TRI-COUNTY WATER CONSERVANCY DISTRICT

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

DONALD R. MORELAND & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tri-County Water Conservancy District
Montrose, Colorado 81401

Opinion

We have audited the accompanying financial statements of Tri-County Water Conservancy 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, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of Tri-County Water Conservancy District as of December 31, 2024 and 2023, and the respective changes in financial position and cash flows thereof 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tri-County Water Conservancy District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Tri-County Water Conservancy 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.

Telephone (970) 249-3424 Facsimile (970) 249-3425
1675 East Niagara Road * Montrose, Colorado 81401

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

Board of Directors
Tri-County Water Conservancy District
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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tri-County Water Conservancy District's basic financial statements. The supplementary information - revenues and expenditures - budget and actual 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 relate 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, based on our audit, the information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Donald R. Moreland & Associates, P.C.

Montrose, Colorado
June 5, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Tri-County Water Conservancy District, we offer readers of the Tri-County Water Conservancy District's financial statements this narrative overview and analysis of the financial activities of the Tri-County Water Conservancy District for the fiscal years ended December 31, 2024 and 2023.

Financial Highlights

- The assets of the Tri-County Water Conservancy District (also referred to as the District) exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $50,835,151 (net position). Of this amount, $23,760,128 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors. At the close of the prior fiscal year the District's net position and unrestricted net position were $48,579,835 and $21,760,432, respectively.

- The District's total net position increased (decreased) by $ 2,255,316 in 2024 and $3,032,282 in 2023, mainly the result of increases in federal hydropower incentives, property and specific ownership taxes, investment income, fair value of investments and capital contributions - tap fees in 2024. In 2023, the increase was the result of increases in hydropower sales, federal hydropower incentives, increased property and specific ownership taxes and an increase in fair value of investments.

- The District implemented a fee structure effective January, 2011 as a result of the annual cost of service analysis. Residential tap fees were $6,500 plus the cost of installation. Effective February 1, 2024, residential tap fees were increased to $9,000 plus the cost of installation.

- District revenues remained relatively consistent from 2023 to 2024 with the exceptions of decreased hydropower sales and increased property and specific ownership taxes, investment income and capital contributions - tap fees. District expenses remained relatively consistent from 2023 to 2024 with the exception of increased treated water costs. In 2014, the District began the operation of hydropower which has increased revenues and related expenses. Investment income reflects the increasing market rates. Each year the District budgets and constructs projects identified by a capital improvement program which includes renewals and replacements of aged or problem infrastructure, new or enlarged pipelines, and tanks or pump stations necessitated by growth. This annual renewal and replacement is in the approximate order of magnitude as the annual depreciation on the water distribution system as generally recommended in the industry. Depreciation including hydropower facilities for 2024 and 2023 was $1,779,569 and $1,743,618, respectively. During 2023, the District hired HDR, Inc. to identify current system deficiencies and to project those that may occur as a result of population growth, system age, or increasingly strict water quality regulations and formed a Capital Improvements Plan based on the results. This plan has been implemented along with additional capital improvements as determined by the District.

- Since 2018, capital contributions - tap fees are up due to increased growth in the District's service area. This reverses the trend set in years prior to 2017 when capital contributions were down due to decreased growth in the District's service area and uncertainties concerning the economy.

- In December 1976 the voters in the District voted to accept the repayment contract by a 9 to 1 margin for the construction of the Dallas Creek Project to deliver project water for irrigation, municipal, industrial, hydropower and other uses. The District subsequently entered into agreements and contracts with various entities including the United States Bureau of Reclamation. The irrigation repayment obligation consists of three parts totaling not less than $6,266,000 to be paid over 50 years with final payment in 2042. The municipal and industrial repayment obligation is $38,000,000 plus interest to be repaid in not more than 50 years plus a ten year development period preceding the repayment obligation which makes the final payment due in 2049. The District has agreements for purchase of irrigation, municipal, and industrial water uses by other entities and has committed to their projected domestic water supply plus any excess addressed in the contract with Reclamation.

- On February 6, 2012 the District obtained a Lease of Power Privilege from the United States of America to construct an 8-megawatt (MW) hydropower generating facility at the existing outlet works of Ridgway Dam. Loans obtained to fund the project were $13,130,000 from Colorado Water Conservation Board for thirty years at 2% and includes a 1% loan service fee and $2,000,000 from Colorado Water Resources and Power Development Authority for twenty years at 2%. The hydropower is generated from irrigation water releases. The City of Aspen, Colorado has entered into a Power Purchase Agreement for the power and Renewable Energy Credits. Construction on site began in 2012 with completion in 2014.

- The District has committed to purchase treatment of a minimum of 183 million gallons of water annually from the Project 7 Water Authority. The District incurred costs in 2024 and 2023 under this agreement of $1,822,109 for 934 million gallons and $1,328,718 for 916 million gallons, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Tri-County Water Conservancy District's basic financial statements. The Tri-County Water Conservancy District's basic financial statements are presented as a special purpose government engaged in business type activities - providing domestic water utility services, hydropower and operation and management services for the Ridgway Reservoir Dam.

The *statement of net position* presents information on all of the Tri-County Water Conservancy District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Tri-County Water Conservancy District is improving or deteriorating.

The *statement of revenues, expenses and changes in fund net position* presents information showing how the District's net position changed during the most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused annual leave).

