

**SOUTHWESTERN WATER
CONSERVATION DISTRICT**

ANNUAL FINANCIAL REPORT
And Independent Auditors' Report

DECEMBER 31, 2024





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Independent Auditors' Report

Members of the Board of Directors
Southwestern Water Conservation District

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Southwestern Water Conservation District as of and for the years 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 governmental activities of Southwestern Water Conservation District, as of December 31, 2024, and the respective changes in financial position for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southwestern Water Conservation 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Southwestern Water Conservation 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 Southwestern Water Conservation 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's discussion and analysis and the General Fund budgetary comparison information 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 auditing standards generally accepted in the United States of America, 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.

Haynie & Company

Littleton, Colorado

September 30, 2025

Southwestern Water Conservation District Management's Discussion and Analysis

The Board of Directors of the Southwestern Water Conservation District (the District) offers this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2024. We encourage the readers to consider this Management's Discussion and Analysis (MD&A) in conjunction with the District's Basic Financial Statements and Independent Auditors' Report.

The MD&A is an element of the financial reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

Information

The District was created on April 16, 1941, by the Colorado General Assembly through House Bill #795 (codified at C.R.S. § 37-47-101 et seq.). The District is comprised of nine counties: Archuleta, Dolores, La Plata, Montezuma, San Juan, San Miguel, and parts of Hinsdale, Mineral, and Montrose. Each Board of County Commissioners appoints a representative to the District Board of Directors, which meets bi-monthly. The District's statutory authority is to protect, conserve, use, and develop the water resources of the Southwestern basin for the welfare of the District, and safeguard for Colorado all waters of the basin to which the state is entitled. Following this mandate, the District has assumed a broad strategic role on behalf of its diverse constituents. District representatives advocate for southwestern Colorado's water interests at the local, state, and regional level.

Financial Highlights

- The District's total assets exceeded its liabilities on December 31, 2024, by \$5,450,776. This represented an increase of \$541,760 from the net position at December 31, 2023. This perspective on net position includes spendable resources as well as the investment in land, building improvements, furniture, equipment, and right of use assets of \$67,591, restricted for emergencies \$52,500 and unrestricted of \$5,330,685.
- The District's total liabilities increased \$113,888 and deferred inflows of resources increased \$70,768.
- Total general fund expenditures were \$1,751,040 for the year ended December 31, 2024. This compares with general fund expenditures of \$1,610,817 for the year ended December 31, 2023.
- The District's total revenues on the fund financial statements increased from \$2,030,650 in 2023 to \$2,309,973 in 2024.
- The Board of Directors increased assignments of a portion of the District's year-end general fund balance to SWCD Water Defense to "defend the water resources of the District" from \$2,551,355 in 2023 to \$3,012,129 in 2024, and to SWCD Water Development to "develop and maintain the water resources of the District" from \$1,700,904 in 2023 to \$2,008,086 in 2024.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes on the statements. The statements are organized so the reader can understand the District as a whole and then proceed to provide an increasingly detailed look at specific financial activities.

Southwestern Water Conservation District Management's Discussion and Analysis

The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for the appropriations budget.

The notes to the financial statements provide narrative explanations and additional data needed for full disclosure in the government-wide statements and the fund financial statements.

Reporting the District as a Whole

Government-wide Financial Statements

The analysis of the District's overall financial condition and operations is presented in the Statement of Net Position and the Statement of Activities. Its primary purpose is to show whether the District has met the federal standards. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These statements apply the modified accrual basis of accounting which is the basis used by governmental organizations.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid as consistent with an accrual basis of accounting. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as fees received from individuals and entities from outside the District and grants (program revenues), and revenues provided by taxpayers (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider non-financial factors as well, such as changes in the District's reporting tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, the District is reporting its governmental activities. The District currently has no business-type activities or component units as defined by GASB.

Southwestern Water Conservation District Management's Discussion and Analysis

Governmental activities – the District's financial activities center on protecting, conserving, using, and developing the water resources of the Southwestern basin for the welfare of the District, and safeguarding all waters of the basin to which the state is entitled. The District's revenue consists primarily of funds received from property taxes and specific ownership taxes.

Reporting the District's Fund

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on the activities of the District's individual governmental fund and are divided into two parts: 1) the "modified accrual basis statements" and 2) the "budgetary basis statements".

