LEFT HAND WATER DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2024 AND 2023

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LEFT HAND WATER DISTRICT
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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Left Hand Water District
Niwot, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Left Hand Water District (the 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 basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Left Hand 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Left Hand Water 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Left Hand Water District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS and Government 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 GAAS and *Government 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 Left Hand Water 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 Left Hand Water District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, the schedule of the District's proportionate share of the net pension liability and schedule of pension contributions, and the schedule of the District's proportionate share of the net OPEB liability and schedule of OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Left Hand Water District's basic financial statements. The schedule of revenues and expenditures – budget to actual (budget basis) is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of revenues and expenditures – budget to actual (budget basis) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2025, on our consideration of Left Hand Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Left Hand Water District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Left Hand Water District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
May 7, 2025

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") is designed to provide a narrative overview of the financial condition and operating results of the Left Hand Water District ("the District"). This MD&A should be read in conjunction with the District's basic financial statements, notes to the financial statements, and supplementary information (beginning on page 13).

The District provides treated water to customers primarily in unincorporated areas of Boulder and Weld Counties. The District is generally bounded by the cities of Boulder, Lafayette, and Erie to the south; the City of Longmont to the north; I-25 to the east; and the foothills to the west.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a quasi-municipal corporation and a political subdivision of the State of Colorado, governed by Colorado Revised Statutes Title 32 Special Districts, engaged only in a business-type activity. As an enterprise fund, the District's financial statements include:
Statements of Net Position – report the District's current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the District is improving or deteriorating. (See page 13).

Statements of Revenues, Expenses and Changes in Net Position – report the District's operating and non-operating revenues by major source, along with operating and non-operating expenses and capital contributions. (See page 15).

Statements of Cash Flows – report the District's cash flows from operating, investing, capital and non-capital activities. (See page 16).

Notes to the Financial Statements (See page 18) – provide additional required disclosures that are essential to a full understanding of the data provided in the financial statements.

Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) (See page 67) – reports the budgeted revenue and expenditure activities as compared with actual activities. Though this schedule is not required by GAAP to be part of the audited financial statements, it is added for review as other supplementary information.

2024 HIGHLIGHTS

- As of December 31, 2024, total net position was $157,987,889, representing an increase of $6,950,896 (4.6%), when compared to 2023.
- Operating revenues were $14,683,131 during 2024, an increase of 33.4% as compared to 2023.
- In 2024, total operating expenses net of depreciation and pension expense were $7,122,176, which is an increase of $717,919 (11.2%) from 2023.
- Total capital contributions were $2,076,959 in 2024, compared to 6,244,791 in 2023 – a decrease of $4,167,832 (66.7%).
- Long-term debt (net of current maturities) decreased to $24,992,026 as of December 31, 2024, as compared with the December 31, 2023, balance of $27,009,057.

CONDENSED COMPARATIVE FINANCIAL INFORMATION – STATEMENTS OF NET POSITION

As noted earlier, net position may serve over time as a useful indicator of a governmental entity's financial position. The following table presents condensed information from the Statements of Net Position as of December 31, 2024, 2023, and 2022p.

	2024	2023	2022
Current Assets	$ 35,157,787	$ 31,156,646	$ 30,813,525
Capital Assets (net of depreciation)	153,132,093	152,827,319	146,264,739
Net Pension Asset	---	---	244,697
Total Assets	188,289,880	183,983,965	177,322,961
Deferred Outflows of Resources	1,025,131	1,407,635	419,279
Current Liabilities	3,399,069	3,822,417	2,861,529
Non-Current Liabilities	27,207,701	29,812,015	29,264,199
Total Liabilities	30,606,770	33,634,432	32,125,728
Deferred Inflows of Resources	720,352	720,175	2,798,903
Invested in Capital Assets, net of related debt	125,424,152	122,941,441	115,231,874
Restricted	1,008,667	992,468	1,223,330
Unrestricted	31,555,070	27,103,084	26,362,405
TOTAL NET POSITION	**$ 157,987,889**	**$ 151,036,993**	**$ 142,817,609**

Total Net Position increased in 2024 by just under $7 million (4.6%) from the results of operations and capital contributions. Total Non-Current Liabilities decreased by approximately $2.6 million in 2024. Principal payments of just over $1.9 million were made on previously existing loans.

The District's proportionate share of the Colorado Public Employers' Retirement Association (PERA)'s net unfunded liability for pension decreased in 2024 by $684,234; the proportionate share of PERA's unfunded liability for Other Postemployment Benefits (OPEB) decreased by $22,882.

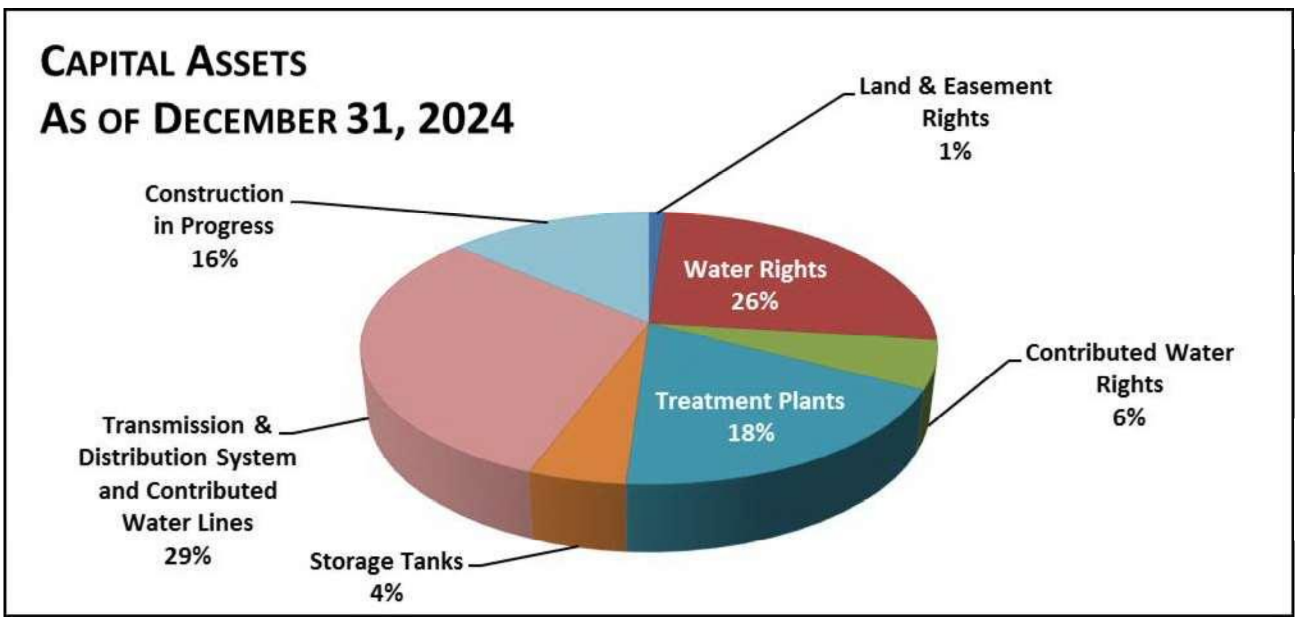
Unrestricted Net Position is the portion of Net Position that can be used to finance day-to-day operations without external constraints of debt covenants, legislation or other legal requirements. As of December 31, 2024, Unrestricted Net Position was $4,451,986 higher than at December 31, 2023.

CONDENSED COMPARATIVE FINANCIAL INFORMATION – CAPITAL ASSETS

The following table presents a condensed review of capital assets, net of accumulated depreciation, as of December 31, 2024, 2023, and 2022.

	2024	2023	2022
Land & Easement Rights	$ 1,603,690	$ 1,603,690	$ 1,603,690
Water Rights	39,073,894	39,073,894	39,073,894
Contributed Water Rights	8,759,149	8,759,149	8,759,149
Buildings & Improvements	640,924	677,440	679,985
Treatment Plants	26,728,399	27,655,448	28,397,677
Storage Tanks	6,703,853	6,989,614	7,293,478
Raw Water Reservoirs	24,791	26,606	31,771
Transmission & Distribution System	44,704,909	46,260,267	45,696,069
Office Equipment & Furnishings	807,403	726,609	706,525
Equipment & Vehicles	536,336	373,324	446,526
Construction in Progress	23,548,745	20,681,278	13,575,975
TOTAL CAPITAL ASSETS	**$ 153,132,093**	**$ 152,827,319**	**$ 146,264,739**

Capital acquisitions in 2024 included a new backhoe in the Distribution department, a new truck in the Treatment department, and upgrades to the control systems at the Spurgeon Water Treatment Plant. Implementation of Advanced Metering Infrastructure (AMI) for meter reading continued, with sixteen of twenty planned fixed-point gateways online by the end of 2024. The District's cost of participation in the Northern Integrated Supply Project (NISP), included in Construction in Progress (CIP), was $3,344,250.