The *statement of cash flows* report the District's cash flows from operating, noncapital financing capital and related financing and investing activities. Also presented are beginning and end of year cash and cash equivalents.

The basic financial statements can be found on pages 10 through 12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 13 through 25 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* concerning the Tri-County Water Conservancy District's budgetary comparisons for revenues and expenditures. Supplementary information can be found on pages 26 through 27 of this report.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the Tri-County Water Conservancy District, assets exceeded liabilities and deferred inflows of resources by $50,835,151 at the close of the most recent fiscal year.

A significant amount of the District's net position reflect its investment in capital assets (e.g., land, buildings, equipment, water tanks, distribution system and hydropower facility), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Tri-County Water Conservancy District Net Position

	2024	2023
Current assets	$ 6,881,188	8,619,331
Capital assets	35,496,682	36,296,433
Other assets	23,021,084	18,527,371
Total assets	65,398,954	63,443,135
Current liabilities	2,349,821	2,281,374
Long-term liabilities	10,088,035	10,584,926
Total liabilities	12,437,856	12,866,300
Deferred inflows of resources	2,125,947	1,997,000
Net position:		
Net investment in capital assets	24,911,759	25,224,376
Restricted	2,163,264	1,595,027
Unrestricted	23,760,128	21,760,432
Total net position	$50,835,151	48,579,835

At the end of the current and prior fiscal year, the Tri-County Water Conservancy District is able to report positive balances in all categories of net position.

Under the GASB 34 reporting model the audit shows the District's net position increased (decreased) by $2,255,316 and $3,032,282, respectively, during the fiscal years ended December 31, 2024 and 2023. The increase in net position for 2024 was mainly due to federal hydropower incentives, property and specific ownership taxes, investment income and an increase in fair value of investments. The increase in net position for 2023 was mainly the result of increases in hydropower sales, federal hydropower incentives, increased property and specific ownership taxes and an increase in fair value of investments.

Tri-County Water Conservancy District Changes in Fund Net Position

	2024	2023
Revenues:		
Operating revenue	$ 6,718,917	7,382,358
Non-operating revenue	3,810,852	3,221,019
Total revenues	10,529,769	10,603,377
Expenses:		
Operating expenses:		
Water costs	4,639,820	4,116,619
Hydropower costs	196,148	220,917
Administrative and general	3,269,691	3,012,455
Depreciation	1,779,569	1,743,618
Non-operating expenses:		
Net (increase) decrease in fair value of investments	(284,315)	(576,943)
Interest expense	218,677	228,444
Treasurers' fees	47,013	40,527
Total expenses	9,866,603	8,785,637
Income (loss) before contributions	663,166	1,817,740
Capital contributions - tap fees	1,592,150	1,214,542
Change in net position	1,255,316	3,032,282
Net position - beginning of year	48,579,835	45,547,553
Net position - end of year	$50,835,151	48,579,835

For the most part, the District was able to contain expenses excluding costs of treated water. The District incurred decreases in hydropower sales and increases in federal hydropower incentives, property and specific ownership taxes, investment income, fair value of investments and capital contributions - tap fees. The District had an increase in expenses due to increased treated water costs.

Budgetary highlights

Changes between actual revenues and budgeted amounts were primarily due to increases in water sales, tap fees, investment income, federal hydropower incentives, and property and specific ownership taxes and decreases in hydropower sales.

Actual expenses reflect budgeted amounts which have remained relatively consistent due to the economy except for decreased capital improvements, equipment purchases and personnel costs.

Capital Asset and Debt Administration

Capital assets. The Tri-County Water Conservancy District's investment in capital assets as of December 2024 and 2023 amounted to $35,496,682 and $36,296,433, respectively, (net of accumulated depreciation). This investment in capital assets includes buildings, equipment, water tanks, distribution system and hydropower facility.

Major capital asset events during the current and prior fiscal year included water distribution system expansion and replacement.

Tri-County Water Conservancy District Capital Assets
(net of depreciation)

	2024	2023
Water distribution system	$18,621,444	19,162,592
Water meters	2,049,171	1,971,387
Storage tanks and pumping stations	1,631,611	1,511,410
Buildings and improvements	120,443	130,193
Transportation and other equipment	376,109	427,136
Hydropower facility	12,667,904	13,093,715
	$35,496,682	36,296,433

Additional information on the District's capital assets can be found in Note 3 of this report.

Long-term liabilities. At the end of the current and prior year, the District had long-term liabilities outstanding of $10,584,923 and $11,072,057, respectively.

Tri-County Water Conservancy District Long-term Liabilities

	2024	2023
Notes payable	$10,584,923	11,072,057

Additional information on the District's long-term liabilities can be found in note 5 of this report.

Economic Factors and Next Year's Budgets and Rates

- Tap fees will be a combination of the plant investment fee and installation fee. This insures that the costs incurred are those collected.
- The District will continue to monitor, analyze, and improve the potable water distribution system.
- The District will continue to take active measures to provide dependable, quality domestic water service indefinitely.
- The District will continue in the management of investments in a manner that will ensure the safety of the principal, maximize returns, and control and minimize risk.

- The District will continue with the generation of hydropower from the Tri-County Water Hydropower Facility.

Request for information

This financial report is designed to provide a general overview of the Tri-County Water Conservancy District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Tri-County Water Conservancy District, 647 N. 7th Street, Montrose, Colorado, 81401.

