FOREST VIEW ACRES WATER DISTRICT
El Paso County, Colorado

FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

TABLE OF CONTENTS

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

Opinion

We have audited the accompanying financial statements of the Forest View Acres Water District (District) as of and for the years ended December 31, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Forest View Acres Water District, as of December 31, 2024 and 2023, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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 financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions on the 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 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 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 financial statements or to the 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, as listed in the table of contents, 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

Schilling & Company, Inc.

Highlands Ranch, Colorado
September 24, 2025

BASIC FINANCIAL STATEMENTS

FOREST VIEW ACRES WATER DISTRICT
STATEMENTS OF NET POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents - unrestricted	$ 738,939	$ 1,088,562
Cash and cash equivalents - restricted	123,623	113,263
Accounts receivable - customers	29,794	19,404
Accounts receivable - grants	31,261	58,393
Cash with county treasurer	739	644
Property taxes receivable	96,203	96,202
Prepaid expenses	14,682	12,830
Total current assets	1,035,241	1,389,298
CAPITAL ASSETS		
Land	101,103	97,413
Water rights	2,296,675	2,296,675
Master plan	84,823	84,823
Construction in progress	671,734	231,079
Water treatment plants	2,023,989	1,947,821
Water collection and distribution	4,523,330	4,523,330
Wells	700,970	700,970
Meters	122,293	122,293
	10,524,917	10,004,404
Less accumulated depreciation	3,769,130	3,618,315
Total capital assets	6,755,787	6,386,089
TOTAL ASSETS	7,791,028	7,775,387
LIABILITIES		
Accounts payable	53,480	125,829
Retainage payable	13,514	-
Noncurrent liabilities:		
Due within one year	124,770	124,283
Due in more than one year	1,042,148	1,166,917
Total liabilities	1,233,912	1,417,029
DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue	96,203	96,202
Total deferred inflows of resources	96,203	96,202
NET POSITION		
Net investment in capital assets	5,588,869	5,094,889
Restricted for:		
Operations and maintenance	120,223	110,463
Emergencies	3,400	2,800
Unrestricted	748,421	1,054,004
Total net position	$ 6,460,913	$ 6,262,156

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
Years Ended December 31, 2024 and 2023

	2024	2023
OPERATING REVENUES		
Water usage and related fees	$ 591,725	$ 543,978
Total operating revenues	591,725	543,978
OPERATING EXPENSES		
Operations manager	52,577	38,089
Repairs and maintenance	104,527	88,096
Supplies and chemicals	80,722	35,533
Utilities	47,904	43,260
Engineering	40,349	36,486
Other	26,086	9,632
Depreciation	150,815	148,583
Total operating expenses	502,980	399,679
GROSS INCOME FROM OPERATIONS	88,745	144,299
GENERAL AND ADMINISTRATIVE EXPENSES		
District management	147,981	71,946
Utility billing	41,021	16,410
Election costs	105	1,665
Insurance/SDA dues	14,018	12,562
Director fees	7,100	8,300
Legal	47,500	34,439
Audit	13,980	15,402
Other	15,426	12,513
Total general and administrative expenses	287,131	173,237
NET LOSS FROM OPERATIONS	(198,386)	(28,938)
NONOPERATING REVENUES AND EXPENSES		
Property and specific ownership taxes	112,243	90,840
Interest	58,133	56,644
Insurance proceeds	65,311	-
Miscellaneous income	10,149	90
CWR&PDA loan interest	(6,703)	(7,182)
County treasurer fees	(1,942)	(1,202)
Total nonoperating revenues and expenses	237,191	139,190
INCOME BEFORE CONTRIBUTIONS	38,805	110,252
CONTRIBUTIONS		
Grant revenue	97,952	61,507
Water tap and inclusion fees	62,000	93,000
Total contributions	159,952	154,507
CHANGE IN NET POSITION	198,757	264,759
NET POSITION - BEGINNING OF YEAR	6,262,156	5,997,397
NET POSITION - END OF YEAR	$ 6,460,913	$ 6,262,156