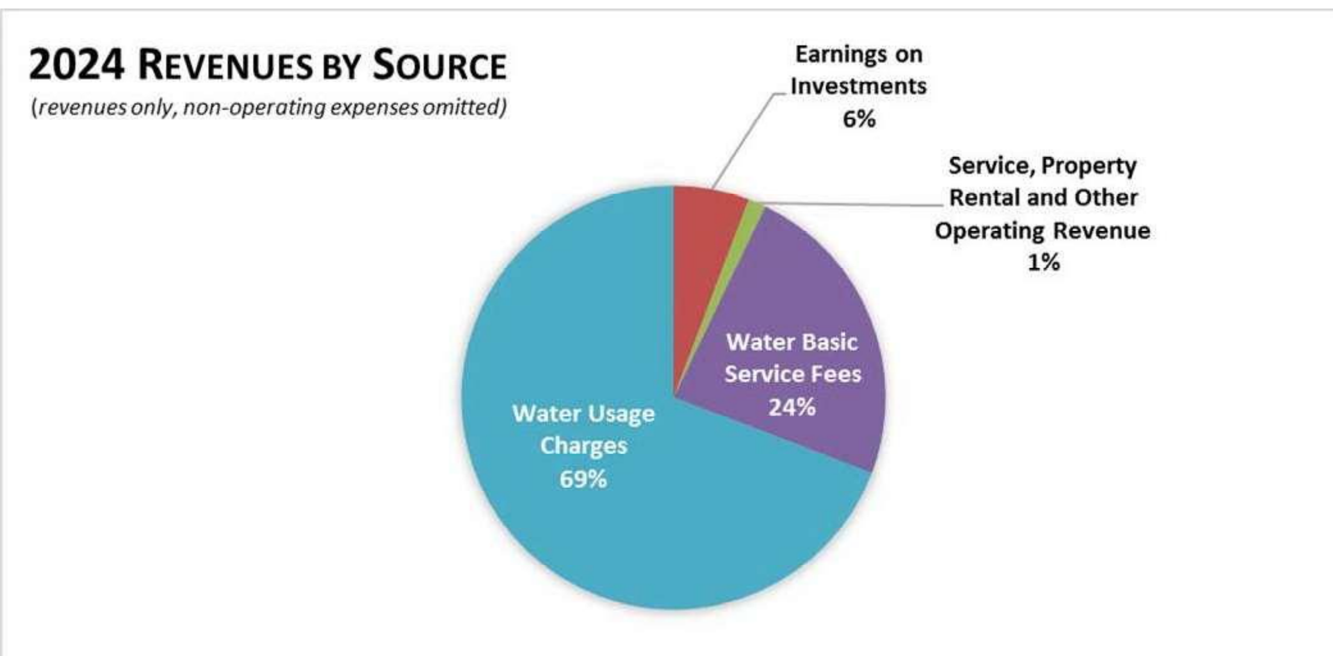
Of the $6.33 million allocated for construction projects in the 2024 budget, just under $5.3 million was expended. Construction was completed on replacement of water lines along North 63rd Street, North 65th Street, and County Line Road. Upgrades to the Spurgeon Water Treatment Plant continued, and design and substantially all construction were completed on projects to replace waterlines along Plateau Road east of North 95th Street as well as within the Carmacar Ranchettes subdivision.

CONDENSED COMPARATIVE FINANCIAL INFORMATION – REVENUES

The following table presents a condensed review of revenues for the years ended December 31, 2024, 2023, and 2022.

	2024	2023	2022
Operating Revenues			
Water Usage Charges	$ 10,804,022	$ 7,394,409	$ 9,057,680
Water Basic Service Fees	3,694,798	3,440,055	3,218,320
Other Fees & Services	58,884	60,419	167,946
Inventory Sales	6,050	6,927	4,529
Water Lease Income	119,377	101,793	62,650
Total Operating Revenues	14,683,131	11,003,603	12,511,125
Non-Operating Revenues (Expenses)			
Earnings on Investments	901,839	884,683	477,917
Interest Expense	(650,724)	(675,021)	(699,184)
Property Rental and Misc Income	85,319	65,030	77,869
Property Management Expense	(55,835)	(115,368)	(140,011)
Unrealized Gain/(Loss) on Investments	61,983	310,659	(634,832)
Realized Gain/(Loss) on Investments	9,984	14,640	28
Gain/(Loss) on Disposition Capital Assets	(185,076)	(29,908)	34,025
Other Non-Operating Income	(3)	64,702	25,511
Total Non-Operating Revenues	167,487	519,417	(858,677)
TOTAL REVENUES	**$ 14,850,618**	**$ 11,523,020**	**$ 11,652,448**

Operating revenues in 2024 were 5.2% (approximately $3/4 million) above the amount budgeted. Water Usage Charges were ahead of budget by just over $800,000 (8%); Water Basic Service Fees were under budget by $35,000 (1.0%). Total revenues increased by just over $3.3 million (29%) from 2024.

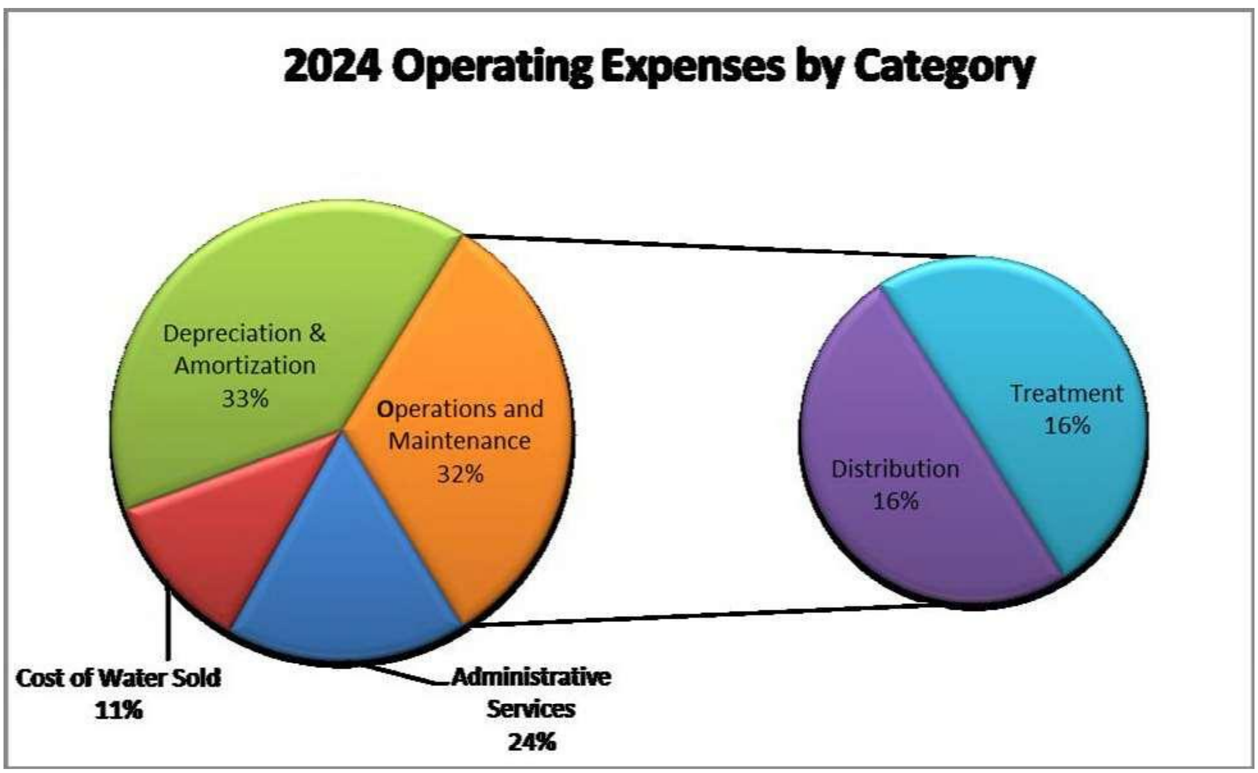


CONDENSED COMPARATIVE FINANCIAL INFORMATION – OPERATING EXPENSES

The following table presents a condensed review of operating expenses for the years December 31, 2024, 2023, and 2022.

	2024	2023	2022
Operating Expenses			
Operation and Maintenance	$ 3,200,254	$ 2,992,358	$ 2,735,326
Administrative Services	2,366,240	2,292,658	1,434,301
Cost of Water Sold	1,122,862	915,292	949,798
Depreciation	3,287,325	3,348,119	3,334,404
TOTAL OPERATING EXPENSES	**$ 9,976,681**	**$ 9,548,427**	**$ 8,453,829**

Net of depreciation and other items not included in the budget, total operating expenses for 2024 were under budget by 15%. Operation and Maintenance costs increased by 7% from 2023. Expenses within the Distribution Department increased by approximately 2.5% with higher repairs & maintenance costs being mostly offset by limited salary increases due to position vacancies. Treatment Department expenditures increased by 10.6%, driven primarily by salary increases as well as increased chemical and utility costs related to higher production in 2024. Increased salaries and associated expenses, along with one-time expenditures replacing computers for the Engineering Department and consulting fees related to a feasibility study on a potential future project, contributed to an increase in Administrative Services expenses of 3.2%. Cost of Water Sold increased by 22.7%, due to increases in the assessments on CBT water units and the District's allocated share of the costs of the Southern Water Supply Pipeline as set by Northern Water.



CONDENSED COMPARATIVE FINANCIAL INFORMATION – CAPITAL CONTRIBUTIONS

The following table presents a condensed review of capital contributions for the years ended December 31, 2024, 2023, and 2022.

	2024	2023	2022
Customer Tap Fees	$ 1,864,850	$ 3,651,420	$ 1,817,625
Contributed Water Rights	---	---	---
Contributed Line Fee/Fire System	27,450	74,330	53,240
Contributions in Aid of Construction	123,432	---	---
Contributed Assets	61,227	2,519,041	73,000
TOTAL CAPITAL CONTRIBUTIONS	**$ 2,076,959**	**$ 6,244,791**	**$ 1,943,865**

Contributed capital can consist of several components: tap fees paid by customers who purchase new or upgrade existing water taps for their property; water rights contributed as part of a tap purchase; and contributions of fire systems, water lines, or water systems. In 2024, 19 taps were sold, upgraded, or completed, vs. 26 in 2023.

Capital contributions can also result from execution of contracts for multiple taps/subdivisions, in which case payment for 50% of the Plant Investment and Water Requirement Fees, and 100% of any applicable line fees, are collected upon execution. No new subdivision agreements were executed in 2024. As of December 31, 2024, the District had 6 subdivision contracts active, representing 6 additional single family equivalent taps.