FINANCIAL STATEMENTS

TRI-COUNTY WATER CONSERVANCY DISTRICT
STATEMENT OF NET POSITION
December 31, 2024 and 2023

		2024	2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$	4,087,913	5,833,888
Due from other governments		20,501	24,611
Accounts receivable		45,526	120,762
Property taxes receivable		2,125,947	1,997,000
Inventory of supplies		601,301	643,070
TOTAL CURRENT ASSETS		6,881,188	8,619,331
UTILITY PLANT IN SERVICE			
Water distribution system		39,147,448	38,835,063
Water meters		6,938,169	6,607,364
Storage tanks and pumping stations		3,513,010	3,279,679
Buildings and improvements		244,623	244,623
Office furniture and fixtures		51,095	51,095
Transportation and other equipment		1,747,185	1,673,714
Hydropower facility		17,032,476	17,032,476
		68,674,006	67,724,014
Less accumulated depreciation		33,177,324	31,427,581
UTILITY PLANT IN SERVICE - NET		35,496,682	36,296,433
OTHER ASSETS			
Restricted assets -			
cash and cash equivalents		2,163,264	1,595,027
Long-term investments		20,857,820	16,932,344
TOTAL OTHER ASSETS		23,021,084	18,527,371
TOTAL ASSETS	$	65,398,954	63,443,135
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	$	268,827	239,735
Accrued salaries and benefits		377,460	421,936
Accrued interest		51,428	53,693
Unearned revenue - other		1,155,218	1,078,879
Long-term debt due in one year		496,888	487,131
TOTAL CURRENT LIABILITIES		2,349,821	2,281,374
LONG-TERM LIABILITIES			
Loans payable - net of current portion		10,088,035	10,584,926
TOTAL LONG-TERM LIABILITIES		10,088,035	10,584,926
TOTAL LIABILITIES		12,437,856	12,866,300
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - taxes		2,125,947	1,997,000
TOTAL DEFERRED INFLOWS OF RESOURCES		2,125,947	1,997,000
NET POSITION			
Net investment in capital assets		24,911,759	25,224,376
Restricted for :			
Debt service		778,185	626,005
Hydropower		1,385,079	969,022
Unrestricted		23,760,128	21,760,432
TOTAL NET POSITION	$	50,835,151	48,579,835

See Notes to Financial Statements.

TRI-COUNTY WATER CONSERVANCY DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the years ended December 31, 2024 and 2023

	2024	2023
OPERATING REVENUES		
Water sales and charges		
Raw water	$ 1,287,263	1,283,929
Treated water	4,135,815	3,919,883
Hydropower sales	879,437	1,694,861
Material sales and reimbursements	398,902	452,163
Miscellaneous	17,500	31,522
TOTAL OPERATING REVENUES	6,718,917	7,382,358
OPERATING EXPENSES		
Water costs		
Raw water	2,817,711	2,787,901
Treated water	1,822,109	1,328,718
Hydropower lease of power privilege	55,409	88,084
Hydropower other costs	140,739	132,833
Materials and supplies	543,771	231,490
Salaries and wages	1,290,174	1,258,779
Employee benefits	508,380	594,793
Payroll taxes	112,287	105,250
Insurance	54,114	50,671
Directors fees and expenses	54,293	55,763
Professional fees	176,032	185,185
Office expense	120,954	118,955
Utilities	220,258	211,013
Telephone	12,803	12,197
Equipment fuel and repairs	136,965	128,570
Building repair and maintenance	9,698	18,049
Miscellaneous	29,962	41,740
Depreciation	1,779,569	1,743,618
TOTAL OPERATING EXPENSES	9,885,228	9,093,609
OPERATING INCOME (LOSS)	(3,166,311)	(1,711,251)
NON-OPERATING REVENUES (EXPENSES)		
Property and specific ownership taxes	2,429,350	2,157,543
Investment income	672,823	369,898
Federal hydropower incentives	706,484	680,066
Gain on sale of equipment	2,195	13,512
Net increase (decrease) in fair value of investments	284,315	576,943
Interest expense	(218,677)	(228,444)
Treasurers' fees	(47,013)	(40,527)
NET NON-OPERATING REVENUES (EXPENSES)	3,829,477	3,528,991
NET INCOME (LOSS)	663,166	1,817,740
Capital contributions - tap fees	1,592,150	1,214,542
CHANGE IN NET POSITION	2,255,316	3,032,282
NET POSITION, JANUARY 1	48,579,835	45,547,553
NET POSITION, DECEMBER 31	$ 50,835,151	48,579,835

See Notes to Financial Statements.