The financial statements on pages 10 and 12 of the audit focus on assets that can readily be converted into cash in the short term and liabilities that will be settled in the short term. Governmental funds are reported using modified accrual accounting, which recognizes expenditures when the liability is incurred and revenue when measurable and available. The modified accrual accounting method provides a short-term spending focus, which helps the reader assess the amount of financial resources immediately available to finance the District's programs.

The annual budgets shown in the "budgetary basis statements" are prepared as described in the summary of significant accounting policies in the notes to the financial statements. These budgets are presented using the modified accrual basis of accounting and are found in the Required Supplementary Information section.

The "budgetary basis statements" for the General Fund, demonstrate how the District complied with the year's approved budget. The budgetary comparison schedule is presented using the same classifications as those used in the legal budget document.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the governmentwide and fund financial statements.

The notes to the financial statements can be found on pages 17 through 30.

Southwestern Water Conservation District Management's Discussion and Analysis

Government-Wide Financial Analysis

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

	2024	2023 (as restated)	Increase (Decrease)
Assets			
Current assets	\$ 7,481,828	\$ 6,741,764	\$ 740,064
Right of Use Assets	97,907	107,217	(9,310)
Capital Assets	68,612	72,950	(4,338)
<i>Total assets</i>	7,648,347	6,921,931	726,416
Liabilities			
Current liabilities	297,161	170,827	126,334
Long-term liabilities	75,196	87,642	(12,446)
<i>Total liabilities</i>	372,357	258,469	113,888
Deferred Inflows of Resources	1,825,214	1,754,446	70,768
Net Position			
Net investment in capital assets	67,591	72,807	(5,216)
Restricted for emergencies	52,500	46,733	5,767
Unrestricted	5,330,685	4,789,476	541,209
<i>Total net position</i>	\$ 5,450,776	\$ 4,909,016	\$ 541,760

The majority of the District's current assets are invested in cash, investments, and receivables for property taxes. The District has been able to provide for adequate operations without incurring debt. A restricted net position of \$52,500 represents a 3% emergency reserve required by an amendment to the State constitution (TABOR) and is not available for use by the District.

The majority of the District's revenue was from property and specific ownership taxes. The District's net position increased by \$541,760 (see Table II). Unrestricted net position the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements increased \$541,209 from \$4,789,476 in 2023 to \$5,330,685 in 2024 (see Table I).

Southwestern Water Conservation District Management's Discussion and Analysis

	2024	2023 (as restated)	Increase (Decrease)
Revenue			
Property taxes	\$ 1,723,047	\$ 1,624,826	\$ 98,221
Special ownership taxes	143,090	152,414	(9,324)
Interest and penalties	122,893	39,677	83,216
Interest income	188,649	130,097	58,552
Water Information Program	41,835	45,015	(3,180)
Stream Gauging Partner Contributions	45,080	29,415	15,665
Other local sources	45,379	9,206	36,173
<i>Total revenue</i>	2,309,973	2,030,650	279,323
Expenses			
General Government	50,390	39,955	10,435
Administration	415,929	445,633	(29,704)
Water conservation activities	1,182,175	1,055,265	126,910
Water Information Program	114,468	72,167	42,301
<i>Total expenses</i>	1,762,962	1,613,020	149,942
Non-operating Revenues (Expenses):			
Unrealized gain/(loss)	(5,251)	-	(5,251)
<i>Net Non-operating Revenues (Expenses)</i>	(5,251)	-	(5,251)
<i>Change in Net Position</i>	541,760	417,630	
Net Position - beginning of year	4,909,016	4,520,143	
Decrease resulting from preseason seeding invoice	-	(28,757)	
Net Position - end of year	\$ 5,450,776	\$ 4,909,016	

Fund Financial Analysis

The District maintains only one governmental fund, the General Fund, which is the District's operating fund. The General Fund as of December 31, 2024 reported a balance of \$5,398,315, of which \$65,016 of the funds were non-spendable. The District's required 3% reserve for emergencies is \$52,500. The District has an assigned fund balance of \$5,155,044. The remaining fund balance of \$109,629 is available for future commitments and is unassigned fund balance.

The District receives 75% of its funding from property taxes and 6% from specific ownership taxes. Water conservation activities expenditures represent 67% of the District's total expenditures, administration 24% and Water Information Programs 7%.

Budgetary Highlights

Total District's total 2024 actual revenue was \$190,361 more than budgeted. The District's total 2024 actual expenditures of \$1,751,040 were less than budgeted by \$312,246.