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
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 581,335	$ 544,590
Cash payments to suppliers for goods and services	(649,380)	(457,205)
Net cash provided (required) by operating activities	(68,045)	87,385
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property and specific ownership, net of fees	110,206	89,687
Net cash provided by noncapital financing activities	110,206	89,687
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Miscellaneous revenues	75,460	90
Grant revenue	125,084	3,114
Contributed capital - tap fees	62,000	93,000
Acquisition of capital assets	(571,116)	(107,675)
Principal paid on long-term debt	(124,282)	(123,804)
Interest paid on long-term debt	(6,703)	(7,182)
Net cash required by capital and related financing activities	(439,557)	(142,457)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	58,133	56,644
Net cash provided by investing activities	58,133	56,644
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(339,263)	91,259
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,201,825	1,110,566
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 862,562	$ 1,201,825
Reconciliation of net income (loss) from operations to net cash provided by operating activities		
Net loss from operations	$ (198,386)	$ (28,938)
Adjustments to reconcile net loss from operations to net cash provided by operating activities:		
Depreciation	150,815	148,583
Effect of changes in operating assets and liabilities:		
Accounts receivable	(10,390)	612
Prepaid expenses	(1,852)	(908)
Accounts payable	(8,232)	(31,964)
Net cash provided by operating activities	$ (68,045)	$ 87,385

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

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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 separate funds for the year ended December 31, 2024. 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.

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

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, 2024 and 2023 statement of net position as follows:

	2024	2023
Cash and cash equivalents - unrestricted	$ 738,939	$ 1,088,562
Cash and cash equivalents - restricted	123,623	113,263
	$ 862,562	$ 1,201,825

Cash and investments as of December 31, 2024 and 2023 consist of the following:

	2024	2023
Deposits with financial institutions	$ 41,415	$ 92,227
Investments	821,147	1,109,598
	$ 862,562	$ 1,201,825

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.

As of December 31, 2024 and 2023, the District's cash deposits had bank balances of $105,106 and $102,982, respectively, and carrying balances of $41,415 and $92,227 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.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2024 and 2023, the District had the following investments:

Investment	Maturity	Carrying Value 2024	Carrying Value 2023
Colorado Local Government Liquid Asset Trust:			
COLOTRUST PLUS+	Weighted average maturity under 60 days	$ 11,840	$ 256,139
COLOTRUST EDGE	Weighted average maturity under one year	809,307	853,459
		$ 821,147	$ 1,109,598

ColoTrust

During 2024 and 2023, the District invested in the Colorado Local Government Liquid Asset Trust (Colotrust), 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 Colotrust. The District invested in COLOTRUST PLUS+ (PLUS) and COLOTRUST EDGE (EDGE), two of the three portfolios offered by Colotrust. 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 Colotrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for Colotrust'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 Colotrust. PLUS+ is rated AAAm by S&P Global Ratings and EDGE is rated AAAf/S1 by Fitch Ratings.

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.

Restricted Cash and Investments

Cash and investments in the amounts of $120,223 and $110,463 as of December 31, 2024 and 2023 respectively, are restricted for three months of budgeted O&M expenses excluding capital improvements and loan payments – (see note 5).

As of December 31, 2024 and 2023, the District had restricted cash investments for emergency reserves in the amounts of $3,400 and $2,800, respectively, in accordance with Article X, Section 20 of the Colorado Constitution – (see Note 8).

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the years ended December 31, 2024 and 2023 follows:

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Capital assets, not being depreciated:				
Land	$ 97,413	$ 3,690	$ -	$ 101,103
Water rights	2,296,675	-	-	2,296,675
Master plan	84,823	-	-	84,823
Construction in progress	231,079	440,655	-	671,734
Total capital assets, not being depreciated	2,709,990	444,345	-	3,154,335
Capital assets, being depreciated:				
Water treatment plants	1,947,821	76,168	-	2,023,989
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	7,294,414	76,168	-	7,370,582
Less accumulated depreciation for:				
Water treatment plants	1,403,883	52,161	-	1,456,044
Water collection and distribution	1,512,284	89,504	-	1,601,788
Wells	674,632	3,035	-	677,667
Meters	27,516	6,115	-	33,631
Total accumulated depreciation	3,618,315	150,815	-	3,769,130
Total capital assets being depreciated, net	3,676,099	(74,647)	-	3,601,452
Total capital assets, net	$ 6,386,089	$ 369,698	$ -	$ 6,755,787