TRI-COUNTY WATER CONSERVANCY DISTRICT

STATEMENT OF CASH FLOWS

For the years ended December 31, 2024 and 2023

		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from user charges	$	6,870,492	7,333,245
Payments to suppliers for goods and services		(6,123,957)	(5,529,590)
Payments to employees		(1,955,317)	(1,934,759)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		(1,208,782)	(131,104)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property and specific ownership tax - net		2,386,447	2,112,431
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		2,386,447	2,112,431
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets		(979,818)	(1,019,992)
Payment of long-term debt		(487,134)	(477,572)
Federal hydropower incentives		706,484	680,066
Capital contributions - tap fees		1,592,150	1,214,542
Proceeds from sale of capital assets		2,195	13,512
Interest paid on loans		(220,942)	(230,503)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES		612,935	180,053
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments in long-term investments		(7,934,299)	(1,483,729)
Proceeds from sale and maturities of long-term investments		4,293,137	1,714,308
Deposits to restricted assets		(568,236)	(136,789)
Investment income received		672,823	369,898
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		(3,536,575)	463,688
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,745,975)	2,625,068
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		5,833,888	3,208,820
CASH AND CASH EQUIVALENTS, END OF YEAR	$	4,087,913	5,833,888
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$	(3,166,311)	(1,711,251)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation		1,779,569	1,743,618
Changes in assets and liabilities:			
(Increase) Decrease in:			
Accounts receivable		75,236	(40,522)
Prepaid expense			11,962
Inventory of supplies		41,769	(31,381)
Increase (Decrease) in:			
Accounts payable		29,092	(119,002)
Unearned revenue		76,339	(8,591)
Accrued salaries and benefits		(44,476)	24,063
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$	(1,208,782)	(131,104)

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Tri-County Water Conservancy District is incorporated as a conservancy district under the laws of the State of Colorado with a judicially appointed board of fifteen directors. The District distributes domestic water throughout the rural area of the Uncompahgre Valley in Western Colorado, generates hydropower and operates and manages Ridgway Reservoir Dam. The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements of the District consist only of the enterprise fund of the District, a stand-alone government. Based on criteria set forth by GASB, there are no component units for which the District is financially accountable. The more significant of the District's accounting policies are described below.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a designated use or purpose, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

Proprietary Fund Financial Statements. The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET POSITION

Cash and cash equivalents. The District considers all cash on hand, demand deposits and short-term highly liquid investments with an original maturity of three months or less to be cash equivalents.

Restricted assets. Restricted assets are cash and cash equivalents set aside for loan repayment and are classified as restricted assets on the statement of net position because their use is limited by applicable loan covenants. Also certain resources have been set aside pursuant to the lease of power privilege agreement with the United States of America through the Bureau of Reclamation.

Allowance for doubtful accounts. The District considers all accounts receivable collectible and, accordingly, provides no allowance for doubtful accounts.

Investments. It is the District's policy to invest in money market deposits with SEC registered broker-dealers and securities issued or guaranteed by the Federal government or its agencies. Investments are stated at fair value.

Property taxes receivable. Property taxes are levied on December 22 and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31, net of an estimated uncollectible portion.

Inventory of supplies. The inventory of supplies is stated at cost using the average unit cost method.

Capital assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Construction costs are increased by interest incurred on debt during the construction period and reduced by earnings from the investment of the unexpended loan proceeds. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation is calculated using the straight-line method over the estimated useful lives. Capital assets acquired by capital lease are depreciated over the estimated useful lives and are included in depreciation expense. The estimated useful lives are as follows:

Water distribution system	40 years
Water meters	20 years
Storage tanks	40 years
Building and improvements	10 - 40 years
Office furniture and fixtures	5 - 10 years
Vehicles and work equipment	5 - 10 years
Hydropower facility	40 years

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET POSITION (continued)

Compensated absences. Vested or accumulated annual leave is recorded as an expense and liability as the benefits accrue to employees.

Unearned revenue-other. Unearned revenue-other represents amounts received in advance of the service being performed or prior to the delivery of water.

Reclassifications. Certain prior years amounts have been reclassified to conform with the current year presentation.

E. BUDGETS AND BUDGETARY ACCOUNTING

The Board of Directors of the District follows these procedures in establishing the budget.

a. Management serving as the District's budget officer submits a proposed operating budget to the Board. A public hearing is held prior to December 15 for the following calendar year. The operating budget includes proposed expenditures and the means of financing them.

b. Prior to January 1, the budget is enacted by passage of a resolution. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) except that contributions from system users (tap fees) and grants are budgeted as revenues, principal payments and capital outlays are budgeted as expenditures, and no provision is made for depreciation or system abandonments. Budgeted expenditures are appropriated in total for the District and the level of control is in total.

c. The Board of Directors may authorize supplemental appropriations during the year. During 2024 and 2023, no supplemental appropriations were adopted.

d. Appropriations lapse at the end of the year.

2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must at least equal the aggregate uninsured deposits.

2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)

Custodial Credit Risks - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a deposit policy for custodial credit risk which limits bank deposits to State and National banks located in Colorado, insured by FDIC and approved as public fund depositories by the State of Colorado. Deposits exceeding the insured amount shall be collateralized as required by applicable statutes. The maximum allowable certificate of deposit investment in any one bank holding company is $100,000. As of December 31, 2024 and 2023 none of the District's bank balances of $545,385 and $654,253, respectively, were exposed to custodial credit risk as $275,906 and $257,395 respectively, was insured and $269,479 and $396,858, respectively, was collateralized by securities pledged by financial institutions.