Southwestern Water Conservation District Management's Discussion and Analysis

Capital Assets and Long-Term Debt

Capital Assets and Right of Use Assets

The District had no capital assets additions during the year ended December 31, 2024. The District did not enter into any new lease agreements in 2024.

Additional information on the District's capital assets and right of use asset can be found in the notes to the financial statements.

Long-term Debt

The District had no long-term debt during 2024.

Economic Factors And Next Year's Budget

The District will provide the following services during the 2025 budget year: support the conservation, development, and management of water use in southwestern Colorado; safeguard all waters to which the State is equitably entitled; participate in and provide funding for data collection; support, participate in, and lead local policy efforts; represent southwestern Colorado on federal and state policy concerns; and provide a variety of public education on water-related issues. Finally, the District will seek to serve constituents in providing general water information as requested. These activities align with the District's first strategic plan, which was adopted on February 17, 2022, and can be found at www.swwcd.org.

The District's total budgeted revenues for 2025 are projected to be \$2,230,565. Property tax revenues are expected to be approximately \$1,825,214, based on a mill levy of .38. This revenue is based on a combined assessed valuation across nine counties of \$4,806,303,849.

Budgetary Highlights

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of capital outlay, in addition to operations and non-operating revenue and contributions.

- 2024 operating revenue was more than what was budgeted due to increase in interest (higher interest rates).
- 2024 operating expenses were lower due to legal expenses and engineering and other technical services anticipated that did not occur.

Southwestern Water Conservation District Management's Discussion and Analysis

Contacting Southwestern Water Conservation District's Management

This financial report is designed to give its readers a general overview of the District's finances. Questions regarding any information contained in this report or requests for additional financial information should be addressed to: Board of Directors; Southwestern Water Conservation District; 841 East Second Avenue; Durango, CO 81301.

Basic Financial Statements

SOUTHWESTERN WATER CONSERVATION DISTRICT

Statement of Net Position

December 31, 2024

	2024
Assets	
Cash and cash equivalents	\$ 1,887,205
Investments	3,705,083
Deferred property taxes receivable	1,825,214
Other receivables	(690)
Prepaid insurance	65,016
Capital assets, not being depreciated	62,000
Capital assets, net of accumulated depreciation	6,612
Right of use asset, net of accumulated amortization	97,907
Total Current Assets	<u>7,648,347</u>
Current Liabilities	
Accounts payable	\$ 255,206
Accrued expense	18,223
Noncurrent liabilities	
Due within one year	23,732
Due in more than one year	75,196
Total Liabilities	<u>372,357</u>
Deferred Inflows of Resources	
Property taxes	\$ 1,825,214
Total Deferred inflows of resources	<u>1,825,214</u>
Net Position	
Net investment in capital assets	67,591
Restricted - emergency reserves	52,500
Unrestricted	<u>5,330,685</u>
Total Net Position	<u>5,450,776</u>
Total Liabilities and Net Position	<u>\$ 7,648,347</u>

SOUTHWESTERN WATER CONSERVATION DISTRICT

Statement of Activities

December 31, 2024

Functions/Programs	Expenses	Net (Expense) Revenue and Change in Net Position
		Total Governmental Activities
Governmental activities:		
General government	\$ 50,390	\$ (50,390)
Administration	415,929	(415,929)
Water conservation activities	1,182,175	(1,182,175)
Water Information Program	114,468	(114,468)
Total governmental activities	\$ 1,762,962	\$ (1,762,962)
 General revenues (losses)		
Taxes		
Property taxes		1,723,047
Special ownership and other taxes		143,090
Interest and penalties		122,893
Interest income		183,398
Water Information Program		41,835
Stream Gauging Partner Contributions		45,080
Other local sources		45,379
Total general revenues		2,304,722
Change in net position		541,760
Net position, beginning of year, as restated		4,909,016
Net position, end of year		5,450,776

SOUTHWESTERN WATER CONSERVATION DISTRICT

Balance Sheet - Governmental Fund

December 31, 2024

Assets

Cash and cash equivalents	\$	1,887,205
Investments		3,705,083
Deferred property taxes receivable		1,825,214
Other receivables		(690)
Prepaid insurance		65,016
Total Current Assets		<u>7,481,828</u>

Current Liabilities

Accounts payable	\$	255,206
Accrued expense		3,093
Total Liabilities		<u>258,299</u>

