

The District entered into a \$2,000,000 Drinking Water Revolving Fund Direct Loan with the Colorado Water Resources and Power Development Authority, dated June 15, 2012, with 0% interest, payments commencing November 1, 2013 and a term of 20 years, for improvements to the water distribution system and upgrades to the water treatment facilities, including but not limited to reconditioning wells, replacing transmission and distribution lines, rehabilitating the intake area, installing new pumps and installing new meters (Water System). Principal payments of \$50,000 are due semi-annually on May 1 and November 1 until the final maturity date of May 1, 2033. The District may prepay the loan, in whole or in part without penalty.

Significant events of default under the loan include (i) failure to pay within 30 days, (ii) failure to pay principal and interest on any bonds, notes or other obligations, (iii) failure to meet financial or custodial agreement covenants, (iv) any representation made that is false or misleading in any material respect and (v) a petition if filed for bankruptcy or insolvency.

FOREST VIEW ACRES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(with unaudited comparative information for December 31, 2021)

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

CWR&PDA Loan #D16F368

The District entered into a \$500,000 Drinking Water Revolving Fund Direct Loan with the Colorado Water Resources and Power Development Authority, dated July 19, 2016, with 2.0% interest, payments commencing November 1, 2016 and a term of 20 years. The purpose of the loan is to provide funding for additional upgrades to the Water System. Principal and interest payments of \$15,493 are due semi-annually on May 1 and November 1 until the final maturity date of May 1, 2036. The District may prepay the loan, in whole or in part without penalty.

Significant events of default under the loan include (i) failure to pay within 30 days, (ii) failure to pay principal and interest on any bonds, notes or other obligations, (iii) failure to meet financial or custodial agreement covenants, (iv) any representation made that is false or misleading in any material respect and (v) a petition if filed for bankruptcy or insolvency.

Reserve Requirements

The loan agreements require the District to maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the Water System as set forth in the annual budget. As of December 31, 2022 and 2021, the District has restricted net position in the amount of \$85,818 and \$95,433, respectively in compliance with this requirement.

As of December 31, 2022 and 2021, the District had no authorized but unissued debt. The District's long-term obligations will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2023	\$ 123,804	\$ 7,182	\$ 130,986
2024	124,283	6,703	130,986
2025	124,770	6,216	130,986
2026	125,269	5,717	130,986
2027	125,776	5,209	130,985
2028 - 2032	636,864	18,063	654,927
2033 - 2036	154,238	4,212	158,450
	<u>\$1,415,004</u>	<u>\$ 53,302</u>	<u>\$ 1,468,306</u>

FOREST VIEW ACRES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(with unaudited comparative information for December 31, 2021)

NOTE 6 - NET POSITION

The District's net position consists of three components – net investment in capital assets, restricted and unrestricted.

As of December 31, 2022 and 2021, the District had net investment in capital assets calculated as follows:

	<u>2022</u>	<u>2021</u> (unaudited)
Net investment in capital assets:		
Capital assets, net	\$ 6,349,510	\$ 6,433,347
Current portion of long-term obligations	(123,804)	(123,336)
Noncurrent portion of long-term obligations	<u>(1,291,200)</u>	<u>(1,415,004)</u>
Net investment in capital assets	<u>\$ 4,934,506</u>	<u>\$ 4,895,007</u>

Restricted net position includes amounts 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's restricted net position as of December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u> (unaudited)
Restricted:		
Operating and maintenance reserve	\$ 85,818	\$ 95,433
Emergencies	<u>2,800</u>	<u>2,400</u>
	<u>\$ 88,618</u>	<u>\$ 97,833</u>

As of December 31, 2022 and 2021, the District had an unrestricted net position of \$974,273 and \$863,312, respectively.

NOTE 7 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be 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 (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability and boiler and machinery coverage to its members.

FOREST VIEW ACRES WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(with unaudited comparative information for December 31, 2021)

NOTE 7 – RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property and public officials' liability 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. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 8 - 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 that 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. As a single-purpose district providing water service in exchange from fees, this is reasonable.

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.

Because of the many factors beyond the control of current District management, including the embezzlement of funds, failure to properly retain records and the possible destruction of records, it was not possible as of the 2005 financial statements to verify prior year's Fiscal Year Spending for the District. As such, it was not possible to definitively verify the District's compliance with TABOR's limitations. In order to rectify this situation for the future, the audited revenues and expenditures for 2005 became the District's "base year" for all future calculations and determinations.