At December 31, 2024 and 2023, the carrying amount of the District's deposits were presented on the balance sheet as follows:

	2024	2023
Cash and cash equivalents	$4,087,913	5,833,888
Cash and cash equivalents - restricted assets	2,163,264	1,595,027
Investments included in cash and cash equivalents		
Colotrust	(5,418,915)	(4,748,645)
Money market deposit	(193,088)	(2,102,556)
	$ 639,174	577,714

Investments

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

2024	INVESTMENT MATURITIES (in years)		
INVESTMENT TYPE	FAIR VALUE	LESS THAN 1	1-5
U. S. Agencies	$20,857,820	2,631,910	18,225,910
Colotrust	5,418,915	5,418,915	
Money market deposit	193,088	193,088	
	$26,469,823	8,243,913	18,225,910

2023	INVESTMENT MATURITIES (in years)		
INVESTMENT TYPE	FAIR VALUE	LESS THAN 1	1-5
U. S. Agencies	$16,932,344	3,207,047	13,725,297
Colotrust	4,748,645	2,748,645	
Money market deposit	2,102,556	2,102,556	
	$23,783,545	10,058,248	13,725,297

2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (continued)

Investments (continued)

As of December 31, 2024 and 2023, the District has invested $,418,915 and $4,748,645, respectively, in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to $1.00. The value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool.

The District's investment in COLOTRUST is rated AAAm by S&P. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Separately issued financial statements may be obtained at the following address:

COLOTRUST
717 17th Street, Suite 1850
Denver, CO 80202
www.colotrust.com

Interest rate risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the District's investment portfolio to maturities of less than ten years.

Credit risk

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including 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; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The District has no policy that would further limit its investment choice. As of December 31, 2024 and 2023, the District's investment in Colotrust Plus and the Schwab Government Money Fund, 2a7-like investment pools, was rated AAA by Standard & Poor's and AAA by Moody's Investors Service. The District's investments in U. S. agencies securities were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

2 - DEPOSITS AND INVESTMENTS (continued)

Concentration of credit risk

The District places no limit on the amount the District may invest in any one issuer. More than 5 percent of the District's investments are in U.S. agencies securities. At December 31, 2024, Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association and United States Treasury Notes securities represented 8%, 17%, 6% and 48%, respectively, of the District's investments. At December 31, 2023, Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association and United States Treasury Notes securities represented 12%, 22%, 6% and 30%, respectively, of the District's investments.

These investments are presented on the balance sheet as follows:

	2024	2023
Cash and cash equivalents	$ 4,087,913	5,833,888
Cash and cash equivalents - restricted assets	2,163,264	1,595,027
Deposits included in cash and cash equivalents	(639,174)	(577,714)
	5,612,003	6,851,201
Long-term investments	20,857,850	16,932,344
	$26,469,823	23,783,545

Fair value measurement

Government Accounting Standards Board Statement No. 72 (GASB 72) *Fair Value Measurement and Application* establishes a hierarchy of inputs to valuation techniques used to measure fair value and requires disclosures to be made about investment fair value measurements, the level of fair value hierarchy, and valuation techniques. According to GASB 72, an investment is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash.

The District records assets and liabilities in accordance with GASB 72, which establishes general principles for measuring fair value, provides additional fair application guidance and enhances disclosures about fair value measurements.

The District's investments and derivative instruments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure fair value of assets and liabilities as follows.

Level 1 - Quoted prices in active markets for identical securities.

Level 2 - Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others. Debt securities are valued in accordance with the evaluated bid price supplied by the pricing service and generally categorized as Level 2 in the hierarchy.

2 - DEPOSITS AND INVESTMENTS (continued)

Fair value measurement (continued)

Level 3 – Prices determined using significant unobservable inputs. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

The following table reflects the fair value of the District's investments and derivative instruments as of December 31, 2024 and 2023:

2024

Assets	Fair Value Measurement Using			
	Total	Level 1	Level 2	Level 3
Investments				
Colotrust	$ 5,418,915			
Money market deposit	193,088			
U.S. instrumentality securities:				
Federal Farm Credit Bank	2,102,394		2,102,394	
Federal Home Loan Bank	4,409,624		4,409,624	
Federal National Mortgage Association	1,561,631		1,561,631	
United States Treasury Notes	12,784,171		12,874,171	
Total investments	$26,469,823		20,855,820	

2023

Assets	Fair Value Measurement Using			
	Total	Level 1	Level 2	Level 3
Investments				
Colotrust	$ 4,748,645			
Money market deposit	2,102,556			
U.S. instrumentality securities:				
Federal Farm Credit Bank	2,967,497		2,967,497	
Federal Home Loan Bank	5,322,048		5,322,048	
Federal National Mortgage Association	1,501,518		1,501,518	
United States Treasury Notes	7,141,281		7,141,281	
Total investments	$23,783,545		16,932,344	

Investments

(A) During the year, the District invested in COLOTRUST, a local government investment pool. The valuation is measured at net asset value and is designed to approximate the share value. The pool's Board of Trustees, elected by the participants, is responsible for overseeing the management of COLOTRUST, including establishing operating standards and policies. COLOTRUST is designed to provide local governments with a convenient method for investing in short-term investments carefully chose to provide maximum safety and liquidity, while still maximizing interest earnings.