Contributed Line Fees are collected as part of tap fees in certain areas of the District. In certain cases, developers or private parties pay for or contribute to the extension or upgrade of water lines in order to complete projects; in other cases the District absorbs the costs. In either case, the District may collect a reimbursement amount ("line fee") when new taps are paid by customers who benefit from the new or upgraded line, plus an interest component. As applicable, the District then reimburses the appropriate developer or private party a portion of the line fee. In 2024, the line fees collected on new taps totaled $27,450, all of which were in the Eastern Zone Transmission (EZT) area.

During 2024, the District completed a waterline project in coordination with Boulder County to lower waterlines along North 95th Street north of Boulder Creek. The costs for a portion of the project were reimbursed to the District from the County as Contributions in Aid of Construction.

Contributed assets are most frequently water lines that are installed in a subdivision by a developer or by the owner of a commercial property and then contributed to the District. In such cases, contributions are recorded at the cost of completion as reported to the District by the developer or property owner. In 2024, a water line extension at a commercial property was installed and dedicated to the District at a total dedicated cost of $61,227.

STRATEGIC PLANNING AND CAPITAL IMPROVEMENT PROGRAM

The District completed its first Comprehensive Water System Strategic Plan in 2007; two components of that Plan, the Treated Water Master Plan and the Financial Master Plan, are updated periodically. Both were updated in 2014 and the Treated Water Master Plan, along with the District's Emergency Response Plan, were updated again in 2021. The District Board of Directors also holds Strategic Planning Retreats periodically to review and discuss the various documents, plans and programs that make up the ongoing comprehensive strategic planning processes of the District; the last such retreat was held in March 2018.

The Treated Water Master Plan uses demand projections, computer modeling and phased programs of needed facility improvements within the District's service area to provide recommended improvements to the distribution system over 5, 10, 20 years, and system build out scenarios, with probable costs. The District uses the Plan to develop and implement its Capital Improvement Program, which is reviewed and updated annually as part of the budget process. Capital and infrastructure needs are planned for over the succeeding 10 years, with ongoing plans to finance the projects. Projects relating to Transmission & Distribution lines that benefit future development may require significant developer participation.

The District maintains a Board-Designated Capital Fund, which is funded from the Plant Investment Fee and Line Fee components of customer tap fees and is utilized to address infrastructure projects necessary to meet anticipated growth, including payment of debt service on debt issued to finance growth-related projects. The following table summarizes the funding and utilization of the Fund during 2024.

CAPITAL FUND SUMMARY – 2024	
Capital Fund Balance – December 31, 2023	$ 647,476
Customer Tap Fees – Plant Investment, Line Fees	274,950
Projects Funded via Capital Fund	---
Transfers to Operating Fund – Debt Service	(912,446)
Capital Fund Balance – December 31, 2024	**$ 9,980**

In order to meet future capital and infrastructure replacement needs the District maintains a Board-Designated Replacement Fund, which is funded from operating and non-operating revenue as well as carryover funds. In 2024 the funding level was $2,200,000, based on analysis using the District's Water Rate Model and Capital Improvement Plan. The funding level for 2025 has likewise been set at $2,200,000. In 2024 cash Contributions in Aid of Construction were also received in reimbursement of construction costs on a joint project conducted with Boulder County. Designated capital improvement projects are paid for from the Fund, a summary of the funding and use of which is shown in the following table.

REPLACEMENT FUND SUMMARY – 2024	
Replacement Fund Balance – December 31, 2023	$ 5,793,698
Funding from Operating Fund	2,200,000
Contributions in Aid of Construction	128,082
Projects Funded via Replacement Fund	(5,271,505)
Replacement Fund Balance – December 31, 2024	**$ 2,850,275**

STRATEGIC PLANNING AND CAPITAL IMPROVEMENT PROGRAM (CONTINUED)

The District completed a Raw Water Master Plan in 2003 to anticipate future infrastructure improvements needed for the delivery of raw water supplies. To meet the anticipated future need for additional raw water supplies, the District is participating in the Northern Integrated Supply Project (NISP) through Northern Water for a total of 3,500 additional acre-feet (AF) of annual yield to help meet anticipated future needs. Prior to 2024 the District's participation had been 4,900 NISP units; during 2024, 1,400 units were divested. It is anticipated that the District's allocation of cost in the project will be funded through a combination of participation in pooled financing issuances and utilization of the District's Board-Designated Water Acquisition Fund, which is funded via cash-in-lieu payments as part of tap fee revenue. The following table shows a summary of Water Acquisition Fund activity during 2024.

WATER ACQUISITION FUND SUMMARY – 2024	
Water Acquisition Fund Balance – December 31, 2023	$ 2,780,476
Customer Tap Fees – Cash-in-Lieu Payments	2,009,760
Transfer – NISP Units	5,425,000
NISP Participation	(3,344,250)
Water Acquisition Fund Balance – December 31, 2024	**$ 6,870,986**

DEBT AND OTHER FINANCIAL OBLIGATIONS

The District's long-term debt (net of current maturities and unamortized premiums) was $24,992,026 and $27,009,057 at December 31, 2024, and December 31, 2023, respectively. These balances are comprised of two previously-existing loans from the Colorado Water Resources and Power Development Authority (CWR&PDA) – one from the Drinking Water Revolving Fund (DWRF) and one from the Small Hydropower Loan Program (SHLP) – as well as the previously-existing loan from the Colorado Water Conservation Board (CWCB).

The District's largest long-term liability is a 2014 Drinking Water Revolving Fund (DWRF) loan. The loan has a 20-year term; total annual debt service is approximately $1.825 million.

The 2018 SHLP loan from the CWR&PDA has a 20-year term; total annual debt service is approximately $174,000.

The 2018 CWCB loan also has a 20-year term; total annual debt service is approximately $650,000.

All of the District's loans are secured by the District's Net Revenues as defined in those contracts.

ECONOMIC AND OTHER FACTORS

Water usage revenue typically accounts for approximately 70% of the District's Operating Revenue and is thus a major factor in the District's economic condition. It is also, however, largely driven by weather and environmental factors beyond the District's control. Total system water usage in 2024 was approximately 1.44 billion gallons, which was approximately 9.2% above the average of the previous five years. Water usage per tap equivalent (a 'per capita' measure) in 2024 was approximately 6.4% above the average of the previous five years.

In its financial forecasting and planning, the District utilizes a comprehensive rate and financial forecasting model based on historical averages of water usage. This water rate model is consistent with industry standards as prescribed by the American Water Works Association (AWWA) and implements a rate structure strategy to provide adequate funds to pay current operating expenses, capital costs, and debt service requirements, as well as to accumulate funds for future operating and repair or replacement costs and new capital projects. The District is planning a comprehensive rate study project in 2025 covering not only utility rates but also tap fees.

Tap fee revenue is another key component of the District's revenue that is directly impacted by external factors such as the overall housing market and general economic conditions. If the housing market and overall economy continue recent growth patterns, or if they should falter or endure contractions, it is expected tap fee revenues would increase or decline commensurately.

The 2025 budget is based on projected growth in water revenue and includes an across-the-board rate 5% to basic service fees and volume charges. The budget for tap fee revenue projects an increase of 3.2% from the amount budgeted in 2024, based on the number of contracted payments expected as well as anticipated new subdivision contracts.

Both water utility and tap fee revenues are significantly impacted by the annual rate and extent of future growth and development within the District. Those growth rates will be materially affected by management, zoning, and land use procedures and policies established by surrounding governmental entities such as Boulder and Weld Counties; the Towns of Frederick, Firestone, and Erie; and the Cities of Longmont, Boulder and Lafayette. Each of these entities controls development in the areas under its jurisdiction, and their decisions and actions are outside the control of the District. District staff works as appropriate with each of these entities to ensure productive, cooperative, and effective long–range planning.

FINANCIAL CONTACT

The District's financial statements are designed to present users (customers, citizens, creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional financial information, please contact Victoria Santos, CPA, Finance Manager, Left Hand Water District, PO Box 210, Niwot, CO 80544, 303-530-4200.

BASIC FINANCIAL STATEMENTS

LEFT HAND WATER DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 9,226,344	$ 11,437,734
Restricted Cash and Cash Equivalents	3,299,306	3,298,073
Investments	20,098,301	13,553,278
Receivables	1,483,048	1,850,634
Lessor Receivables	643,896	535,512
Inventory - Supplies	330,332	333,924
Prepaid Expenses and Other Assets	76,560	147,491
Total Current Assets	35,157,787	31,156,646
NONCURRENT ASSETS		
Capital Assets:		
Land, Easements and Water Rights	49,436,733	49,436,733
Construction in Progress	23,548,745	20,681,278
Transmission and Distribution System	90,042,998	89,886,397
Facilities	37,997,973	37,997,973
Vehicles and Equipment	1,850,256	1,549,211
Furniture and Equipment	1,306,491	1,137,357
Water Service Agreement	1,500,000	1,500,000
Total Capital Assets	205,683,196	202,188,949
Less: Accumulated Depreciation	(52,551,103)	(49,361,630)
Capital Assets, Net	153,132,093	152,827,319
Total Assets	188,289,880	183,983,965
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pension	991,693	1,365,482
Related to OPEB	33,438	42,153
Total Deferred Outflows of Resources	1,025,131	1,407,635

See accompanying Notes to Basic Financial Statements.

LEFT HAND WATER DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2024 AND 2023

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	2024	2023
CURRENT LIABILITIES		
Accounts Payable	$ 640,211	$ 1,109,968
Retainage Payable	181,897	150,939
Accrued Expenses	416,736	428,435
Current Portion of Long-Term Debt	2,160,225	2,133,075
Total Current Liabilities	3,399,069	3,822,417
NONCURRENT LIABILITIES		
Accrued Compensated Absences	157,905	38,072
Net Pension Liability	1,910,117	2,594,351
Net OPEB Liability	147,653	170,535
Long-Term Debt (Net of Current Maturities and Unamortized Premium)	24,992,026	27,009,057
Total Noncurrent Liabilities	27,207,701	29,812,015
Total Liabilities	30,606,770	33,634,432
DEFERRED INFLOWS OF RESOURCES		
Related to Pension	16,382	107,918
Related to Leases	646,085	537,700
Related to OPEB	57,885	74,557
Total Deferred Inflows of Resources	720,352	720,175
NET POSITION		
Net Investment in Capital Assets	125,424,152	122,941,441
Restricted:		
Debt Service	1,008,667	992,468
Unrestricted	31,555,070	27,103,084
Total Net Position	$ 157,987,889	$ 151,036,993

See accompanying Notes to Basic Financial Statements.