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.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

Draft 07/19/23

FOREST VIEW ACRES WATER DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUNDS AVAILABLE
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2022

	<u>Budget Amounts</u>		<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original and Final</u>	<u>Actual</u>	
REVENUES			
Water usage fees	\$ 181,939	\$ 180,295	\$ (1,644)
Availability to serve	4,560	3,220	(1,340)
Capital replacement fee	202,200	203,407	1,207
Late fees	2,000	4,825	2,825
Operations fees	161,760	161,869	109
Property taxes	81,522	83,020	1,498
Specific ownership taxes	8,152	8,476	324
Tap and inclusion fees	31,000	72,000	41,000
Transfer fees	3,000	2,100	(900)
Interest	500	13,410	12,910
Other	1,000	2,889	1,889
Total revenues	<u>677,633</u>	<u>735,511</u>	<u>57,878</u>
EXPENDITURES			
Operations			
Operations manager	52,000	52,654	(654)
Repairs and maintenance	53,000	140,151	(87,151)
Supplies and chemicals	13,200	8,303	4,897
Utilities	45,400	38,528	6,872
Meter reading and maintenance	5,000	14,225	(9,225)
Water testing	5,000	-	5,000
Engineering	10,000	22,511	(12,511)
Training and education	500	-	500
Other	17,900	8,391	9,509
Administrative			
District management and accounting	72,000	70,261	1,739
Utility billing	21,000	20,494	506
Insurance and dues	14,000	11,241	2,759
Directors fees	6,500	6,000	500
Election costs	5,000	2,153	2,847
Legal	15,000	28,014	(13,014)
County treasurer fees	1,223	1,225	(2)
Website maintenance	1,200	6,102	(4,902)
Other	5,350	5,856	(506)
CWR&PDA loan principal	123,334	123,336	(2)
CWR&PDA loan interest	7,650	7,650	-
Infrastructure projects	395,000	66,670	328,330
Transfer to capital		-	-
Contingency and emergency reserve	82,800	-	82,800
Total expenditures	<u>952,057</u>	<u>633,765</u>	<u>318,292</u>

(continued)

FOREST VIEW ACRES WATER DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUNDS AVAILABLE
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2022
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
NET CHANGE IN FUNDS AVAILABLE	(274,424)	101,746	376,170
FUNDS AVAILABLE - BEGINNING OF YEAR	<u>878,428</u>	<u>961,145</u>	<u>82,717</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 604,004</u>	<u>\$ 1,062,891</u>	<u>\$ 458,887</u>

Funds available is computed as follows:

Current assets	\$ 1,223,197
Current liabilities	(80,306)
Deferred inflows of resources	(80,000)
	<u>\$ 1,062,891</u>

Draft 07/19/22

**FOREST VIEW ACRES WATER DISTRICT
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT
OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION
Year Ended December 31, 2022**

REVENUES (budgetary basis)	\$ 735,511
Total revenues per statement of revenues, expenses and change in fund net position	735,511
 EXPENDITURES (budgetary basis)	 633,765
Depreciation	150,507
Capital outlay	(66,670)
Loan principal	(123,336)
Total expenses per statement of revenues, expenses and change in fund net position	594,266
 CHANGE IN NET POSITION PER STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION	 \$ 141,245

Draft 07/19/23

OTHER INFORMATION

Draft 07/19/23

**FOREST VIEW ACRES WATER DISTRICT
SCHEDULES OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2022**

Year Ending December 31,	\$2,000,000 CWRPDA Loan Dated June 15, 2012 Principal Due May 1 and November 1 Interest Rate of 0%		\$500,000 CWRPDA Loan Dated July 19, 2016 Principal and Interest Due May 1 and November 1 Interest Rate of 2%		Total
	Principal	Interest	Principal	Interest	
2023	\$ 100,000	\$ -	\$ 23,804	\$ 7,182	\$ 130,986
2024	100,000	-	24,283	6,703	130,986
2025	100,000	-	24,770	6,216	130,986
2026	100,000	-	25,269	5,717	130,986
2027	100,000	-	25,776	5,209	130,985
2028	100,000	-	26,294	4,691	130,985
2029	100,000	-	26,823	4,163	130,986
2030	100,000	-	27,362	3,624	130,986
2031	100,000	-	27,912	3,073	130,985
2032	100,000	-	28,473	2,512	130,985
2033	50,000	-	29,045	1,941	80,986
2034	-	-	29,629	1,357	30,986
2035	-	-	30,225	761	30,986
2036	-	-	15,339	153	15,492
	<u>\$ 1,050,000</u>	<u>\$ -</u>	<u>\$ 365,004</u>	<u>\$ 53,302</u>	<u>\$ 1,468,306</u>

**FOREST VIEW ACRES WATER DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND
PROPERTY TAXES COLLECTED
Year Ended December 31, 2022**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>	<u>Property Taxes</u>		<u>Percentage Collected to Levied</u>
			<u>Levied</u>	<u>Collected</u>	
2014	\$ 10,294,870	5.000	\$ 51,474	\$ 51,447	99.9%
2015	\$ 10,376,440	5.000	\$ 51,882	\$ 51,882	100.0%
2016	\$ 11,085,490	5.000	\$ 55,427	\$ 55,427	100.0%
2017	\$ 11,293,470	5.000	\$ 56,467	\$ 56,422	99.9%
2018	\$ 11,963,830	5.000	\$ 59,819	\$ 59,819	100.0%
2019	\$ 12,051,760	5.000	\$ 60,259	\$ 59,987	99.5%
2020	\$ 13,725,870	5.000	\$ 68,629	\$ 68,626	100.0%
2021	\$ 13,759,540	5.000	\$ 68,798	\$ 68,798	100.0%
2022	\$ 16,304,380	5.000	\$ 81,522	\$ 83,020	101.8%
Estimated for year ending December 31, 2023	\$ 15,999,990	5.000	\$ 80,000		

NOTE: Property taxes collected in any one year may 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.