3 - CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2024 and 2023 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
2024				
Capital assets being depreciated:				
Water distribution system	$38,835,063	335,611	23,226	39,147,448
Water meters	6,607,364	330,805		6,938,169
Storage tanks and pumping stations	3,279,679	233,331		3,513,010
Buildings and improvements	244,623			244,623
Office furniture and fixtures	51,095			51,095
Transportation and other equipment	1,673,714	80,071	6,600	1,747,185
Hydropower facility	17,032,476			17,032,746
Total capital assets being depreciated	67,724,014	979,818	29,826	68,674,006
Less accumulated depreciation for:				
Water distribution system	19,672,471	876,759	23,226	20,526,004
Water meters	4,635,977	223,021		4,858,998
Storage tanks and pumping stations	1,768,269	113,130		1,881,399
Buildings and improvements	114,430	9,750		124,180
Office furniture and fixtures	51,095			51,095
Transportation and other equipment	1,246,578	131,098	6,600	1,371,076
Hydropower facility	3,938,761	425,811		4,364,572
Total accumulated depreciation	31,427,581	1,779,569	29,826	33,177,324
Total capital assets, net	$36,296,433	(799,751)		35,796,682

3 - CAPITAL ASSETS (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
2023				
Capital assets being depreciated:				
Water distribution system	$38,439,931	430,685	35,553	38,835,063
Water meters	6,309,041	298,323		6,607,364
Storage tanks and pumping stations	3,201,447	78,232		3,279,679
Buildings and improvements	210,913	33,710		244,623
Office furniture and fixtures	51,095			51,095
Transportation and other equipment	1,533,847	179,042	39,175	1,673,714
Hydropower facility	17,032,476			17,032,476
Total capital assets being depreciated	66,778,750	1,019,992	74,728	67,724,014
Less accumulated depreciation for:				
Water distribution system	18,828,818	879,206	35,553	19,672,471
Water meters	4,408,302	227,675		4,635,977
Storage tanks and pumping stations	1,670,302	97,967		1,768,269
Buildings and improvements	107,692	6,724		114,430
Office furniture and fixtures	51,095			51,095
Transportation and other equipment	1,179,520	106,233	39,175	1,246,578
Hydropower facility	3,512,948	425,813		3,938,761
Total accumulated depreciation	29,758,691	1,743,618	74,728	31,427,581
Total capital assets, net	$37,020,059	(723,626)		36,296,433

4 - SHORT-TERM DEBT

The District had no short-term debt during the years ended December 31, 2024 and 2023.

5 - LONG-TERM LIABILITIES

A. Colorado Water Conservation Board Loan Payable

During 2012, the District entered into a loan agreement with the Colorado Water Conservation Board (CWCB) for $9,090,000, amended in 2013 to $13,130,000 for the construction of an 8-megawatt hydropower generating facility at the existing outlet works of Ridgway Dam. The loan is for thirty years at two percent interest and is payable in annual installments of $586,253 on October 1 of each year. The District is required to deposit an amount equal to one-tenth of an annual payment into its debt service reserve fund on the due date of its first annual loan payment and annually thereafter for the first ten years of repayment. Such deposit has been made into a separate account. The loan outstanding at December 31, 2024 of $9,586,085 is payable as follows:

YEAR	PRINCIPAL	INTEREST	TOTAL PRINCIPAL AND INTEREST
2025	$ 394,533	191,721	586,254
2026	402,420	183,833	586,253
2027	410,471	175,782	586,253
2028	418,681	167,573	586,254
2029	427,054	159,200	586,254
2030 - 2034	2,266,854	664,414	2,931,267
2035 - 2039	2,502,790	428,478	2,931,267
2040 - 2044	2,763,282	167,985	2,931,267
	$ 9,586,085	2,138,984	11,725,069

B. Colorado Water Resources and Power Development Authority Loan Payable

On March 27, 2013, the District entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) for $2,000,000 for the construction of an 8-megawatt hydropower generating facility at the existing outlet works of Ridgway Dam. The loan is for 20 years at two percent interest and is payable in semi-annual installments of $60,911 on May 1 and November 1 of each year. The loan outstanding at December 31, 2024 of $998,838 is payable as follows:

YEAR	PRINCIPAL	INTEREST	TOTAL PRINCIPAL AND INTEREST
2025	$ 102,355	19,467	121,822
2026	104,412	17,410	121,822
2027	106,511	15,311	121,822
2028	108,652	13,170	121,822
2029	110,835	10,987	121,822
2030 - 2033	466,073	21,217	487,290
	$ 998,838	97,562	1,096,400

5 - LONG-TERM LIABILITIES (continued)

B. Colorado Water Resources and Power Development Authority Loan Payable (continued)

The CWRPDA loan is subject to prepayment, in whole or in part without penalty upon prior written notice to the CWRPDA of not less than 30 days.

Long-term liability for the years ended December 31, 2024 and 2023 was as follows:

	BALANCE BEGINNING OF YEAR	ADDITION	REDUCTION	BALANCE END OF YEAR	DUE WITHIN ONE YEAR
2024					
CWCB Loan	$ 9,972,881		386,796	9,586,085	394,533
CWRPDA Loan	1,099,176		100,338	998,838	102,355
	$11,072,057		487,134	10,584,923	496,888
2023					
CWCB Loan	$10,352,092		379,211	9,972,881	386,796
CWRPDA Loan	1,197,537		98,361	1,099,176	100,338
	$11,549,629		477,572	11,072,057	487,131

In 2024 and 2023, the District incurred interest costs totaling $218,677 and $228,444, respectively.

6 - COMMITMENTS

Purchase Commitment

In 1977 the District entered into a contract with the United States of America for the construction of the Dallas Creek Project to store and deliver project water for irrigation, municipal, industrial, hydropower and other uses. The District subsequently entered into agreements with various entities for the purchase of said water.

The irrigation obligation consists of three parts totaling not less than a $6,266,000 repayment obligation over a fifty year period as follows.