Deferred Inflows of Resources

Property taxes	\$	1,825,214
Total Deferred inflows of resources		<u>1,825,214</u>

Fund Balance

Nonspendable, prepaid expenses		65,016
Restricted - emergency reserves		52,500
Assigned for:		
SWCD Water Defense		3,012,129
SWCD Water Development		2,008,086
Water Information Program		134,829
Unassigned		109,629
Committed: Grants to be paid		16,126
Total fund balance		<u>5,398,315</u>
Total Liabilities, Deferred Inflows and Fund Balance	\$	<u>7,481,828</u>

SOUTHWESTERN WATER CONSERVATION DISTRICT
Reconciliation of the Balance Sheet - Governmental Fund
To the Statement of Net Position
For the Year Ended December 31, 2024

Total fund balance - governmental fund	\$ 5,398,315
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used the governmental activites are not financial resources and therefore are not reported in the fund	68,612
Right of use assets are expensed as capital outlay in the fund but are capitalized in the government wide statements and amortized as depreciation expense over their expected useful lives	97,907
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the fund	(15,130)
Long-term liabilities are not due and payable in the current period and there are not recognized in the funds	(98,928)
	(98,928)
Total net position - governmental activities	5,450,776

SOUTHWESTERN WATER CONSERVATION DISTRICT

Statement of Revenues, Expenses, and Changes in Fund Balance - Governmental Fund For the Year Ended December 31, 2024

	General Fund
Operating Revenue:	
Taxes	\$ 1,990,023
Interest income	188,649
Water Information Program	78,220
Water seminar registration	8,001
Stream Gauging Partner Contributions	45,080
Total Operating Revenue	2,309,973
Expenditures	
General government	
Board expense	\$ 39,346
Administration	
Personnel	264,363
County treasurer's fees	52,803
Other services	30,616
Rent	33,121
Dues and subscriptions	19,553
Supplies	6,030
Professional and technical services	9,443
Water conservation activities	
Legal	256,793
Other district support	244,414
San Juan Recovery Program Water User Committee	55,510
Engineering	157,752
Stream gauging - federal	128,389
Lobbying	71,592
Weather modification	153,624
Water education	44,023
Stream gauging - Colorado	2,455
Other technical services	66,745
Water Information Program	114,468
Total Operating Expenses	1,751,040
Operating Income (Loss)	558,933
Non-operating Revenues (Expenses):	
Unrealized gain/(loss)	(5,251)
Net Non-operating Revenues (Expenses)	(5,251)
Change in fund balance	553,682
Fund Balance —beginning of year, as restated	4,844,633
Fund Balance —end of year	\$ 5,398,315

SOUTHWESTERN WATER CONSERVATION DISTRICT
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance - Governmental Fund
To the Statement of Activities
For the Year Ended December 31, 2024

Net change in fund balance - total governmental fund	\$	553,682
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.</p>		
Net amortization of right of use asset		(878)
Depreciation expense		(4,338)
Net difference in capital outlay treatment		(5,216)
<p>Governmental funds do not record the change in accrued compensated absences during the year as an expenditure. However, in the statement of activities, this change is shown as additional expense. This is the amount of increase in accrued compensated absences in the current year</p>		
		(6,706)
Change in net position - governmental activities		541,760

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2024

1. Organization

Southwestern Water Conservation District (the District), operates under Colorado statute 37-47-101 et seq., which outlines the District's statutory authority and powers. Southwestern Water Conservation District (the District) was created in 1941 for the protection, conservation, use, and development of the water resources of the San Juan and Dolores Rivers and their principal tributaries. The District is comprised of the counties of San Miguel, Dolores, Montezuma, Archuleta, San Juan, La Plata, and portions of Hinsdale, Mineral, and Montrose counties. The District operates under a Board of Directors form of government and the directors are appointed by County Commissioners of the counties within the District.

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, the District's ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the District (the primary government) and its component units. Component units are legally separate organizations for which the appointed officials of the primary government are financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based upon the foregoing criteria, there are no component units included in the accompanying financial statements.

2. Summary of Significant Accounting Policies

This summary of the Southwestern Water Conservation District's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the modified accrual basis of accounting. Neither fiduciary funds nor component units that are fiduciary in nature are included in the government-wide financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2024

2. Summary of Significant Accounting Policies (continued)

recognized as revenues in the year they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and liabilities are included on the balance sheet, and the fund balance includes only spendable resources. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both "measurable and available." Measurable means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 30 days of the end of the current fiscal period.