LEFT HAND WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
OPERATING REVENUES		
Water - Treated	$ 14,498,820	$ 10,834,464
Service Revenue	58,884	60,419
Other Income	125,427	108,720
Total Operating Revenues	14,683,131	11,003,603
OPERATING EXPENSES		
Depreciation	3,287,325	3,348,119
Salaries and Wages	2,489,861	2,284,306
Repairs and Maintenance	1,387,975	1,345,035
Employee Benefits and Taxes	448,890	641,018
Cost of Water Sold	1,122,862	915,292
Utilities	328,716	301,635
Office	277,775	210,771
Contract Support Service	186,973	114,233
Insurance	154,844	139,778
Other	68,355	61,852
Professional Fees	198,516	157,934
Employee Development	24,589	28,454
Total Operating Expenses	9,976,681	9,548,427
OPERATING INCOME	4,706,450	1,455,176
NONOPERATING REVENUES (EXPENSES)		
Earnings on Investments	901,839	884,683
Realized and Unrealized Net Gain on Investments	71,967	325,299
Property Rental and Miscellaneous Income	85,319	65,030
Gain (Loss) on Disposition of Capital Assets	(185,076)	(29,908)
Miscellaneous Nonoperating Income (Expense)	(3)	64,702
Interest Expense	(650,724)	(675,021)
Property Management Expense	(55,835)	(115,368)
Total Nonoperating Revenues	167,487	519,417
INCOME BEFORE CONTRIBUTIONS	4,873,937	1,974,593
CAPITAL CONTRIBUTIONS	2,076,959	6,244,791
CHANGE IN NET POSITION	6,950,896	8,219,384
Net Position - Beginning of Year	151,036,993	142,817,609
NET POSITION - END OF YEAR	$ 157,987,889	$ 151,036,993

See accompanying Notes to Basic Financial Statements.

LEFT HAND WATER DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 14,738,053	$ 11,086,128
Cash Paid to Suppliers	(3,663,308)	(3,490,321)
Cash Paid to Employees	(3,279,160)	(3,159,846)
Net Cash Flows Provided by Operating Activities	7,795,585	4,435,961
CASH FLOWS FROM NONCAPITAL ACTIVITIES		
Property Rental and Miscellaneous Income	85,316	129,732
Property Management Expense	(55,835)	(115,368)
Net Cash Flows Provided (Used) by Noncapital Activitities	29,481	14,364
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Contributions	2,095,566	2,865,416
Acquisition and Construction of Capital Assets	(9,329,001)	(6,600,476)
Cash Received from Sale of Capital Assets	5,425,000	-
Repayment of Bonds and Loans	(1,976,407)	(1,954,607)
Interest Paid	(679,165)	(703,305)
Net Cash Flows Used by Capital and Related Financing Activities	(4,464,007)	(6,392,972)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	6,705,017	14,252,030
Purchase of Investments	(13,188,056)	(13,019,696)
Earnings on Investments	911,823	884,683
Net Cash Flows Provided (Used) by Investing Activities	(5,571,216)	2,117,017
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,210,157)	174,370
Cash and Cash Equivalents - Beginning of Year	14,735,807	14,561,437
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 12,525,650	$ 14,735,807

See accompanying Notes to Basic Financial Statements.

LEFT HAND WATER DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income	$ 4,706,450	$ 1,455,176
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:		
Depreciation	3,287,325	3,348,119
Changes in Operating Assets and Liabilities:		
Receivables	287,752	(169,806)
Net Pension Liability	(684,234)	2,839,048
Deferred Outflows Related to Pension	373,789	(982,881)
Deferred Inflows Related to Pension	(91,536)	(2,036,979)
Net OPEB Liability	(22,882)	(20,780)
Deferred Outflows Related to OPEB	8,715	(5,475)
Deferred Inflows Related to OPEB	(16,672)	3,118
Inventory - Supplies	3,592	(126,299)
Accrued Liabilities	119,833	(4,206)
Prepaid Expenses and Other Assets	70,931	35,786
Accounts Payable and Accrued Expenses	(247,478)	101,140
Net Cash Flows Provided by Operating Activities	$ 7,795,585	$ 4,435,961
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Capital Assets Contributed to the District	$ 61,227	$ 2,519,041
Amortization of Debt Premium	13,475	13,473
Unrealized Gain on Investments	(61,983)	(325,299)

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Form of Organization

Left Hand Water District (the District) is organized under the provisions of Section 32-1-305(6) of the Colorado Revised Statues (CRS). It is a quasi-municipal corporation and a political subdivision of the state of Colorado with all powers thereof, which includes the power to levy taxes against property within the District.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The District's significant accounting policies are described below.

Reporting Entity

In conformity with GASB financial reporting standards, the District is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District. The District meets the criteria of a primary government: its Board of Directors is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or

2. Fiscal dependency on the primary government and there is potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointment by a higher level of government, or (3) a jointly appointed board.

Based on the above criteria, there are no other organizations that would be considered component units of the District. The District meets the criteria of an "other stand-alone government."

Basic Financial Statements

The District is a special-purpose government engaged only in business-type activities. As such, enterprise fund financial statements are presented.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Proprietary funds, which include enterprise funds, are accounted for on a flow of economic resources measurement focus using the accrual basis of accounting. Therefore, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the statement of net position.

Revenues and expenses are recorded in the accounting period in which they are earned or incurred and they become measurable. Net position is segregated into amounts: Net investment in capital assets, restricted for debt service and capital projects, and unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

Budgets and Budgetary Accounting

An annual budget and appropriation resolution is adopted by the Board of Directors (the Board) in accordance with state statutes. The budget is prepared on a basis consistent with GAAP except that capital asset additions and principal payments are budgeted as expenditures and debt proceeds and tap fees are budgeted as revenues.

The budget process timeline is as follows:

1. No later than October 15, the District staff submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at regular Board meetings to obtain customers' comments.
3. Prior to December 31, the budget is legally adopted by the Board.
4. Unused appropriations lapse at the end of each year.

The fiscal year 2024 appropriated expenditures for the District were $51,599,020.

Cash and Cash Equivalents

The District considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments

The District's investments in marketable debt and equity securities are carried at fair value plus accrued interest with net appreciation or depreciation on investments. Amounts invested in certificates of deposit, with original maturities of greater than three months, are carried at fair value, including accrued interest. ColoTrust is measured at net asset value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Doubtful Accounts

The District's receivables are due from commercial and residential customers within the District service area. The District's policy for collections is limited to the right to discontinue service and to place liens on property. The District has determined that no allowance is necessary at December 31, 2024 or 2023, based on historical collection experience.

Revenue Recognition

Revenues are recognized when water is delivered to the customer, as measured at the meter. Metered water accounts are read and billed monthly on 30-day cycles.

Operating Revenues and Expenses

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

Inventories

Inventories, consisting primarily of operating supplies for water meter repair and installation, have been valued at cost, using the average cost method of accounting.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements. Prepayments are recorded using the consumption method where services are allocated over appropriate service periods.

Other Restricted Assets

Certain payments for future construction costs are recorded as other restricted assets in the financial statements.

Lessor Receivables

Lessor receivables represent the present value of future lease payments where the District is the lessor. Interest income is recognized by the District as revenue rateably over the contract term. Lease revenue is recognized by the District through amortization of a deferred inflow of resources in a systematic and rational manner over the lease term.

The District has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses are incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position. For individual lease contracts where information about the discount rate implicit in the lease is not included, the District has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital Assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Bulk or aggregated purchases of similar items with estimated useful lives in excess of one year that have an aggregated value in excess of 1% of the current fiscal year's budgeted Operating Expenditures are also considered to be Capital Assets even if the acquisition costs of the individual assets is less than $5,000. Such assets are valued at acquisition cost or estimated acquisition cost if actual acquisition cost is not available. Donated capital assets are valued at their estimated acquisition cost on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed when incurred.

Depreciation of capital assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Description:	Estimated Lives
Transmission and Distribution System	39 to 50 Years
Facilities	10 to 40 Years
Vehicles and Equipment	5 to 10 Years
Furniture and Equipment	5 to 10 Years

The District entered into a water service agreement with Central Weld County Water District (CWCWD) on November 17, 1994. CWCWD will provide treated water to the District via a cross-tie connection. Upon execution of this agreement, the District paid $1,500,000 to CWCWD. This agreement is in effect for 20 years and may be renewed for successive 10-year terms.

Debt Issuance Costs

Debt issuance costs are recognized as an expense during the period of issuance.

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report separate sections for deferred outflows of resources. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. Deferred outflows of resources related to GASB Statement No. 68 and GASB Statement No. 75 have been recorded as of December 31, 2024 and 2023. See Notes 9 and 10 for additional information.

Debt-Related Deferrals

Premiums and discounts and losses on refunding are deferred and amortized to interest expense over the life of the debt using the effective interest method. The net premiums and discounts are presented as an adjustment to the face amount of the debt, while deferred losses on refunding, if any, would be reflected as a deferred outflow of resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences Payable

The liability for compensated absences reported in the business-type activities statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

The District has recorded a liability of $314,574 and $194,740 at December 31, 2024, and 2023, respectively.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report separate sections for deferred inflows of resources. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. Deferred inflows of resources related to GASB Statement No. 68 and GASB Statement No. 75 have been recorded as of December 31, 2024 and 2023. See Notes 9 and 10 for additional information. Deferred inflows of resources related to leases are reported on the statement of net position.