The first part is a $2,025,000 obligation which requires an annual payment of $40,500. The second part is a $1,175,000 obligation which requires an annual payment of $23,500. The District collects these amounts from the Uncompahgre Valley Water Users Association which has a contract to purchase 100% of the irrigation water. The third part is twenty-five percent of the annual ad valorem tax the District was authorized to collect in 1977 under state law for minimum aggregate payments of $3,066,000 plus $5,995,164 repayment to the Colorado River Basin fund over a fifty year period.

6 - COMMITMENTS (continued)

The municipal and industrial principal repayment obligation is $38,000,000 to be repaid in not more than fifty years following a ten year development period. The outstanding obligation at December 31, 2024 and 2023 was $26,324,572 and $26,972,657, respectively. The District has agreements for purchase of municipal and industrial water uses by other entities. The total commitment and purchase commitments by others are as follows by acre feet (A.F.) and cost:

	TOTAL COMMITMENTS		PURCHASE COMMITMENTS		DISTRICT COMMITMENT	
YEARS	A.F.	COST	A.F.	COST	A.F.	COST
2000 forward	28,100	$2,180,940	15,240	1,182,830	12,860	998,110

The purchase price of water from the Dallas Creek Project is currently $77.613523 per acre foot, with potential cost adjustments at no longer than five year intervals. The operation, maintenance and replacement costs were set at $9.00 and $8.50 per acre foot for 2024 and 2023, respectively, subject to annual adjustment.

During 2024 and 2023, the District's payment was based on 28,100 acre feet per the contract agreement and sold 15,240 acre feet, respectively, as per agreements.

7 - EMPLOYEE RETIREMENT PLAN

The District contributes to each employee's individual account in the Tri-County Water Conservancy District 457 Plan (Plan), a defined contribution pension plan for its full-time employees. The Plan is administered by TruStage. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Board of Directors of the District. Employees are eligible to participate after ninety days of full-time employment, at which point the District contributes 5% (10% after one year's employment) of the employees' base salary each month. Employees are also permitted to make contributions up to applicable Internal Revenue Code limits.

Full vesting of benefits begin immediately resulting in no forfeitures for the Plan. For the years ended December 31, 2024 and 2023, employee contributions were $2,000, respectively, and the District recognized pension expense of $134,966 and $130,644 respectively.

The District had no liability to the Plan at December 31, 2024 and 2023.

8 - JOINT VENTURE

The District is a participant with three municipalities and two other water districts in a joint venture to operate the Project 7 Water Authority, a water treatment facility. The Authority is governed by a six member board consisting of an appointed representative from each of the participants. The District is obligated by contract to purchase the treatment of 183 million gallons of water annually from the Authority so long as the Authority has any unpaid debt other than for operating expenses, at rates set by the Authority. The rate for 2024 and 2023 was $ 1.95 and $1.45 per thousand gallons, respectively, which results in a minimum annual purchase commitment of $356,850 but the rate charged may be changed by action of the Authority.

During the years ended December 31, 2024 and 2023, the District purchased treatment of 934 and 916 million gallons for $1,822,109 and $1,328,718, respectively. At December 31, 2024 and 2023, the District owed the Authority $111,304 and $74,825, respectively. Separate financial statements of Project 7 Water Authority are available from the District or the Authority.

9 - SPENDING AND DEBT LIMITATIONS

The State Constitution, Article X, Section 20, has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Section is complex and subject to judicial interpretation. It is the opinion of management and the District's attorney that the District's water and hydropower activities are an enterprise within the meaning of Article X, Section 20, and is not subject to the revenue limitations nor required to establish the emergency reserves, but is subject to the property tax limitations contained therein.

10 - RISK MANAGEMENT

The District is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Such exposure, except for the distribution system, is covered by purchase of commercial insurance, 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.

11 - SUBSEQUENT EVENTS

Subsequent events were evaluated through June 5, 2025 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

TRI-COUNTY WATER CONSERVANCY DISTRICT

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

For the years ended December 31, 2024 and 2023

	2024			2023		
	ORIGINAL AND FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE	ORIGINAL AND FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
PROPRIETARY						
REVENUES						
Water sales	$ 4,280,000	4,135,815	(144,185)	3,770,000	3,919,883	149,883
Hydropower sales	1,100,000	879,437	(220,563)	860,000	1,694,861	834,861
Material sales and reimbursements		11,038	11,038		2,924	2,924
New construction		86,743	86,743		81,937	81,937
Tap fees	700,000	1,592,150	892,150	700,000	1,214,542	514,542
Investment income	150,000	672,823	522,823	150,000	369,898	219,898
Miscellaneous	11,330	17,500	6,170	11,330	31,522	20,192
Vehicle and equipment sales	5,000	2,195	(2,805)	130,000	13,512	(116,488)
Raw water	1,323,630	1,287,263	(36,367)	1,323,630	1,283,929	(39,701)
Line extension fees	25,000		(25,000)	25,000		(25,000)
Dam monitoring	180,040	301,121	121,081	180,040	367,302	187,262
Fedral hydropower incentives		706,484	706,484		680,066	680,066
TOTAL PROPRIETARY REVENUES	7,775,000	9,692,569	1,917,569	7,150,000	9,660,376	2,510,376
EXPENDITURES	10,012,000	9,336,292	675,708	9,215,000	8,639,859	575,141
EXCESS (DEFICIT) OF PROPRIETARY REVENUES OVER (UNDER) EXPENDITURES	(2,237,000)	356,277	2,593,277	(2,065,000)	1,020,517	3,085,517
GOVERNMENT						
REVENUES						
Property and specific ownership taxes	2,197,000	2,429,350	232,350	2,060,000	2,157,543	97,543
EXPENDITURES	2,197,000	502,009	1,694,991	2,060,000	466,043	1,593,957
EXCESS (DEFICIT) OF GOVERNMENT REVENUES OVER (UNDER) EXPENDITURES	-	1,927,341	1,927,341	-	1,691,500	1,691,500
TOTAL DISTRICT REVENUES	9,972,000	12,121,919	2,149,919	9,210,000	11,817,919	2,607,919
TOTAL DISTRICT EXPENDITURES	12,209,000	9,838,301	2,370,699	11,275,000	9,105,902	2,169,098
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (2,237,000)	2,283,618	4,520,618	(2,065,000)	2,712,017	4,777,017
RECONCILIATION OF EXCESS OF REVENUES OVER (UNDER) EXPENDITURES TO CHANGE IN NET POSITION:						
Capital expenditures		979,818			1,009,368	
Net increase (decrease) in fair value of investments		284,315			576,943	
Debt service - principal		487,134			477,572	
Depreciation		(1,779,569)			(1,743,618)	
	$	2,255,316			3,032,282	