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Capital assets, not being depreciated:				
Land	$ 64,192	$ 33,221	$ -	$ 97,413
Water rights	2,296,675	-	-	2,296,675
Master plan	84,823	-	-	84,823
Construction in progress	79,138	151,941	-	231,079
Total capital assets, not being depreciated	2,524,828	185,162	-	2,709,990
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	7,294,414	-	-	7,294,414
Less accumulated depreciation for:				
Water treatment plants	1,352,992	50,891	-	1,403,883
Water collection and distribution	1,423,742	88,542	-	1,512,284
Wells	671,597	3,035	-	674,632
Meters	21,401	6,115	-	27,516
Total accumulated depreciation	3,469,732	148,583	-	3,618,315
Total capital assets being depreciated, net	3,824,682	(148,583)	-	3,676,099
Total capital assets, net	$ 6,349,510	$ 36,579	$ -	$ 6,386,089

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, 2024 and 2023.

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
CWR&PDA Loan #D12F295	$ 950,000	$ -	$ 100,000	$ 850,000	$ 100,000
CWR&PDA Loan #D16F368	341,200	-	24,282	316,918	24,770
	$ 1,291,200	$ -	$ 124,282	$ 1,166,918	$ 124,770

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
CWR&PDA Loan #D12F295	$ 1,050,000	$ -	$ 100,000	$ 950,000	$ 100,000
CWR&PDA Loan #D16F368	365,004	-	23,804	341,200	24,283
	$ 1,415,004	$ -	$ 123,804	$ 1,291,200	$ 124,283

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.

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, 2024 and 2023, the District has restricted net position in the amount of $120,223 and $110,463, respectively in compliance with this requirement.

As of December 31, 2024 and 2023, 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
2025	$ 124,770	$ 6,216	$ 130,986
2026	125,269	5,717	130,986
2027	125,776	5,209	130,985
2028	126,294	4,691	130,985
2029	126,823	4,163	130,986
2030 - 2034	492,421	12,507	504,928
2035 - 2036	45,565	914	46,479
	$1,166,918	$ 39,417	$ 1,206,335

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, 2024 and 2023, the District had net investment in capital assets calculated as follows:

	2024	2023
Net investment in capital assets:		
Capital assets, net	$ 6,755,787	$ 6,386,089
Current portion of long-term obligations	(124,770)	(124,283)
Noncurrent portion of long-term obligations	(1,042,148)	(1,166,917)
Net investment in capital assets	$ 5,588,869	$ 5,094,889

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, 2024 and 2023 is as follows:

	2024	2023
Restricted:		
Operating and maintenance reserve	$ 120,223	$ 110,463
Emergencies	3,400	2,800
	$ 123,623	$ 113,263

As of December 31, 2024 and 2023, the District had an unrestricted net position of $748,421 and $1,054,004, 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.

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.

NOTE 9 – CONTRACT COMMITMENT

The District has a construction contract to construct an emergency interconnect with the Town of Monument. The contract is for $599,900 of which $270,275 has been spent through December 31, 2024, leaving a remaining construction commitment of $329,625. The project will be completed in 2025.