FOREST VIEW ACRES WATER DISTRICT

July 26, 2023

Schilling & Company, Inc.
PO Box 631579
Highlands Ranch, CO 80163

This representation letter is provided in connection with your audits of the basic financial statements of Forest View Acres Water District (District), which comprise the statements of as of December 31, 2022, and the related statements of changes in financial position and cash flows for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of the Independent Auditor's Report, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 5, 2023, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units, if any, required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable, including the following:
 - a) The appropriateness and consistency of the measurement processes used by management in determining accounting estimates.
 - b) That the assumptions appropriately reflect management's intent and ability to carry out specific courses of action.

- c) That the disclosures related to accounting estimates are complete and appropriate.
- d) That no subsequent event has occurred that would require adjustment to the accounting estimates or disclosures included in the financial statements.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP, if any.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter as Exhibit I.
- 9) We have reviewed the attached Exhibit II of corrected misstatements and are in agreement with them. We have directed that these correcting entries be posted to the accounting records of the District.
- 10) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 12) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District entity or those designated by the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - a) Management, or
 - b) Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.

- 17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 18) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 19) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented, if any.
- 22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 23) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balances or net position.
- 24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
- 30) The financial statements include all fiduciary activities required by GASBS No. 84 , if any.
- 31) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34, as amended.
- 32) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 34) Investments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 40) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 41) The Management's Discussion and Analysis which is required supplementary information (RSI) has been omitted from the financial statements. We are aware that such information is required by accounting principles generally accepted in the United States.
- 42) With respect to the Supplemental Information as listed in the table of contents to the financial statements:
 - a) We acknowledge our responsibility for presenting the Supplemental Information in accordance with accounting principles generally accepted in the United States of America, and we believe the Supplemental Information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Supplemental Information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the Supplemental Information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 43) The District understands that TABOR (Section 20 of Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time, the District is in compliance.
- 44) We have directed that all banking and savings and loan institutions be notified of our assigned number which identifies that our deposits are subject to the respective Public Deposit Protection Act.

FOREST VIEW ACRES WATER DISTRICT

Member of the Board of Directors

District Manager

VAWD - LOOK AHEAD SCHEDULE

Current Tasks & Projects		Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
1	Regular Monthly Board Mtgs (Every 4th Wed @ 6pm)												
2	Town of Monument Tank - Pipeline Project and Interconnect				X			X			X		
3	Easement @ 18590 Cloven Hoof Rd (KVG)	X	X										
4	Taylor Easement	X	X	X									
5	Pursue Power to New Booster Station for Interconnect		X	X									
6	El Paso County ARPA Grant (SWTP Filter Upgrade Project)		X	X	X	X	X	X	X	X	X	X	X
7	Review Options to Improve the Intake and Raw Water Line to the SWTP												
8	Review Contract from New Engineering Firm to provide Engineering Services	X											
9	Review and Discuss 5 Year Capital Plan				X	X	X						
10	Red Rock Acres Residential Development Project												
11	Track Congressional Directed Spending Requests				X	X	X	X					
12	Review Inventory List of Critical Replacement Items (ORC)				X	X	X						
13	Review Fire Hydrants and System (ORC)				X	X	X						

Annual Items		Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
1	Audit	X											
2	SDA Conference			X									
3	Public Hearing for 2023 Budget				X								
4	2023 Budget Adoption Process					X	X						
5	Public Hearing for Certification of Delinquent Accounts				X								
6	Adopt Final 2023 Budget						X						
7	Annual Administrative Resolution 2023						X						
8	Mill Levy Certification						15						
9	Forest Service Fee						X						
10	Transparency Notice							X					
11	Annual Emergency Plan Review & Update							X					
12	CSD Pool-Safety & Loss Prevention Grant (exp end of March every yr)								X	X			
13	Annual Plant Meter Testing												
14	Consumer Confidence Report (CCR) Delivered										X		
15	Drinking Water Eligibility Survey Annual Submittal Deadline to CDPHE											30	
												30	

COMPLETED - Tasks & Projects for 2022

ATP Well Repaired & Funded
Interconnect IGA with Monument
El Paso County ARPA Grant Submittal Completed & Awarded
Water Tank Ladder Completed (Safety Insurance Grant \$ Used)
Increased the Board from a 5 to 7 Member Board
Secured Grant Funds From El Paso County via ARPA
Finalized Easement for Interconnect Vault with HOA
Implemented a Push Notification System to Improve Communication to Customers