PRAIRIE VIEW RANCH WATER DISTRICT
Morgan County, Colorado

FINANCIAL STATEMENTS
DECEMBER 31, 2024

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THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Prairie View Ranch Water District
Morgan County, Colorado

Opinions

We have audited the accompanying financial statements of the Prairie View Ranch Water District (the District) as of and for the year ended December 31, 2024, 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 respective financial position of the District, as of December 31, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Note 6 to the financial statements, the District's beginning net position was restated due to a correction of error in the prior period. Our opinion is not modified with respect to this matter.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Adams Group, LLC

Greenwood Village, Colorado
October 29, 2025

BASIC FINANCIAL STATEMENTS

PRAIRIE VIEW RANCH WATER DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024

Assets		
Current assets		
Cash	$	56,128
Accounts receivable		5,879
Prepaids		10,000
Total current assets		72,007
Total assets		72,007
Liabilities		
Current liabilities		
Accounts payable		2,234
Total current liabilities		2,234
Total liabilities		2,234
Net Position		
Unrestricted		69,773
Total Net Position	$	69,773

The accompanying notes are an integral part of the financial statements.

PRAIRIE VIEW RANCH WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

Revenues	
Operating revenues	
Charges for services	$ 39,620
Existing service transfer	1,200
Late fees	139
Total operating revenues	40,959
General and administrative expenses	
Administration	4,026
Insurance	300
Legal and professional services	750
ORC services and lab fees	10,577
Testing	730
Water treatment	2,156
Repair and maintenance	3,241
Utilities	4,248
Bad debt expense	2,319
Total expenses	28,347
Gain from operations	12,612
Nonoperating revenues (expenses)	
Interest revenue	18
Total nonoperating revenues (expenses), net	18
Change in net position	12,630
Net position, beginning of year, as previously reported	49,588
Restatement for correction of prior period error	7,555
Net position, beginning of year, as restated	57,143
Net position, end of year	$ 69,773

The accompanying notes are an integral part of the financial statements.

PRAIRIE VIEW RANCH WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

Cash flows from operating activities		
Miscellaneous cash receipts	$	41,049
Payments for general, administrative, and operating expenses		(37,804)
Net provided by operating activities		3,245
Cash flows from noncapital financing activities		
Interest income		18
Net cash provided by noncapital financing activities		18
Net increase in cash and cash equivalents		3,263
Cash and cash equivalents, beginning of year		52,865
Cash and cash equivalents, end of year	$	56,128
Reconciliation of gain from operations to net cash provided by operating activities:		
Gain from operations	$	12,612
Effect of changes in operating assets and liabilities:		
Accounts receivable		90
Prepaids		(10,000)
Accounts payable		543
Net cash used in operating activities	$	3,245

The accompanying notes are an integral part of the financial statements.

NOTE 1 – DEFINITION OF REPORTING ENTITY

Prairie View Ranch Water District (the District or PVRWD), was created pursuant to the provisions of Section 32-4-101 – 32-4-457, C.R.S. The District was created for the purpose of providing water treatment and delivery to subscribers' taps into the main line.

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

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

The District has no employees, and all operations and administrative functions are contracted or performed by the board.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and contributed assets are recorded as capital contributions when received.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The District distinguishes between operating revenues and expenses and non-operating items in the Statement of Revenues, Expenses and Change 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 treatment and delivery to its customers. Operating expenses include the cost of service and administrative expenses. All revenues and expenses not meeting the definition of operating revenues and expenses, including contributed revenue and intergovernmental revenue, are reported as non-operating revenues and expenses.

Budgets

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Cash Deposits

The District considers cash deposits and short-term investments with original maturities of three months or less from the date of acquisition to be cash and cash equivalents.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

Capital Assets

Capital assets reported by the District could include land and easements, water rights, land improvements (e.g. pipelines, roads, wells, and similar items), buildings, equipment and vehicles. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at acquisition value except for those assets that have been contributed, which are recorded at estimated acquisition value at the date of contribution. The costs of water rights include acquisition and engineering costs related to the development and augmentation of those rights.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. The District had no capital assets for the year ended December 31, 2024.