Expenditures are recorded when a liability is incurred as under modified accrual accounting. Capital asset acquisitions are reported as expenditures in governmental funds.

The District has one governmental fund:

General Fund - The general fund is the District's primary operating fund. It accounts for all financial resources of the general government.

New Accounting Pronouncements

The GASB has issued the following statements with a 2024 implementation:
Implementation Guide No. 2023-1, "Implementation Guidance Update—2023." – No impact

Statements with a 2025 implementation: No. 102, "Certain Risk Disclosures." – No impact

During the current year, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections. GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

During the current year, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. This statement, issued in June 2022, establishes new recognition and measurement criteria for compensated absences, including both vacation and certain types of sick leave. In addition to the value of unused vacation time owed to employees upon separation of employment, the District now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Budgets

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

On or before October 15, the District manager submits to the Board a proposed budget for the next fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of Directors to obtain taxpayer comments. State law requires that the District adopt a budget prior to the certification of its mill levy to the county and file a certified copy of its budget with the Division of Local Government within 30 days of such adoption. Failure to do so can result in the County Treasurer withholding future property tax revenues pending compliance by the District. The District filed the certified copy of its budget timely for 2024.

Budget appropriations lapse at the end of each year.

Cash and Cash Equivalents

The District considers all highly liquid investments (including restricted assets) purchased with a maturity of three months or less to be cash equivalents.

Certificates of Deposit

During the year, the District invested in five certificates of deposits, which are listed at fair stated value as of December 31, 2024.

Capital Assets

Capital assets, which include office equipment and other equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$2,500. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight line method over the estimated useful lives. Furniture and equipment are depreciated over 5 to 10 years. Office improvements are depreciated over 7 to 15 years.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Deferred outflows/inflows of resources Allowance for Uncollectible

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense or expenditure) until then. The District does not have any items that qualify for reporting in this category.

The government reports both deferred inflows, which arise under the full accrual and modified accrual basis of accounting. Deferred property taxes are reported as a deferred inflow for both the governmental activities presentation and governmental funds balance sheet. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced.

Compensated absences

The liability for compensated absences reported in the government-wide financial statements consists of unused paid time off (PTO) and sick time, based on the employee's length and hours of service. The maximum of 80 (PTO) hours of unused time may carryover into the next year. At year end, the estimated value of compensated absences was \$15,130.

Accrued liabilities and long-term obligations

All payables and accrued liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, and are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year.

Allowance for Uncollectible

No allowance for uncollectibles has been provided because the District's receivables are property taxes, and the County Treasurer is empowered to file liens on properties where delinquencies exist. Accordingly, the District believes any delinquencies will eventually be paid.

Reserves

The District records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use. The following is a list of reserves used by the District and a description of each:

Reserved for Emergencies - An account used to reflect equity of the District which is restricted for emergency purposes by the Tabor Amendment of the State of Colorado

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Constitution. "Emergency" excludes economic conditions, revenue shortfalls, or District salary and fringe benefit increases.

Revenue Recognition - Property Taxes

The District's property taxes, levied by December 15, on assessed valuation as of the preceding January 1, are due and payable in the subsequent calendar year. Assessed values are established by the county assessor. Property taxes attach as an enforceable lien on property as of January 1 of the year in which payable. The taxes are payable under two methods: 1) in full on or before April 30, 2) one-half on or before February 28, and the remaining one-half on or before June 15. All unpaid taxes levied for the preceding year become delinquent June 16.

Property taxes are reported as a receivable and as deferred inflows of resources when the District has an enforceable legal claim to the taxes and as revenue when available for collection in the following year.

Revenue Recognition – Specific ownership taxes

Specific ownership taxes are collected for motor vehicles and other personal property registered in the District's assessment area. Specific ownership taxes are recorded as revenue when collected by the County in which the property was purchased.

Estimates

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

Fund Equity

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints.

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2024

2. Summary of Significant Accounting Policies (continued)

- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by Formal action of the government’s highest level of decision-making authority, the Board of Directors.
- The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

For the year ended December 31, 2024, \$16,126 of the total fund balance was committed for grant requests approved as of year-end but not yet disbursed.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s policy to use the most restrictive classification first.

Subsequent Events

The District has evaluated subsequent events through September 30, 2025, the date which the financial statements were available to be issued.