Net Position

Net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation of these assets and related debt balances reduce this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the District which is not restricted for any project or other purpose. A deficit will require future funding.

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.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 could differ from those estimates, and such differences could be material.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

GASB Statement No. 101, Compensated Absences

In June 2022, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101, Compensated Absences, effective for fiscal years beginning after Dec. 15, 2023. GASB Statement No. 101 supersedes GASB Statement No. 16 and provides a unified model for various types of compensated absences, including certain types of compensated absences that weren't previously considered under the old standard.

The District adopted the change in accounting principles during the year ended December 31, 2024. The impact from the change in accounting principles was reflected as a current year activity as the amount was insignificant to overall financial position of the District.

Reconciliation of Budget Based Accounting to GAAP Financial Statements

The District prepares its annual budget on a non-GAAP basis of accounting. Below is a reconciliation from the GAAP basis to the budget basis of accounting:

	2024
Net Consolidated Increase/Decrease (Budgetary Basis)	$ 4,629,077
Add:	
Capital Outlay	9,140,948
Debt Principal Paid	1,976,407
Employer Contribution Expense	350,414
Pension and OPEB income	82,406
Realized and Unrealized Gain on Investments	71,967
Noncash Capital Contributions	61,227
Less:	
Depreciation	(3,287,325)
Loss on Disposition of Capital Asset	(185,076)
Transfer of NISP Units	(5,425,000)
Net Decrease in Developer Receivables	(464,149)
Change in Net Position - GAAP Basis	$ 6,950,896

NOTE 2 CASH AND INVESTMENTS

Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the state of` Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state.

The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The fair value of the assets in the pool must be at least 102% of the uninsured deposits.

At December 31, 2024 and 2023, the District had deposits with a financial institution with a carrying amount of $2,892,382 and $3,475,219, respectively.

Investments

The Board of Directors has adopted an investment policy, which specifies investment instruments meeting defined rating and risk criteria in which the District may invest, which include:

- Direct obligations of the United States with a maximum maturity of five years.
- Obligations of U.S. Government Agencies with a maximum maturity of five years.
- Securities of entities or organizations not listed above, but created by, or authorized to be created by legislation of the U.S. Congress where the issuing agency is subject to control by the federal government.
- General and revenue obligations of any state of the United States, the District of Columbia, the territorial possessions of the U.S., or political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental agencies. These securities must be rated in the highest two rating categories by two or more nationally recognized rating agencies in the case of general obligations and the highest rated category in the case of revenue obligations. The period from the settlement date to its maturity shall be no longer than five years.
- The District's own securities including certificates of participation and lease obligations.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

- Local government investment pools.
- Repurchase agreements for any of the U.S. Government and agency securities listed above.
- Reverse repurchase agreements for any of the U.S. Government and agency securities listed above.
- Securities lending agreement, subject to certain statutory conditions including that necessary transfer documents must be transferred to the investing public entity.
- Certain money market funds subject to statutory conditions including: registration of the fund under the federal "Investment Company Act of 1940;" that the fund seeks to maintain a constant share price.
- Certain guaranteed investment contracts rated in one of the two highest rating categories by two or more nationally recognized securities ratings agencies that regularly issue such ratings.
- U.S. dollar denominated corporate or bank security, issued by a corporation or bank organized and operating within the United States; the debt must mature within three years; the debt must carry at least two ratings not below "AA- or Aa3" from any nationally recognized rating agency; if the security is a money market instrument such as commercial paper or bankers' acceptance, then it must carry at least two credit ratings from any nationally recognized credit rating agency and must not be rated below "A1, P1, or F1"; and the book value of the local government's investment in this type of debt shall at no time exceed 50% of the government's investment portfolio, or if 5% of the book value of the debt is issued by a single corporation or bank unless the governing body authorizes a greater percent.

District policy is to hold investments until maturity.

Interest Rate Risk

The District has adopted an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, which is consistent with state statutes. Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

Cash deposits and cash equivalents held by the District were as follows at December 31:

	2024	2023
Cash on Hand	$ 1,000	$ 1,000
Bank Deposits	2,892,382	3,475,219
Local Government Investment Pool	9,632,268	11,259,588
Total Cash and Cash Equivalents	$ 12,525,650	$ 14,735,807

Investments held by the District at December 31, 2024, were as follows:

	S & P Rating	Moody's Rating	Fair Value	Weighted Average Years to Maturity	Concentration of Credit Risk	
U.S. Instrumentality and Treasury Notes:						
FHLB	AA+	Aaa	$ 2,983,076	2.37	10.03%	
FREDDIE MAC	AA+	Aaa	499,673	0.16	1.68%	
Treasury Notes	AA+	Aaa	11,765,035	2.11	39.57%	
FFCB	AA+	Aaa	2,587,117	1.60	8.70%	
Corporate Notes	AA- to AAA	Aa2 to Aaa	2,263,400	1.81	7.61%	*
Total			$ 20,098,301			

* No individual issuer compromised 5% or more of the total investments.

Investments held by the District at December 31, 2023, were as follows:

	S & P Rating	Moody's Rating	Fair Value	Weighted Average Years to Maturity	Concentration of Credit Risk	
U.S. Instrumentality, Municipal Bonds, and Treasury Notes:						
FHLB	AA+	Aaa	$ 2,488,633	0.82	10.03%	
FANNIE MAE	AA+	Aaa	969,535	0.96	3.91%	
FREDDIE MAC	AA+	Aaa	1,243,660	0.75	5.01%	
Treasury Notes	AA+	Aaa	5,869,514	1.2	23.66%	
FFCB	AA+	Aaa	2,585,832	1.23	10.42%	
Corporate Bonds	A+ to AA+	A1 to Aa3	396,104	1.69	1.60%	*
Total			$ 13,553,278			

* No individual issuer compromised 5% or more of the total investments.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value of Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs for an asset or liability.

The District had the following fair value measurements as of December 31, 2024:

		Fair Value Measurements Using		
	Total	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Government Bonds	$ 11,765,035	$ 11,765,035	$ -	$ -
Government Agencies	6,069,866	-	6,069,866	-
Corporate Bonds	2,263,400	-	2,263,400	-
Total Investments by Fair Value	$ 20,098,301	$ 11,765,035	$ 8,333,266	$ -

The District had the following fair value measurements as of December 31, 2023:

		Fair Value Measurements Using		
	Total	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Government Bonds	$ 5,869,514	$ 5,869,514	$ -	$ -
Government Agencies	7,287,660	-	7,287,660	-
Corporate Bonds	396,104	-	396,104	-
Total Investments by Fair Value	$ 13,553,278	$ 5,869,514	$ 7,683,764	$ -

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Local Government Investment Pools

At December 31, 2024 and 2023, the District had invested $9,632,268 and $11,259,588, respectively, in COLOTRUST, a local government investment pool. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. COLOTRUST is exempt from registration with the Securities and Exchange Commission. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios are rated AAAm by Standard and Poor's and may invest in U.S. Treasury Securities, repurchase agreements collateralized by U.S. Treasury Securities and the highest rated commercial paper. Wells Fargo Bank serves as custodian for COLOTRUST's portfolios and provides services as the depository in connection with direct investments owned by COLOTRUST. COLOTRUST is measured at Net Asset Value (NAV). There are no unfunded commitments, the redemption frequency is daily, and there is no redemption period. Separate financial statements can be obtained by going to www.colotrust.com.

NOTE 3 RESTRICTED ASSETS

Amounts shown as restricted assets have been; 1) restricted by bond indentures to be used for specified purposes; or 2) restricted by allotment contracts for future capital construction. The following is a summary of restricted assets at December 31:

	2024	2023
Debt Service Account:		
Paying Current Principal and Interest on Bonds and Loan	$ 3,299,306	$ 3,298,073
Total Restricted Assets	$ 3,299,306	$ 3,298,073

The following amounts have been designated by Board resolutions to be used for specific purposes. These amounts have been included in unrestricted cash and cash equivalents and unrestricted investments at December 31:

	2024	2023
Board-Designated Funds:		
Replacement Fund	$ 2,850,275	$ 5,793,698
Water Acquisition Fund	6,870,986	2,780,476
Capital Fund	9,980	647,476
Dental Fund	10,000	10,000
Total Designated Funds	$ 9,741,241	$ 9,231,650

NOTE 4 RECEIVABLES

Receivables consist of the following at December 31:

	2024	2023
Water Service	$ 725,164	$ 595,824
Developer Agreements Receivable	633,000	1,092,500
Other Receivables	124,884	162,310
Total Current Receivables	$ 1,483,048	$ 1,850,634

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital Assets, Not Being Depreciated:					
Land, Easements and Water Rights	$ 49,436,733	$ -	$ -	$ -	$ 49,436,733
Construction in Progress	20,681,278	8,575,395	(5,425,000)	(282,928)	23,548,745
Total Capital Assets, Not Being Depreciated	70,118,011	8,575,395	(5,425,000)	(282,928)	72,985,478
Capital Assets, Being Depreciated:					
Transmission and Distribution System	89,886,397	156,601	(282,928)	282,928	90,042,998
Facilities	37,997,973	-	-	-	37,997,973
Vehicles and Equipment	1,549,211	301,045	-	-	1,850,256
Furniture and Equipment	1,137,357	169,134	-	-	1,306,491
Water Service Agreement	1,500,000	-	-	-	1,500,000
Total Capital Assets, Being Depreciated	132,070,938	626,780	(282,928)	282,928	132,697,718
Less: Accumulated Depreciation					
Transmission and Distribution System	(36,572,720)	(2,097,362)	97,852	-	(38,572,230)
Facilities	(9,704,765)	(963,592)	-	-	(10,668,357)
Vehicles and Equipment	(1,079,534)	(88,339)	-	-	(1,167,873)
Furniture and Equipment	(504,611)	(138,032)	-	-	(642,643)
Water Service Agreement	(1,500,000)	-	-	-	(1,500,000)
Total Accumulated Depreciation	(49,361,630)	(3,287,325)	97,852	-	(52,551,103)
Total Capital Assets, Being Depreciated, Net	82,709,308	(2,660,545)	(185,076)	-	80,146,615
Total Capital Assets, Net	$ 152,827,319	$ 5,914,850	$ (5,610,076)	$ -	$ 153,132,093

