

MILE HIGH WATER COMPANY
(a not-for-profit corporation)

FINANCIAL STATEMENTS
and
INDEPENDENT ACCOUNTANTS' REVIEW REPORT

DECEMBER 31, 2024

**MILE HIGH WATER COMPANY
DECEMBER 31, 2024**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Mile High Water Company
Broomfield, Colorado

We have reviewed the accompanying financial statements of Mile High Water Company (a non-profit corporation), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the company's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by Accounting and Review Services Committed of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Mile High Water Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Haga Kommer, LTD

CERTIFIED PUBLIC ACCOUNTANTS
Brighton, Colorado

December 15, 2025

MILE HIGH WATER COMPANY
(a not-for-profit corporation)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

	2024
Current Assets:	
Cash and cash equivalents	\$ 658,262
Customer accounts receivable	26,549
Prepaid expenses	7,676
Total Current Assets	692,486
Property and equipment, at cost:	
Water lines, pumps, well and tank	2,050,306
Office Equipment	1,614
Total Property and Equipment	2,051,920
Less accumulated depreciation	(1,327,703)
Net Property and Equipment	724,217
Other Assets:	
Water rights (net of amortization)	-
Total Other Assets	-
Total Assets	\$ 1,416,703

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	\$ 2,809
Customer Deposits	486
Total Current Liabilities	3,295
Total Liabilities	3,295
Net Assets:	
Without donor restrictions	
Membership certificates	716,722
Contributed capital	240,363
Accumulated net assets	456,323
	1,413,408
With donor restrictions	-
Total Net Assets	1,413,408
Total Liabilities and Net Assets	\$ 1,416,703

See independent accountants' review report.
The accompanying notes on pages 6 to 9 are an
integral part of the financial statements.

MILE HIGH WATER COMPANY
(a not-for-profit corporation)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024
Changes in Unrestricted Net Assets:	
Revenue:	
Water sales	\$ 536,140
Tap sales and installation	216,000
Lease revenue (net)	36,035
Other income	6,072
Interest earnings	11,882
Total Revenue	806,129
Expenses	
Water services	639,390
General and administrative	38,326
Total Expenses	677,716
Change in Net Assets without Donor Restrictions	128,412
Change in Net Assets with Donor Restrictions	-
Change in Net Assets	128,412
Net Assets, Beginning of Year	1,284,996
Net Assets, End of Year	\$ 1,413,408

See independent accountants' review report.
The accompanying notes on pages 6 to 9 are an
integral part of the financial statements.

MILE HIGH WATER COMPANY
(a non-profit corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024		
	Water Services	General & Administrative	Total Functional Expenses
Water purchases	\$ 328,973	\$ -	# \$ 328,973
Tap purchases and installation	169,394	-	169,394
Other water expenses	30,141	-	30,141
Depreciation	61,227	-	61,227
Contract Superintendent	24,063	-	24,063
Professional accounting fees	-	23,005	23,005
Repairs and parts	18,949	-	18,949
Office expense	-	8,951	8,951
Insurance	6,644	-	6,644
Legal	-	-	-
IT Software expense	-	5,792	5,792
Property taxes	-	578	578
Auditing	-	-	-
	\$ 639,390	\$ 38,326	\$ 677,716

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integral part of the financial statements.

**Statement
of
Cash Flow**

MILE HIGH WATER COMPANY
(a not-for-profit corporation)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

DIRECT METHOD

	<u>2024</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 799,848
Cash paid to suppliers	(637,001)
Interest received	<u>11,882</u>
Net cash provided by operating activities	<u>174,728</u>
Cash Flows from Investing Activities:	
Purchase of fixed assets	<u>(107,147)</u>
Net cash used by investing activities	<u>(107,147)</u>
Cash Flows from Financing Activities:	
Net cash provided by financing activities	<u>-</u>
Increase (decrease) in cash and cash equivalents	67,581
Cash and cash equivalents, beginning of year	<u>590,681</u>
Cash and cash equivalents, end of year	<u><u>\$ 658,262</u></u>

**Reconciliation of Change in Net Assets to Net Cash
Provided by Operating Activities**

	<u>2024</u>
Change in Net Assets	\$ 128,412
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	61,227
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	5,601
(Increase) decrease in prepaid expenses	6,762
Increase (decrease) in accounts payable	<u>(27,274)</u>
Net cash provided by operating activities	\$ <u>174,728</u>

**See independent accountants' review report.
The accompanying notes on pages 6 to 9 are an
integral part of the financial statements.**

MILE HIGH WATER COMPANY
(a not-for-profit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

1. Summary of Significant Accounting Policies

The Company was formed as a nonprofit mutual water company in 1961 pursuant to statutes of the State of Colorado. Its purpose was to construct and operate a water system for its members located within Boulder and Adams counties.