3. Stewardship, Compliance and Accountability

The District adopts an annual budget for the General Fund. All annual appropriations lapse at fiscal year-end. The District does not report encumbered balances as of December 31, 2024 as all encumbrances lapse at year-end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds.
- On or before October 15, the District’s management submits to the Board a proposed budget for the next fiscal year commencing the following January 1.
- The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Directors to obtain citizen comments.
- Prior to December 15, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2024

3. Stewardship, Compliance and Accountability (continued)

- Revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

State law requires that the District adopt a budget prior to the certification of its mill levy to the county and file a certified copy of its budget with the Division of Local Government by December 15. Failure to do so can result in the County Treasurer withholding future property tax revenues pending compliance by the District. The District filed the certified copy of its budget timely for 2024.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. The annual budget is presented on the modified accrual basis of accounting that is consistent with generally accepted accounting principles.

4. 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.

A summary of deposits and investments as of December 31, 2024 follows:

Deposits with financial institutions	\$	1,887,205
Investments		3,705,083
Total cash and investments	\$	5,592,288

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities, bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2024

4. Cash and Investments (continued)

- Participation with other local governments in pooled investment funds (“trusts”). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments. The District participates with Colorado Local Governmental Liquid Asset Trust (“COLOTRUST”) pooled funds.

COLOTRUST

As of December 31, 2024, the District invested in the Colorado Local Governmental Liquid Asset Trust (“COLOTRUST”), a local governmental investment vehicle established for local governmental entities in Colorado to pool surplus funds. COLOTRUST offers three investment options, one of which is COLOTRUST PLUS+. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (“NAV”) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian’s internal records identify the investments owned by participating governments. COLOTRUST Plus+ records its investment at fair value and the District records its investment in COLOTRUST PLUS+ using the next asset value. There are no unfunded commitments and there is no redemption notice period. The weighted average maturity is 60 days or less and is rated AAAM by Standard & Poor’s. At December 31, 2024, the District had \$1,132,334 invested in COLOTRUST PLUS+.

In accordance with the Fair Value Measurements of FASB Accounting Standards Codification (ASC) 820-10, assets and liabilities are grouped in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

These levels are:

- Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3 – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobserved assumptions reflect the District’s own estimates of assumptions that market participants would use in pricing the asset or liability.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2024

4. Cash and Investments (continued)

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level

input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Association's assessment of the quality, risk, or liquidity profile of the asset or liability.

Debt securities and brokered certificates of deposit are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions and other factors such as credit loss assumptions. Level 1 securities include those traded on an active exchange as well as other U.S. government securities that are traded by dealers or brokers in active over-the-counter markets.

All brokered CDs and U.S. Government agencies held at December 31, 2024 were Level 1. Non-brokered CDs held at December 31, 2024 are Level 2.

In 2024, available-for-sale debt securities and brokered certificates of deposit are reported at fair market value based on quoted prices in active markets. The cost of debt securities and brokered certificates of deposit and their approximate fair values at December 31, 2024 are as follows:

<u>2024</u>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Brokered Certificate of Deposit	\$ 1,228,012	\$ 4,969	\$ (2,335)	\$ 1,230,644
U.S. Government Agencies	845,544	-	(3,439)	842,105
COLOTRUST	1,132,334	-	-	1,132,334
Non-brokered Certificate of Deposit	500,000	-	-	500,000
	<u>\$ 3,705,890</u>	<u>\$ 4,969</u>	<u>\$ (5,774)</u>	<u>\$ 3,705,083</u>

Change in unrealized holding gains (losses) for debt securities and brokered certificates of deposits during 2024 was \$25,546 and is included in Unrealized gains/losses related to available-for-sale debt securities and brokered CDs, displayed in the statement of Statement of Revenues, Expenses, Changes in Fund Balances and Other Comprehensive Income.

Southwestern Water Conservation District
Notes to Basic Financial Statements
December 31, 2024

4. Cash and Investments (continued)

	<u>Amortized Cost</u>	<u>Fair Value</u>
Amounts maturing in:		
One year or less	\$ 2,120,337	\$ 2,119,275
After one year through 5 years	1,585,553	1,585,810
	\$ 3,705,890	\$ 3,705,085

The following is a summary of maturities of investments classified as brokered certificates of deposit, corporate bonds, and government agencies:

Interest and dividends: Money Market	63,084
Interest and dividends: Brokered CDs	78,681
Interest and dividends: Non-Brokered CDs	40,073
Interest and dividends: Cash	6,811
	188,649

Asset-backed securities have a variable maturity date. Unrealized losses at December 31, 2024 were due to fluctuations in the market interest rates. Management has the ability to hold these investment securities until the fair value or unamortized cost is recovered.