NOTE 5 CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital Assets, Not Being Depreciated:					
Land, Easements and Water Rights	$ 49,436,733	$ -	$ -	$ -	$ 49,436,733
Construction in Progress	13,575,976	7,105,302		-	20,681,278
Total Capital Assets, Not Being Depreciated	63,012,709	7,105,302	-	-	70,118,011
Capital Assets, Being Depreciated:					
Transmission and Distribution System	87,471,419	2,439,181	(24,203)	-	89,886,397
Facilities	37,786,594	218,341	(6,962)	-	37,997,973
Vehicles and Equipment	1,577,089	92,504	(120,382)	-	1,549,211
Furniture and Equipment	1,078,992	85,277	(26,912)	-	1,137,357
Water Service Agreement	1,500,000	-	-	-	1,500,000
Total Capital Assets, Being Depreciated	129,414,094	2,835,303	(178,459)	-	132,070,938
Less: Accumulated Depreciation					
Transmission and Distribution System	(34,412,884)	(2,166,340)	6,504		(36,572,720)
Facilities	(8,748,638)	(959,504)	3,377		(9,704,765)
Vehicles and Equipment	(1,134,878)	(56,413)	111,757		(1,079,534)
Furniture and Equipment	(365,664)	(165,859)	26,912		(504,611)
Water Service Agreement	(1,500,000)				(1,500,000)
Total Accumulated Depreciation	(46,162,064)	(3,348,116)	148,550	-	(49,361,630)
Total Capital Assets, Being Depreciated, Net	83,252,030	(512,813)	(29,909)	-	82,709,308
Total Capital Assets, Net	$ 146,264,739	$ 6,592,489	$ (29,909)	$ -	$ 152,827,319

NOTE 6 LONG-TERM DEBT

A summary of the District’s long-term debt is as follows:

Description	2024	2023
2014 Loan - Colorado Water Resources and Power Development Authority (CWR&PDA) $29,900,336 May 1, 2014, CWR&PDA Loan, from the state of Colorado Drinking Water Revolving Fund, with escalating principal payments throughout the life of the loan. Interest with a rate of 2.80% along with principal and an administrative fee of 0.8% are payable semi-annually on February 1 and August 1. The proceeds were used to finance upgrades to the existing Dodd Water Treatment Plant.	$ 15,930,580	$ 17,374,276

NOTE 6 LONG-TERM DEBT (CONTINUED)

Description	2024	2023
2014 Loan - Colorado Water Resources and Power Development Authority (CWR&PDA) $29,900,336 May 1, 2014, CWR&PDA Loan, from the state of Colorado Drinking Water Revolving Fund, with escalating principal payments throughout the life of the loan. Interest with a rate of 2.80% along with principal and an administrative fee of 0.8% are payable semi-annually on February 1 and August 1. The proceeds were used to finance upgrades to the existing Dodd Water Treatment Plant.	$ 15,930,580	$ 17,374,276
2018 Loan - Colorado Water Resources and Power Development Authority $3,100,000 October 23, 2018, CWR&PDA Loan, with escalating principal payments throughout the life of the loan. Interest with a rate of 2.00% along with principal are payable semi-annually on May 1 and November 1. The proceeds were used to finance the connection to the Southern Water Supply Pipeline II (SWSPII) at the Dodd Water Treatment Plant, including hydropower generation.	2,115,063	2,244,774
2018 Loan - Colorado Water Conservation Board $10,000,000 February 22, 2018, state of Colorado acting by and through the Colorado Water Conservation Board, with escalating principal payments through the life of the loan. Interest with a rate of 2.75% along with principal are payable annually on February 1. The proceeds were used to finance the District's portion of the construction costs for the SWSPII project.	8,823,068	9,226,068
Subtotal	26,868,711	28,845,118
Unamortized Bond Premium	126,873	140,347
Total Long-Term Debt	$ 26,995,584	$ 28,985,465

NOTE 6 LONG-TERM DEBT (CONTINUED)

Long-term debt activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
2014 CWR&PDA Loan	$ 17,374,276	$ -	$ (1,443,696)	$ 15,930,580	$ 1,457,155
2018 CWR&PDA Loan	2,244,774	-	(129,711)	2,115,063	132,319
2018 CWCB Loan	9,226,068	-	(403,000)	8,823,068	414,083
Compensated Absences	194,740	119,833	-	314,573	156,668
Total	29,039,858	$ 119,833	$ (1,976,407)	27,183,284	$ 2,160,225
Current Portion of Long-Term Debt	(2,133,075)			(2,160,225)	
Unamortized Bond Premium	140,347			126,872	
Noncurrent Portion of Long-Term Debt	$ 27,047,130			$ 25,149,931	

The annual requirements to amortize all debt outstanding is as follows:

Year Ending December 31,	Principal	Interest	Total
2025	$ 2,003,557	$ 654,974	$ 2,658,531
2026	2,025,292	630,577	2,655,869
2027	2,047,779	606,414	2,654,193
2028	2,105,256	552,424	2,657,680
2029	2,158,122	497,597	497,597
2030-2034	11,732,793	1,549,822	13,282,615
2035-2039	3,534,736	444,697	3,979,433
2040-2043	1,261,176	52,259	1,313,435
Total	$ 26,868,711	$ 4,988,764	$ 29,699,353

The above principal payments for the 2014 and 2018 loans with Colorado Water Resources and Power Development Authority and the 2018 loan with the Colorado Water Conservation Board are for the total amount of debt service payments.

Long term debt activity for the year December 31, 2023 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
2014 CWR&PDA Loan	$ 18,809,513	$ -	$ (1,435,237)	$ 17,374,276	$ 1,443,696
2018 CWR&PDA Loan	2,371,929	-	(127,155)	2,244,774	129,711
2018 CWCB Loan	9,618,283	-	(392,215)	9,226,068	403,000
Compensated Absences	198,946	-	(4,206)	194,740	156,668
Total	30,998,671	$ -	$ (1,958,813)	29,039,858	$ 2,133,075
Current Portion of Long-Term Debt	(2,065,967)			(2,133,075)	
Unamortized Bond Premium	153,820			140,347	
Noncurrent Portion of Long-Term Debt	$ 29,086,524			$ 27,047,130	

The change in the compensated absence liability is presented as a net change.

NOTE 7 RATE MAINTENANCE

The District's 2014 loan agreement with the CWR&PDA requires the District to establish, levy and collect rents, rates, and other charges for the products and services provided by the system in an amount sufficient to: (1) meet the operation and maintenance expenses of the system, (2) to comply with all covenants in the loan resolution, and (3) pay at least 110% of debt service on the CWR&PDA loan and any debt service on any indebtedness payable on a parity with the lien or charge of this loan agreement.

The following calculation shows the District's compliance with this loan agreement for the year ended December 31, 2024:

Operating Revenues	$ 14,683,131
Capital Contributions	2,076,959
Subtotal	16,760,090
Operation and Maintenance Expense	(6,689,356)
Net Revenue as Defined in 2014 CWR&PDA Loan Resolution	$ 10,070,734
2025 Principal Due	$ 1,457,155
2025 Interest Due	370,697
Subtotal	1,827,852
	x 110%
Required Revenue as Defined in 2014 CWR&PDA Loan Resolution	$ 2,010,637

The District's 2018 loan agreement with the CWR&PDA requires the District to establish, levy and collect rents, rates, and other charges for the products and services provided by the system in an amount sufficient to: (1) meet the operation and maintenance expenses of the system, (2) to comply with all covenants in the loan resolution, and (3) pay at least 110% of debt service on the CWR&PDA loan and any debt service on any indebtedness payable on a parity with the lien or charge of this loan agreement.

NOTE 7 RATE MAINTENANCE (CONTINUED)

The following calculation shows the District's compliance with this loan agreement for the year ended December 31, 2024:

Operating Revenues	$ 14,683,131
Capital Contributions	2,076,959
Subtotal	16,760,090
Operation and Maintenance Expense	(6,689,356)
Net Revenue as Defined in 2018 CWR&PDA Loan Resolution	$ 10,070,734
2025 Principal Due	$ 132,319
2025 Interest Due	41,643
Subtotal	173,962
	x 110%
Required Revenue as Defined in 2018 CWR&PDA Loan Resolution	$ 191,358
Required Revenue for the 2014 and 2018 CWR&PDA Loans	$ 2,201,995

The District's 2018 loan agreement with the CWCB requires the District to establish, levy and collect rents, rates, and other charges for the products and services provided by the system in an amount sufficient to: (1) meet the operation and maintenance expenses of the system, (2) to comply with all covenants in the loan resolution, and (3) pay annual amount of debt service on the CWCB loan and any debt service on any indebtedness payable on a parity with the lien or charge of this loan agreement.

The following calculation shows the District's compliance with this loan agreement for the year ended December 31, 2024:

Operating Revenues	$ 14,683,131
Capital Contributions	2,076,959
Subtotal	16,760,090
Operation and Maintenance Expense	(6,689,356)
Net Revenue as Defined in 2018 CWCB Loan Resolution	$ 10,070,734
2025 Principal Due	$ 414,083
2025 Interest Due	242,634
Subtotal	656,717
	x 100%
Required Revenue as Defined in 2018 CWCB Loan Resolution	$ 656,717

NOTE 8 LEASE RECEIVABLES

The District leases cell tower locations to various organizations with initial terms ranging from 3 to 25 years. The District used the incremental borrowing rate of 4.90% to calculate the present value of expected lease payments.

The District received $62,880 and $47,488 of lease principal payments for the years ended December 31, 2024 and 2023, respectively.

