

**Eagle River Water and Sanitation District  
Vail, Colorado**

**Financial Statements  
December 31, 2024**



**EAGLE RIVER  
WATER & SANITATION  
DISTRICT**

**Eagle River Water and Sanitation District  
Financial Statements  
December 31, 2024**

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# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Eagle River Water and Sanitation District  
Vail, Colorado**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the business-type activities of Eagle River Water and Sanitation District (the "District"), as of and for the year ended December 31, 2024, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Eagle River Water and Sanitation District, as of December 31, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### ***Emphasis of Matter – Change in Accounting Principle***

As discussed in Note V to the financial statements, the District adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. 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 the Eagle River Water and Sanitation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

The Eagle River Water and Sanitation District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

*Member: American Institute of Certified Public Accountants*

***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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS 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 U.S. GAAS, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B 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 Eagle River Water and Sanitation District's basic financial statements. The budgetary comparisons and debt service schedules in Section E are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparisons and debt services schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 U.S. GAAS. In our opinion, the information in Section E is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual financial report. The other information comprises the statistical information in Section F but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.  
Avon, Colorado  
June 14, 2025**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



**EAGLE RIVER  
WATER & SANITATION  
DISTRICT**

**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2024**

The discussion and analysis is designed to provide an analysis of Eagle River Water and Sanitation District's (the District) financial condition and operating results and to inform the reader on the District's financial issues and activities.

The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements.

**Financial Highlights**

In 2024, overall net position increased by \$4,503,079. As part of the long-term capital improvement program, the District spent cash on capital assets of \$12,124,928 (capital outlay). In addition, the District's capital, lease, and SBITA assets were depreciated and amortized \$11,650,636.

The District's 2024 financial activity generated an increase of \$14,176,916 in net position on a budgetary basis. In accordance with Generally Accepted Accounting Principles (GAAP), \$11,650,636 of capital asset depreciation was expensed, which does not represent cash funding for capital assets in the current period. The District reconciliation from budgetary basis to GAAP basis, which includes depreciation expense, can be found on page E3 of the financial statements. The net result was that net position increased by \$4,503,079 for 2024, compared to a \$9,389,238 increase in 2023.

In 2024, total revenues were \$53,530,986, which was an increase of \$99,966 over 2023 levels. Service fees revenue increased \$4,554,740. This was a result of increases in water usage and service rates. Operating revenue increased \$5,548,987, primarily due to the increase in service fee revenues along with an increase in contract services provided. Additional details can be found on page E1 – E3 of the financial statements.

In 2024, total expenses were \$49,027,907, which was an increase of \$4,986,125 over 2023 levels. The increase was largely attributable to the higher expenses associated with utility services and engineering costs. Additional details can be found on page E1 – E3 of the financial statements.

The water service rate structure is designed to encourage wise use of water and is based upon the customer's Single-Family Equivalents (SFE) usage. Water service rates in 2024 were increased from 2023 rates. The water service base rate is \$22.76 per SFE. The usage rates for tier one (0 to 5,999 gallons) is \$3.70 per 1,000 gallons. The usage rates for tier two (6,000 to 11,999 gallons), tier three (12,000 to 17,999 gallons), tier four (18,000 to 23,999 gallons) and tier five (24,000 and over) are \$6.72, \$13.28, \$20.15 and \$28.21 per 1,000 gallons, respectively. The Capital Replacement Program fee was \$7.70 per month per SFE for Water and \$5.47 per month per SFE for Wastewater. The Debt Service base rate is established to provide a reliable revenue source for repayment of the 2017 Wastewater bonds, 2017 Water bonds, 2019 Water bonds, 2020 Wastewater bonds, and 2023 Wastewater bonds. For 2024 the bond rates were established at \$2.75, \$6.37, \$2.28, \$10.19, and \$6.91 per month per SFE, respectively. In 2025 the District will begin charging a Debt Service base rate for repayment of its 2024 water bonds at a rate of \$8.49 per SFE per month.

Water service rates in 2023 were increased from 2022 rates. The water service base rate is \$22.10 per SFE. The usage rates for tier one (0 to 5,999 gallons) is \$3.59 per 1,000 gallons. The usage rates for tier two (6,000 to 11,999 gallons), tier three (12,000 to 17,999 gallons), tier four (18,000 to 23,999 gallons), and tier five (24,000 and over) are \$6.52, \$12.89, \$26.86 and \$40.30 per 1,000 gallons, respectively. The Capital Replacement Program fee was \$7.48 per month per SFE for Water and \$5.31 per month per SFE for Wastewater. The Debt Service base rate is established to provide a reliable revenue source for repayment of the 2017 Wastewater bonds, 2017 Water bonds, 2019 Water bonds and 2020 Wastewater bonds. For 2023 the bond rates were established at \$2.77, \$6.44, \$2.28 and \$7.89 per month per SFE, respectively.

**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2024  
(continued)**

**Overview of the Financial Statements**

The financial statements of the District are presented as a special purpose government engaged only in business type activities - providing water and sewer utility services.