A. Basis of Accounting

The Company uses the accrual basis of accounting. Under the accrual basis of accounting, revenue and the related assets are recognized when earned and expenses and the related liabilities are recognized when incurred.

B. Financial Statement Presentation

The financial statements of Mile High Water Company are prepared based upon accounting principles generally accepted in the United State of America for not-for-profit entities. The Organization has adopted the provisions of Statement of Financial Accounting Standards Codification 958, Financial Statements of Not-for-Profit Organizations. Under this statement, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. In addition, contributions received are recorded as with donor restrictions support based on the existence and nature of any donor restrictions.

The two classes of net assets are as follows:

Without Donor Restrictions

Without donor restrictions net assets are currently available at the discretion of the Board for the use in the Organization's operations.

With Donor Restrictions

With donor restrictions are net assets which are stipulated by donors or grantors for specific operating purposes or future periods. As of December 31, 2024, the Organization held \$0 of net assets with donor restrictions.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

See independent accountants' review report.

MILE HIGH WATER COMPANY
(a not-for-profit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

D. Depreciation

Property and equipment are recorded at cost. Depreciation expense for the year ended December 31, 2024, is \$61,227. Depreciation is provided using the straight-line and accelerated cost recovery methods over the estimated useful lives of the assets, as follows:

Equipment	5-7 Years
Water lines, pumps, wells and tanks	15-40 Years

E. Reserve for Uncollectible Accounts

The Company does not provide a reserve for estimated uncollectible accounts receivable since such accounts are negligible. The policy of not turning on the water for a new customer until the old bill is paid ensures collection of virtually all of the accounts.

F. Asset Liquidity

Mile High Water Company receives a minimal amount of support from restricted contributions. Because a donors' restriction requires resources to be used in a particular manner in a future period, Mile High Water Company must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of Mile High Water Company's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, Mile High Water Company invests cash in excess of daily requirements in short-term investments.

Financial assets at year end	\$ 684,361
Less: current liabilities	<u>(3,295)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 681,066</u>

See independent accountants' review report.

MILE HIGH WATER COMPANY
(a not-for-profit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

2. Water Purchase Contract

On October 23, 1979, the Company entered into a twenty-year service agreement with the City of Broomfield, whereby the City would provide all the water needs of the Company. The cost for the water is to be the same rates charged by the City to users inside the City, including any surcharges that may be adopted to encourage conservation, and including seasonal rates such as summer rates. The agreement was subject to renewals at the option of the Company for two consecutive additional periods of twenty years each. During October 1999, the Company and the City of Broomfield entered into a new twenty-year agreement for the provision of water to the Company.

Pursuant to this 1979 agreement and amendments thereto, the City took over a major portion of the Company's service area in 2004. As a result of this service area change, the City and the Company entered into a new agreement, which provided for the City to provide water to the Company for a period of 50 years at twice the City rates.

3. Water Rights

On August 28, 1991, the company entered into an agreement with the City of Broomfield to share the cost of constructing a sixteen-inch water line. The water line became the property of the City of Broomfield; however, the Company has the right to use 1,350 gallons per minute of capacity in the water main. The Company incurred total costs for the water line of \$121,914, which are being amortized through October 2019. During fiscal year 2021, the Company relinquished their water rights back to the City of Broomfield.

See independent accountants' review report.

MILE HIGH WATER COMPANY
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

4. Income Taxes

The Company is exempt from income tax under Internal Revenue Code Section 501(c)(12).

The Company records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. We continually evaluate expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. The Company evaluated and recorded no liability for uncertain tax positions for the year ended December 31, 2024. Tax years ending December 31, 2021 through 2024 remain subject to examination by the Internal Revenue Service.

5. Commitments

The Company entered into several sub-lease contracts with various companies for the placement of telecommunication equipment on land used for maintaining a water storage tank. These lease agreements vary in terms and are adjusted annually. Total lease payments received by the Company were \$36,035 for 2024.

6. Concentration of Credit Risk

The Company maintains bank accounts in Colorado. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2024, the Company had uninsured balances of \$158,262.

7. Subsequent Events

In accordance with the provisions of Statement of Financial Accounting Standards Codification 855, Subsequent Events, management is required to evaluate, through the date the financial statements are issued or are available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. Mile High Water Company financial statements were available to be issued on the date of the attached independent auditors' report, and this is the date through which subsequent events were evaluated. The Company did not identify any subsequent events requiring disclosure.

See independent accountants' review report.