Management evaluates securities for credit losses on a regular basis. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Association to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

Interest Rate Risk – In accordance with its investment policy, the District manages its exposure to declines in fair value by limiting investments in U.S. Treasuries and Certificates of Deposit to an original maturity of five years or less.

Credit Risk – The District’s investment policy limits investments to U.S. Treasury obligations, Certificates of Deposit, corporate bonds, other investment instruments and local government investment pools approved by the Board of Directors.

Concentration of Credit Risk – It is the policy of the District to diversify its investment portfolio to eliminate risk of loss resulting from over concentration of assets in a specific maturity, a specific class, and specific issuer of securities. The District policy includes cash deposits in the total portfolio when determining concentration of investments.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2024

5. Capital Assets

A summary of changes in capital assets for December 31, 2024 follows:

	Balance December 31, 2023	Additions/ (Deletions)	Adjustments/ Transfers	Balance December 31, 2024
Capital assets, not being depreciated:				
Land	\$ 62,000	\$ -	\$ -	\$ 62,000
<i>Total capital assets, not being depreciated</i>	62,000	-	-	62,000
Capital assets, being depreciated:				
Furniture and equipment	36,366	-	-	36,366
Office improvements	14,905	-	-	14,905
<i>Total capital assets, being depreciated</i>	51,271	-	-	51,271
Less accumulated depreciation:	(40,321)	(4,338)	-	(44,659)
<i>Total capital assets, being depreciated, net</i>	10,950	(4,338)	-	6,612
<i>Capital assets, net</i>	\$ 72,950	\$ (4,338)	\$ -	\$ 68,612

Depreciation expense for the year ended December 31, 2024 was \$4,338.

6. Property Tax Receivable

The District reports deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The \$1,825,214 of property taxes receivable is unavailable revenue representing property tax levied in 2024 but not available until 2025.

7. Lease Agreement

In 2018, the District entered a five-year lease commencing November 1, 2018, terminating on October 31, 2023, for the business office in the West Building, located at 841 E 2nd Avenue in Durango. Lease payments are made monthly with a base amount plus their proportionate share of utilities. The lease was renewed effective November 1, 2023 for another five years. This lease is required to be reported in accordance with the requirements of GASB 87, Leases, which requires that the District recognize a right of use asset and liability for the present value of the future lease payments.

The District's base rent expense for the lease was \$26,557 and included the District's proportionate share of the office's monthly janitorial service, electric, water, sewer, trash, gas

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2024

7. Lease Agreement, (continued)

charges, storage space, and parking space rentals. Annually the base rent will increase two percent through the lease term. The present value of the right of the lease liability is determined using the five-year constant maturity which is 3.84%.

As of the reporting date, the remaining lease term with total minimum lease payments including interest as of December 31st are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 23,732	\$ 3,296	\$ 27,028
2026	25,148	2,358	27,506
2027	26,630	1,365	27,995
2028	23,418	337	23,755
	\$ 98,928	\$ 7,356	\$ 106,284

8. Retirement Plan

The District has a 457b retirement plan for full-time employees. It is a defined contribution plan and is administered by Lincoln Financial Group. The District will match up to 5% of the employee's annual salary to the plan. The contributions into the Plan are fully vested immediately, foregoing any purpose for forfeitures. The District contributed \$10,279 during the year ended December 31, 2024.

9. Colorado TABOR

In November 1992, the people of the State of Colorado passed an amendment to the State's constitution (Article X, Section 20) known as the Taxpayer's Bill of Rights (TABOR), which was effective December 31, 1992. TABOR's intended purpose was to reasonably restrain the growth of government by imposing spending and revenue limits on the state and any local government, excluding enterprises. Provisions of TABOR require, among other things, that:

- Each district shall reserve for use in declared emergencies 3% of its fiscal year spending (as defined by TABOR) excluding bonded debt service, and this amount is set aside as part of reserved fund balance, called "declared emergencies".
- If revenue from sources not excluded from fiscal year spending exceeds the limits prescribed by TABOR in dollars for that fiscal year, the excess shall be refunded in the next fiscal year unless voters approve a revenue change as an offset. Revenue collected, kept, or spent illegally since four full fiscal years before an individual or class action enforcement suit is filed shall be refunded with 10% annual simple interest from the initial conduct.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2024

9. Colorado TABOR (continued)

- With minor exceptions, advance voter approval is required for any new tax, tax rate increase, or mill levy above that for the prior year or creation of any multiple-fiscal year direct or indirect district debt or other financial obligation without certain cash reserve amounts or a non-appropriation clause contained within the legal.