Long-Term Obligations

In the proprietary fund statements, long-term obligations are reported as liabilities when new debt is issued. Premium and discounts are deferred and amortized over the life of the debt using the effective interest rate method. Debt issuance costs are recorded as an expense in the period they are incurred. The District had no long term obligations for the year ended December 31, 2024.

Net Position

The financial statements utilize a net position presentation categorized as net investment in capital assets, restricted net position, and unrestricted.

Net investment in capital assets – reflects the portion of net position associated with capital assets, less outstanding capital asset related debt. The District had a $0 balance in net investment in capital assets due to no capital assets nor long term obligations for the year ended December 31, 2024.

Restricted net position – considered restricted if their use is contained to a particular purpose. Restrictions imposed by external organizations. The District had no restricted net position for the year ended December 31, 2024.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

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

NOTE 3 – CASH AND INVESTMENTS

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2024, the District's cash deposits had a bank balance and carrying balance of $56,274 and $56,128.

NOTE 4 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees or acts of God.

The District does not maintain common liability and casualty insurance coverage for these risks nor does it participate in a risk pool. The District retains all risks of loss. No claims or judgements were outstanding at year-end, and no losses have occurred in the past three fiscal years that have exceeded the amounts the District was able to pay. The District's Board believes that the likelihood of material loss is remote.

NOTE 5 – TAX, SPENDING, AND DEBT LIMITATIONS

In 1992, the voters of Colorado approved a constitutional amendment which is codified as Article X, Section 20, of the Colorado Constitution (the Taxpayers Bill of Rights or "TABOR").

In general, TABOR restricts the ability of the state and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR applies to the state and most local governments, but does not apply to "enterprises," defined as government owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined. TABOR also does not apply to local governments or other entities which are not within the definition of a "district" in TABOR.

Pursuant to existing case law, it has been determined that entities such as the District are not "districts" within the meaning of TABOR and therefore TABOR is inapplicable to the District. At the Member District Elections, each Member District's approved election questions authorize such Member District to retain excess revenues which may otherwise be required by TABOR to be refunded to taxpayers. In addition, as required by TABOR, each Member District's obligations under the Establishment Agreement were approved by the voters of the applicable Member District at the applicable Member District Election.

TABOR is complex and subject to interpretation. Many of the provisions will require judicial interpretation. TABOR also could have an impact on the amount of Intergovernmental Revenue's the Member Districts transfer to the District.

NOTE 6 – RESTATEMENT OF BEGINNING NET POSITION

Beginning net position was restated to reflect the implementation of GASB Statement No. 100 *Accounting Changes and Error Corrections.* The restatement resulted from errors in year end bank reconciliations and accruals that understated net position at January 1, 2024. See the impact of the restatement below:

Net position, beginning, as previously reported	$ 49,588
Adjustment to correct prior period error	7,555
Net position, beginning, as restated	$ 57,143

SUPPLEMENTARY INFORMATION

PRAIRIE VIEW RANCH WATER DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	$ 36,000	39,620	$ 3,620
Existing service transfer	1,600	1,200	(400)
Late fees	550	139	(411)
Interest income	-	18	18
Total revenues	38,150	40,977	2,827
Expenditures			
General			
Administration	2,830	4,026	(1,196)
Insurance	400	300	100
Legal and professional services	23,000	750	22,250
ORC services and lab fees	17,000	10,577	6,423
Testing	100	730	(630)
Water treatment	1,200	2,156	(956)
Repair and maintenance	-	3,241	(3,241)
Bad debt expense	-	2,319	(2,319)
Utilities	6,800	4,248	2,552
Total expenditures	51,330	28,347	22,983
Change in net position, budgetary basis	$ (13,180)	$ 12,630	$ 25,810

See the accompanying Independent Auditors' Report.