SUPPLEMENTAL INFORMATION

FOREST VIEW ACRES WATER DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUNDS AVAILABLE
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2024

	Budget Original and Final	Actual	Variance with Final Budget
REVENUES			
Water usage fees	$ 182,000	$ 197,612	$ 15,612
Availability to serve	4,320	3,358	(962)
Capital replacement fee	202,800	213,364	10,564
ARPA grant	1,511,000	97,952	(1,413,048)
Late fees	3,000	4,290	1,290
Operations fees	162,240	170,551	8,311
Property taxes	96,202	103,211	7,009
Specific ownership taxes	9,620	9,032	(588)
Tap and inclusion fees	31,000	62,000	31,000
Transfer fees	3,000	2,550	(450)
Interest	51,100	58,133	7,033
Insurance proceeds	-	65,311	65,311
Other	11,000	10,149	(851)
Total revenues	2,267,282	997,513	(1,269,769)
EXPENDITURES			
Operations			
Operations manager	55,000	52,577	2,423
Repairs and maintenance	81,000	98,793	(17,793)
Arapahoe treatment plant	5,000	-	5,000
Supplies and chemicals	30,000	80,722	(50,722)
Utilities	39,000	47,904	(8,904)
Meter reading and maintenance	15,000	5,734	9,266
Water testing	3,000	-	3,000
Engineering	15,000	40,349	(25,349)
Inclusions	25,000	6,664	18,336
Training and education	500	320	180
Other	21,150	19,102	2,048
Administrative			
District management and accounting	72,000	147,981	(75,981)
Utility billing	25,000	41,021	(16,021)
Insurance and dues	14,000	14,018	(18)
Directors fees	9,100	7,100	2,000
Election costs	-	105	(105)
Legal	35,000	47,500	(12,500)
Audit	16,000	13,980	2,020
County treasurer fees	1,443	1,942	(499)
Website maintenance and push notifications	6,200	6,472	(272)
Other	12,500	8,954	3,546
Debt service			
CWR&PDA loan principal	124,282	124,282	-
CWR&PDA loan interest	6,703	6,703	-
Capital Outlay			
Easements	5,000	3,690	1,310
Clovenhoof Easement & Pipline	500,000	24,347	475,653
Infrastructure projects	360,000	394,524	(34,524)
SWTP Improvements (ARPA)	1,511,000	97,952	1,413,048
Contingency and emergency reserve	4,800	-	4,800
Total expenditures	2,992,678	1,292,736	1,699,942

(continued)

FOREST VIEW ACRES WATER DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUNDS AVAILABLE
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2024
(Continued)

	Budget	Actual	Variance with Final Budget
NET CHANGE IN FUNDS AVAILABLE	(725,396)	(295,223)	430,173
FUNDS AVAILABLE - BEGINNING OF YEAR	1,116,297	1,167,267	50,970
FUNDS AVAILABLE - END OF YEAR	$ 390,901	$ 872,044	$ 481,143

Funds available is computed as follows:

Current assets	$ 1,035,241
Current liabilities	(66,994)
Deferred inflows of resources	(96,203)
	$ 872,044

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, 2024

REVENUES (budgetary basis)	$ 997,513
Total revenues per statement of revenues, expenses and change in fund net position	997,513
EXPENDITURES (budgetary basis)	1,292,736
Depreciation	150,815
Capital outlay	(520,513)
Loan principal	(124,282)
Total expenses per statement of revenues, expenses and change in fund net position	798,756
CHANGE IN NET POSITION PER STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION	$ 198,757

OTHER INFORMATION

FOREST VIEW ACRES WATER DISTRICT
SCHEDULES OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2024

Year Ending December 31,	$2,000,000 CWRPDA Loan Dated June 15, 2012 Principal Due May 1 and November 1 Interest Rate of 0% Principal	Interest	$500,000 CWRPDA Loan Dated July 19, 2016 Principal and Interest Due May 1 and November 1 Interest Rate of 2% Principal	Interest	Total
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	-	-	15,340	152	15,492
	$ 850,000	$ -	$ 316,918	$ 39,416	$ 1,206,334

FOREST VIEW ACRES WATER DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2024

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes Levied	Property Taxes Collected	Percentage Collected to Levied
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%
2023	$ 15,999,990	5.000	$ 80,000	$ 82,462	103.1%
2024	$ 19,240,490	5.000	$ 96,202	$ 103,211	107.3% *
Estimated for year ending December 31, 2025	$ 19,240,620	5.000	$ 96,203		

*- Includes State of Colorado backfill finding from, SB22-238 and SB23-001.

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.