Future minimum rental payments to be received on noncancellable leases are contractually due as follows:

Year Ending December 31,	Principal	Interest	Total
2025	$ 55,277	$ 29,870	$ 85,147
2026	60,369	27,215	87,584
2027	66,695	24,241	90,936
2028	69,895	21,041	90,936
2029	74,569	17,687	92,256
2030-2034	254,728	42,418	297,146
2035	62,363	7,333	69,696
Total	$ 643,896	$ 169,805	$ 813,701

NOTE 9 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan Description

Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code.

Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 9 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits Provided

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2022, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive postretirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 will receive an annual increase of 1.00% unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lessor of an annual increase of 1.00% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The automatic adjustment provision may raise or lower the aforementioned annual increase by up to .25% based on the parameters specified C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formulas shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

NOTE 9 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)

General Information about the Pension Plan (Continued)

Contributions

Contributions provisions as of December 31, 2023: Eligible employees of the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413.

Contributions provisions as of December 31, 2024: Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates for the period of January 1, 2022 through June 30, 2022 were 8.5%, and July 1, 2022 through December 31, 2023 were 9.00%.Employer contribution rates for the period of January 1, 2022 through December 31, 2024 are summarized in the table on the next page:

	January 1, 2023 Through December, 2023	January 1, 2024 Through December 31, 2024
Employer Contribution Rate[1]	11.00%	11.00%
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)[1]	(1.02%)	(1.02%)
Amount Apportioned to the LGDTF[1]	9.98%	9.98%
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411[1]	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as Specified in C.R.S. § 24-51-415	0.06%	0.08%
Total Employer Contribution Rate to the LGDTF[1]	13.74%	13.76%

Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were $326,231 and $314,108 for the years ended December 31, 2024 and 2023, respectively.

NOTE 9 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2024, the District reported a liability of $1,910,117 for its proportionate share of the net pension liability. The net pension liability for the District was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022.

Standard update procedures were used to roll forward the total pension liability to December 31, 2023. The District's proportion of the net pension asset was based on the District's contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2024, the District's proportion was 0.2602194334%, which was an increase of 0.0014476138% from its proportion measured as of December 31, 2023.

For the years ended December 31, 2024, and 2023, the District recognized pension income of $75,750 and pension income of $133,296 respectively. On December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 103,370	$ 1,962
Changes of Assumptions or Other Inputs	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	557,762	-
Changes in Proportion and Difference Between Contributions Recognized and Proportionate Share Shares of Contributions	4,330	14,420
Contributions Subsequent to the Measurement Date	326,231	-
Total	$ 991,693	$ 16,382

On December 31, 2023, the District reported a liability of $2,594,351 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022.

NOTE 9 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

On December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ -	$ 12,933
Changes of Assumptions or other Inputs	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,051,374	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	-	94,985
Contributions Subsequent to the Measurement Date	314,108	-
Total	$ 1,365,482	$ 107,918

As of December 31, 2024, $326,231 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2025	$ 96,085
2026	236,222
2027	470,414
2028	(153,641)
2029	-
Total	$ 649,080

NOTE 9 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Actuarial Assumptions

The total pension liability (TPL) in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.20 - 11.30%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007	1.00% Compounded
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

[1] Postretirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

NOTE 9 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every four to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

NOTE 9 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Discount rate. The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the middle of the year.

NOTE 9 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Based on the above assumptions and methods, the LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

For the years ended December 31, 2023 and 2022, the following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate for 2023 and 2022:

	Year Ended December 31, 2024		
Discount Rate	One Percent Decrease (6.25%)	Current Discount Rate (7.25%)	One Percent Increase (8.25%)
Proportionate Share of the Net Pension Liability (Asset)	$ 3,744,042	$ 1,910,117	$ 373,907

	Year Ended December 31, 2023		
Discount Rate	One Percent Decrease (6.25%)	Current Discount Rate (7.25%)	One Percent Increase (8.25%)
Proportionate Share of the Net Pension Liability (Asset)	$ 4,355,262	$ 2,594,351	$ 1,120,177

Pension Plan Fiduciary Net Position

Detailed information about the LGDTF's fiduciary net position is available in PERA's annual comprehensive financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan Description

Eligible employees of the District are provided with OPEB through the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report(ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit.

For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four divisions (State Division, School Division, Local Government Division and Judicial Division Trust Funds), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

General Information about the OPEB Plan (Continued)

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy if enrolled in a health care plan under PERACare.

Enrollment in PERACare is voluntary and available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $24,183 and $23,318 for the years ended December 31, 2024 and 2023, respectively.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2024 and 2023, the District reported a liability of $147,653 and $170,535 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF. At December 31, 2023, the District's proportion was 0.0206875923%, which was an decrease of 0.0001990641% from its proportion measured as of December 31, 2022.

For the years ended December 31, 2024 and 2023, the District recognized OPEB expense (income) of $(6,656) and $181, respectively. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ -	$ 30,263
Changes of Assumptions or other Inputs	1,736	15,656
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	4,567	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Shares of Contributions	2,952	11,966
Contributions Subsequent to the Measurement Date	24,183	-
Total	$ 33,438	$ 57,885

At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 22	$ 41,241
Changes of Assumptions or other Inputs	2,741	18,822
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	10,415	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	5,657	14,494
Contributions Subsequent to the Measurement Date	23,318	-
Total	$ 42,153	$ 74,557

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

$24,183 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount
2025	$ (18,297)
2026	(11,833)
2027	(5,896)
2028	(9,244)
2029	(2,764)
Thereafter	(596)
Total	$ (48,630)

Actuarial Assumptions

The total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.20%-11.30%
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	6.5% in 2022, gradually decreasing to 4.50% in 2033
Medicare Part A Premiums	3.50% for 2023, gradually increasing to 4.50% in 2035

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing costs between employers of each fund to that point.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.20%	2.30%
69	2.80%	2.20%
70	2.70%	1.60%
71	3.10%	0.50%
72	2.30%	0.70%
73	1.20%	0.80%
74	0.90%	1.50%
75-85	0.90%	1.30%
86 and older	0.00%	0.00%

	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
Sample	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Age	Male	Female	Male	Female	Male	Female
65	$1,692	$1,406	$579	$481	$1,913	$1,589
70	$1,901	$1,573	$650	$538	$2,149	$1,778
75	$2,100	$1,653	$718	$566	$2,374	$1,869

	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
Sample	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Age	Male	Female	Male	Female	Male	Female
65	$6,469	$5,373	$4,198	$3,487	$6,719	$5,581
70	$7,266	$6,011	$4,715	$3,900	$7,546	$6,243
75	$8,026	$6,319	$5,208	$4,101	$8,336	$6,563

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

The 2023 Medicare Part A premium is $506 per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022. Valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

The post-retirement non-disabled mortality assumption were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.

- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.

- The health care cost trend rates appliable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board’s actuary, as discussed above.

The actuarial assumptions used in the December 31, 2022, valuation was based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions and were adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
Global Equity	54.00 %	5.60%
Fixed Income	23.00 %	1.30%
Private Equity	8.50 %	7.10%
Real Estate	8.50 %	4.40%
Alternatives	6.00 %	4.70%
Total	100.00 %	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Sensitivity of the District's Proportionate Share of the net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	Year ended December 31, 2024		
	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liabi	$ 143,415	$ 147,653	$ 152,263

	Year ended December 31, 2023		
	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liabi	$ 165,708	$ 170,535	$ 175,787

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	Year ended December 31, 2024		
Discount Rate:	**1% Decrease (6.25%)**	**Current Discount Rate (7.25%)**	**1% Increase (8.25%)**
Proportionate Share of the Net OPEB Liability	$ 174,396	$ 147,653	$ 124,773

	Year ended December 31, 2023		
Discount Rate:	**1% Decrease (6.25%)**	**Current Discount Rate (7.25%)**	**1% Increase (8.25%)**
Proportionate Share of the Net OPEB Liability	$ 165,718	$ 170,535	$ 164,941

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 11 VOLUNTARY INVESTMENT PROGRAM

Description

Employees of the District who are members of the LGDTF (see Note 9) may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the PERA Board of Trustees. PERA issues a publicly available annual comprehensive financial report for the 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 11 VOLUNTARY INVESTMENT PROGRAM (CONTINUED)

Funding Policy

The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS ($23,000 for the calendar year 2024 and $22,500 for the calendar year 2023). Catch-up contributions up to $7,500 and $7,500 for calendar years 2024 and 2023, respectively, were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC 414(v). The contribution requirements for the District are established under Title 24, Article 51, Section 1402 of the CRS, as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the years ended December 31, 2024 and 2023, the 401(k) Plan member contributions were $203,044 and $186,491, respectively. The District recorded pension expense related to their contributions for the years ended December 31, 2024 and 2023 of $104,005 and $105,612. These amounts are included in the employee benefits and taxes line item on the financial statements.

NOTE 12 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or natural disasters. The District carries commercial insurance for all risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

NOTE 13 RELATED PARTY TRANSACTIONS

The District has an agreement with the Left Hand Ditch Company to transfer and exchange Northern Colorado Water Conservancy District (Big T) water and Left Hand Ditch Company water pursuant to certain restrictive terms and conditions. This agreement is automatically renewable unless terminated by written mutual agreement between the parties. As of December 31, 2024, the District owns approximately 17% of Left Hand Ditch Company water shares.

NOTE 14 TABOR COMPLIANCE

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

NOTE 14 TABOR COMPLIANCE (CONTINUED)

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

TABOR excludes from its provisions enterprise funds. Enterprise funds, defined as government-owned businesses authorized to issue revenue bonds and receiving less than

10% of their annual revenue in grants from all state and local governments combined, are excluded from certain provisions of TABOR.

Because the District qualifies as an enterprise fund, the District’s management believes it is excluded from 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 will require judicial interpretation.