At December 31, 2024, the District had restricted \$52,500 in the General Fund for declared emergencies.

10. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years. The District pays annual premiums to the Pool for liability, property and public officials liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

The Pool issues a publicly available annual financial report that includes financial statements and supplementary information. That report may be obtained by calling the Colorado Special District Association at 303-863-1733 in the Denver metro area and 1-800-886-1733 from outside the metro area.

11. Claims and Litigation

The District is unaware of any pending or threatened litigation that might have a material effect on the financial statements.

Southwestern Water Conservation District
Notes to Basic Financial Statements
December 31, 2024

12. Prior Period Adjustment

During fiscal year 2024, the District determined that accounts receivable was overstated and expenses was understated in the prior year. The error correction resulted in adjustments to and restatements of Net Position and Fund Balance. The restatement is summarized as follows:

	December 31, 2023 As Previously Reported	Error Correction	December 31, 2023 As Restated
Net Position	4,964,276	55,260	4,909,016
	\$ 4,964,276	\$ 55,260	\$ 4,909,016
	December 31, 2023 As Previously Reported	Error Correction	December 31, 2023 As Restated
Fund Balance	4,899,893	55,260	4,844,633
	\$ 4,899,893	\$ 55,260	\$ 4,844,633

13. Subsequent Events

The District has evaluated subsequent events through September 30, 2025, the date which the financial statements were available to be issued. There were no material subsequent events that required additional disclosure in the financial statements.

Required Supplementary Information

SOUTHWESTERN WATER CONSERVATION DISTRICT
Statement of Revenue, Expenditures and Changes in Funds Available
Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenue			
Taxes			
Property taxes	\$ 1,755,449	\$ 1,723,047	\$ (32,402)
Special ownership and other taxes	130,000	143,090	13,090
Interest and penalties	31,148	122,893	91,745
Interest income	100,000	188,649	88,649
Water information program	45,435	41,835	(3,600)
Stream gaging	45,080	45,080	-
Other local sources	12,500	45,379	32,879
Total Operating Revenue	<u>2,119,612</u>	<u>2,309,973</u>	<u>190,361</u>
Expenditures			
General government			
Board expense	\$ 40,000	\$ 39,346	\$ 654
Administration			
Personnel	300,000	264,363	35,637
County treasurer's fees	57,498	52,803	4,695
Other services	26,500	30,616	(4,116)
Rent	33,500	33,121	379
Dues and subscriptions	20,600	19,553	1,047
Supplies	11,500	6,030	5,470
Professional and technical services	15,500	9,443	6,057
Capital outlay	5,000	-	5,000
Water conservation activities			
Legal	400,520	256,793	143,727
Other district support	297,000	244,414	52,586
San Juan recovery program user committee	55,260	55,510	(250)
Engineering	225,000	157,752	67,248
Stream gaging - federal	101,994	128,389	(26,395)
Lobbying	79,718	71,592	8,126
Weather modification	78,156	153,624	(75,468)
Water education	74,750	44,023	30,727
Stream gaging - Colorado	2,640	2,455	185
Other technical services	150,000	66,745	83,255
Water information program	88,150	114,468	(26,318)
Total Operating Expenses	<u>2,063,286</u>	<u>1,751,040</u>	<u>312,246</u>
Operating Income (Loss)	<u>56,326</u>	<u>558,933</u>	<u>502,607</u>
Non-operating Revenues (Expenses):			
Unrealized gain/(loss)	-	(5,251)	5,251
Net Non-operating Revenues (Expenses)	<u>-</u>	<u>(5,251)</u>	<u>5,251</u>
Net Change in Funds Available	56,326	553,682	507,858
Funds Available - beginning of the year, as restated	4,986,893	4,844,633	(142,260)
Funds Available - end of the year, budgetary basis	<u>\$ 5,043,219</u>	<u>\$ 5,398,315</u>	<u>\$ 365,598</u>