TRI-COUNTY WATER CONSERVANCY DISTRICT

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the years ended December 31, 2024 and 2023

	2024			2023		
	ORIGINAL AND FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE	ORIGINAL AND FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
PROPRIETARY						
EXPENDITURES						
Directors' expense $	70,000	54,293	15,707	65,000	55,763	9,237
Travel and lodging	10,500	6,431	4,069	10,000	10,210	(210)
Training	22,000	14,322	7,678	20,000	17,893	2,107
Dues and subscriptions	10,000	7,056	2,944	10,000	5,868	4,132
Publishing and printing	15,000	346	14,654	15,000	3,665	11,335
Attorney fees	25,000	19,740	5,260	15,000	14,550	450
Audit and accounting	20,000	16,880	3,120	18,000	15,500	2,500
Financial advisor fees	60,000	33,718	26,282	60,000	31,960	28,040
Consulting fees	100,000	29,096	70,904	60,000	104,600	(44,600)
Lab	5,000	2,547	2,453	2,000	2,485	(485)
Radio repeater rental/upgrade		1,875	(1,875)		1,125	(1,125)
Office supplies and equipment	40,000	40,420	(420)	40,000	39,829	171
Communications	15,000	12,074	2,926	15,000	11,050	3,950
Postage and CC/EFT fees	65,000	70,689	(5,689)	60,000	67,578	(7,578)
Utilities - office	15,000	11,598	3,402	15,000	9,389	5,611
Building maintenance	45,000	9,698	35,302	100,000	51,760	48,240
Small tools	15,000	11,540	3,460	15,000	7,900	7,100
Equipment, vehicles and tools	200,000	80,071	119,929	200,000	137,815	62,185
Capital improvements	710,000	589,981	120,019	890,000	502,348	387,652
Materials and supplies	75,000	541,322	(466,322)	75,000	180,105	(105,105)
Weed control	2,000	99	1,901	2,000	388	1,612
Equipment maintenance	30,000	18,358	11,642	30,000	20,312	9,688
Vehicle maintenance	25,000	30,348	(5,348)	25,000	18,971	6,029
Equipment fuel	95,000	75,363	19,637	95,000	76,557	18,443
Insurance and bonds	70,000	37,796	32,204	60,000	32,771	27,229
Personnel costs	1,670,000	1,367,902	302,098	1,400,000	1,277,395	122,605
Payroll taxes	128,000	116,875	11,125	120,000	111,059	8,941
Employee benefits	767,000	528,698	238,302	740,000	627,378	112,622
Workmen's comp insurance	28,000	12,581	15,419	25,000	13,595	11,405
Water treatment	1,850,000	1,822,109	27,891	1,275,000	1,328,718	(53,718)
Electricity	210,000	204,847	5,153	205,000	194,972	10,028
Raw water	2,180,940	2,189,405	(8,465)	2,180,940	2,189,075	(8,135)
Irrigation water	64,000	64,000	-	64,000	64,000	-
Dam operations and maintenance	377,810	410,431	(32,621)	397,310	476,612	(79,302)
Water conservation	20,000	1,824	18,176	20,000	9,730	10,270
Hydropower project	900,000	140,739	759,261	850,000	132,833	717,167
Hydropower lease of power privilege		55,409	(55,409)		88,084	(88,084)
Debt service - principal		487,134	(487,134)		477,572	(477,572)
Debt service - interest		218,677	(218,677)		228,444	(228,444)
Contingency	76,750		76,750	40,750		40,750
TOTAL PROPRIETARY EXPENDITURES $	10,012,000	9,336,292	675,708	9,215,000	8,639,859	575,141
GOVERNMENT						
EXPENDITURES						
Irrigation ad valorum	425,516	454,996	(29,480)	383,946	425,516	(41,570)
Treasurers' fees	43,000	47,013	(4,013)	40,000	40,527	(527)
Contingency	1,728,484		1,728,484	1,636,054		1,636,054
TOTAL GOVERNMENT EXPENDITURES $	2,197,000	502,009	1,694,991	2,060,000	466,043	1,593,957