REQUIRED SUPPLEMENTARY INFORMATION

LEFT HAND WATER DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan Measurement Date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
District's Proportion of the Net Pension Liability	0.2602194334%	0.2587718196%	0.2854041079%	0.2900737868%	0.2881126485%	0.2716711225%	0.2823013025%	0.2693165236%	0.2852232665%	0.2848006488%
District's Proportional Share of the Net Pension Liability (Asset)	$ 1,910,117	$ 2,594,351	$ (244,697)	$ 1,511,653	$ 2,107,230	$ 3,415,481	$ 3,143,227	$ 3,636,691	$ 3,141,965	$ 2,552,694
District's Covered Payroll	$ 2,286,077	$ 2,119,505	$ 2,123,666	$ 2,048,275	$ 1,984,072	$ 1,781,873	$ 1,780,481	$ 1,632,395	$ 1,619,847	$ 1,560,580
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	83.55%	122.40%	-11.52%	73.80%	106.21%	191.68%	176.54%	222.78%	193.97%	163.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.03%	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.65%	76.87%	80.72%

LEFT HAND WATER DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
2015 – 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	$ 326,231	$ 314,108	$ 285,182	$ 280,323	$ 264,786	$ 251,577	$ 225,942	$ 225,765	$ 206,988	$ 205,397
Contributions in Relation to the Statutorily Required Contribution	326,231	314,108	285,182	280,323	264,786	251,577	225,942	225,765	206,988	205,397
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 2,370,859	$ 2,286,007	$ 2,119,505	$ 2,123,656	$ 2,048,275	$ 1,984,072	$ 1,781,873	$ 1,780,481	$ 1,632,395	$ 1,619,847
Contributions as a Percentage of Covered Payroll	13.76%	13.74%	13.46%	13.20%	12.93%	12.68%	12.68%	12.68%	12.68%	12.68%

LEFT HAND WATER DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
LAST TEN FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017
Plan Measurement Date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
District's Proportion of the Net OPEB Liability	0.0206875923%	0.0208866560%	0.0221865027%	0.0221495890%	0.0220658883%	0.0210681167%	0.0219361185%	0.0206737052%
District's Proportional Share of the Net OPEB Liability	$ 147,653	$ 170,535	$ 191,315	$ 210,471	$ 248,020	$ 286,641	$ 285,082	$ 268,042
District's Covered Payroll	$ 2,286,077	$ 2,119,505	$ 2,123,666	$ 2,048,275	$ 1,984,072	$ 1,781,873	$ 1,780,481	$ 1,632,395
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	6.46%	8.00%	9.01%	10.28%	12.50%	16.09%	16.01%	16.42%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.20%	38.60%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

* Information for the prior 10 years was not available to report. However, until a full 10-year trend is compiled, the District will present information for only those years for which information is available.

LEFT HAND WATER DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
2015 – 2023

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	$ 24,183	$ 23,318	$ 21,619	$ 21,661	$ 20,892	$ 20,238	$ 18,175	$ 18,165	$ 16,650	$ 16,522
Contributions in Relation to the Statutorily Required Contribution	24,183	23,318	21,619	21,661	20,892	20,238	18,175	18,165	16,650	16,522
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 2,370,859	$ 2,286,077	$ 2,119,505	$ 2,123,656	$ 2,048,275	$ 1,984,072	$ 1,781,873	$ 1,780,481	$ 1,632,395	$ 1,619,847
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

NOTE 1 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

Changes in assumptions or other input effective for the December 31, 2023 measurement period are as follows:

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus $10 million from the General Fund, totaling $14.561 million.

- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

There were no changes in terms or assumptions for the December 31, 2022 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2021 measurement period are as follows:

- The projected benefit payments reflect the lowered annual increase cap from 1.25% to 1%, resulting from the 2020 AAP assessment, effective July 1, 2022.

- Assumptions on employer and employee contributions were updated to include the additional 0.50% resulting from the 2020 AAP assessment, effective July 1, 2022.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.

- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.

- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.

NOTE 1 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
  - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

Changes in assumptions or other input effective for the December 31, 2019 measurement period are as follows:

- The assumption used to value the annual increase (AI) cap benefit provision was changed from 1.50% to 1.25%.

NOTE 1 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

Changes in assumptions or other inputs effective for the December 31, 2018 measurement period are as follows:

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%

Changes in assumptions or other inputs effective for the December 31, 2017 measurement period are as follows:

- The discount rate was lowered from 5.26% to 4.72%.

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

There were no changes in terms or assumptions for the December 31, 2015 measurement period for pension compared to the prior year.

There were no changes in terms or assumptions for the December 31, 2014 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2013 measurement period are as follows:

- The investment return assumption was lowered from 8.00% to 7.50%
- The price inflation assumption was lowered from 3.50% to 2.80%
- The wage inflation assumption was lowered from 4.25% to 3.90%

NOTE 2 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

Changes in assumptions or other input effective for the December 31, 2023 measurement period are as follows:

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

Changes in assumptions or other input effective for the December 31, 2022 measurement period are as follows:

- Per capital health costs were developed by plan option based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend.

- Health care cost trend rates were revised to reflect an expectation of future increases in rates of inflation.

There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.

- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.

- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.

- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.

NOTE 2 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)

- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.

- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
  - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
  - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
  - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

There were no changes in assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB.

There were no changes in assumptions or other inputs effective for the December 31, 2018 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB.

SUPPLEMENTARY INFORMATION

LEFT HAND WATER DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2024

	2024 BUDGET	2024 ACTUAL	VARIANCE WITH FINAL BUDGET
OPERATING FUND			
SOURCES OF FUNDS			
Operating Revenue	13,850,000	14,563,754	713,754
Non-Operating Revenue	864,920	1,137,342	272,422
Transfers from Capital Fund	912,450	912,446	(4)
TOTAL SOURCES OF FUNDS	***15,627,370***	***16,613,542***	***986,172***
USES OF FUNDS			
Operating Expenditures	7,626,730	7,085,896	540,834
Non-Operating Expenditures	69,500	55,835	13,665
Debt Service	2,646,420	2,627,131	19,289
Capital Expenditures	676,000	525,193	150,807
Transfers to Other Funds	2,200,000	2,200,000	-
TOTAL USES OF FUNDS	***13,218,650***	***12,494,055***	***724,595***
NET INCREASE/(DECREASE) IN FUND	**2,408,720**	**4,119,487**	**1,710,767**
CAPITAL FUND			
SOURCES OF FUNDS			
Customer Tap and Line Fees	1,707,500	274,950	(1,432,550)
TOTAL SOURCES OF FUNDS	***1,707,500***	***274,950***	***(1,432,550)***
USES OF FUNDS			
Transfers to Operating Fund	912,450	912,446	4
TOTAL USES OF FUNDS	***912,450***	***912,446***	***4***
NET INCREASE/(DECREASE) IN FUND	**795,050**	**(637,496)**	**(1,432,546)**

LEFT HAND WATER DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL (BUDGETARY BASIS) (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	2024 BUDGET	2024 ACTUAL	VARIANCE WITH FINAL BUDGET
REPLACEMENT FUND			
SOURCES OF FUNDS			
Transfers from Operating Fund	2,200,000	2,200,000	-
Contributions in Aid of Construction	1,500,000	128,082	(1,371,918)
TOTAL SOURCES OF FUNDS	***3,700,000***	***2,328,082***	***(1,371,918)***
USES OF FUNDS			
Construction	6,330,000	5,271,506	1,058,494
TOTAL USES OF FUNDS	***6,330,000***	***5,271,506***	***1,058,494***
NET INCREASE/(DECREASE) IN FUND	**(2,630,000)**	**(2,943,424)**	**(2,430,412)**
WATER ACQUISITION FUND			
SOURCES OF FUNDS			
Customer Tap Fees	3,410,000	2,009,760	(1,400,240)
Transfer of NISP Units	-	5,425,000	5,425,000
TOTAL SOURCES OF FUNDS	***3,410,000***	***7,434,760***	***4,024,760***
USES OF FUNDS			
NISP Participation	3,344,250	3,344,250	-
TOTAL USES OF FUNDS	***3,344,250***	***3,344,250***	***-***
NET INCREASE/(DECREASE) IN FUND	**65,750**	**4,090,510**	**4,024,760**

LEFT HAND WATER DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL (BUDGETARY BASIS) (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	2024 BUDGET	2024 ACTUAL	VARIANCE WITH FINAL BUDGET
CONSOLIDATED FUNDS			
SOURCES OF FUNDS			
Operating Fund	15,627,370	16,613,542	986,172
Capital Fund	1,707,500	274,950	(1,432,550)
Replacement Fund	3,700,000	2,328,082	(1,371,918)
Water Acquisition Fund	3,410,000	7,434,760	4,024,760
TOTAL SOURCES OF FUNDS	***24,444,870***	***26,651,334***	***2,206,464***
Less Interfund Transfers	(3,112,450)	(3,112,446)	4
TOTAL NET SOURCES OF FUNDS	***21,332,420***	***23,538,888***	***2,206,468***
USES OF FUNDS			
Operating Fund	13,218,650	12,494,055	(724,595)
Capital Fund	912,450	912,446	(4)
Replacement Fund	6,330,000	5,271,506	(1,058,494)
Water Acquisition Fund	3,344,250	3,344,250	-
TOTAL USES OF FUNDS	***23,805,350***	***22,022,257***	***(1,783,093)***
Less Interfund Transfers	(3,112,450)	(3,112,446)	4
TOTAL NET USES OF FUNDS	***20,692,900***	***18,909,811***	***(1,783,089)***
NET CONSOLIDATED INCREASE/(DECREASE)	**639,520**	**4,629,077**	**3,989,557**

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Left Hand Water District
Niwot, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Left Hand Water District, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Left Hand Water District's basic financial statements, and have issued our report thereon dated .

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Left Hand Water Districtt's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Left Hand Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of Left Hand Water Districtt's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Directors
Left Hand Water District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Left Hand Water District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
May 7, 2025