The *Statements of Net Position* present information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statements of Revenues, Expenses and Changes in Net Position* present information that reflects how the District's net position changed during the past year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The *Statements of Cash Flows* report the District's cash flows from operating, capital and related financing, and investing activities.

These financial statements distinguish functions of the District that will be principally supported by service charges and Taxes. The functions of the District include effective and economical operation of water and wastewater sanitation systems within the jurisdictional boundaries of the District. The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

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**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2024  
(continued)**

**NET POSITION**

	2024			2023		
	Water	Sanitation	Total	Water	Sanitation	Total
<b>Assets:</b>						
Current and other assets	27,966,371	63,790,431	91,756,802	12,394,557	67,351,612	79,746,169
Capital assets, net	38,846,131	185,875,216	224,721,347	38,413,301	185,613,337	224,026,638
<b>Total Assets</b>	66,812,502	249,665,647	316,478,149	50,807,858	252,964,949	303,772,807
<b>Deferred Outflows of Resources:</b>						
Deferred charge on refunding	783,571	-	783,571	855,061	-	855,061
<b>Total Deferred Outflows of Resources</b>	783,571	-	783,571	855,061	-	855,061
<b>Liabilities</b>						
Other liabilities	546,828	5,255,909	5,802,737	408,352	7,918,797	8,327,149
Long-term liabilities	32,713,336	142,449,940	175,163,276	18,893,452	145,601,224	164,494,676
<b>Total Liabilities</b>	33,260,164	147,705,849	180,966,013	19,301,804	153,520,021	172,821,825
<b>Deferred Inflows of Resources:</b>						
Unavailable property tax revenue	1,395,484	2,202,978	3,598,462	1,402,632	2,209,245	3,611,877
<b>Total Deferred Inflows of Resources</b>	1,395,484	2,202,978	3,598,462	1,402,632	2,209,245	3,611,877
<b>Net Position:</b>						
Net investment in capital assets	20,261,507	58,707,803	78,969,310	19,678,817	40,647,985	60,326,802
Restricted:						
Debt	730,683	600,000	1,330,683	695,047	600,000	1,295,047
Capital projects	12,374,211	13,466,813	25,841,024	-	26,011,134	26,011,134
Unrestricted	(425,976)	26,982,204	26,556,228	10,584,619	29,976,564	40,561,183
<b>Total Net Position</b>	32,940,425	99,756,820	132,697,245	30,958,483	97,235,683	128,194,166

As noted earlier, net position may serve, over time, as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$32,940,425 and \$99,756,820 for water and sanitation, respectively, as of December 31, 2024 and \$30,958,483 and \$97,235,683 for water and sanitation, respectively, as of December 31, 2023.

The largest portion of the District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding, excluding unspent bond proceeds. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2024  
(continued)**

**NET POSITION (continued)**

During 2024, overall net position increased \$4,503,079. Overall assets increased \$12,705,342.

As of December 31, 2024, total net capital assets are \$224,721,347, which is an increase of \$694,709 from the 2023 amount of \$224,026,638. The change in net capital assets of \$694,709 is net of the current year additions, deletions, and depreciation. Capital asset details can be found on pages D13 – D14.

During 2024, total liabilities increased \$8,144,188. The increase in total liabilities is related to 2024 debt issuances, net of ongoing payments of existing debt.

During 2023, overall net position increased \$9,389,238. In 2023, overall assets increased \$51,573,429.

Capital asset additions in 2023, net of deletions and depreciation expense, were \$16,896,948. This increase is part of the District's long term capital improvement program.

During 2023, total liabilities increased \$41,824,892. The increase in liabilities is related to 2023 debt issuances.

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**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2024  
(continued)**

**REVIEW OF REVENUES**

	2024			2023		
	Water	Sanitation	Total	Water	Sanitation	Total
<b>Revenues:</b>						
Operating revenues:						
Service fees	9,192,235	24,637,263	33,829,498	8,641,929	20,632,829	29,274,758
Contract services	-	9,176,798	9,176,798	-	8,518,900	8,518,900
Meter sales and rentals	-	1,667,454	1,667,454	-	1,711,133	1,711,133
Other	432,393	719,477	1,151,870	131,892	639,950	771,842
Non-operating revenues:						
Property taxes	1,402,025	2,226,926	3,628,951	1,360,180	1,967,800	3,327,980
Specific ownership taxes	80,861	112,997	193,858	78,032	117,749	195,781
Investment income	300,132	1,809,218	2,109,350	168,391	3,384,132	3,552,523
Other	41,074	206,104	247,178	1,525,121	178,641	1,703,762
Capital contributions:						
Tap fees	140,902	451,767	592,669	151,035	2,679,006	2,830,041
Contributed assets	328,860	368,049	696,909	670,594	674,287	1,344,881
Other	236,451	-	236,451	32,068	167,351	199,419
<b>Total Revenues</b>	<b>12,154,933</b>	<b>41,376,053</b>	<b>53,530,986</b>	<b>12,759,242</b>	<b>40,671,778</b>	<b>53,431,020</b>

In 2024, total revenues were \$53,530,986, which is an increase of \$99,966 over 2023 revenues of \$53,431,020. This increase is chiefly due to increases in operating revenues, as discussed on the next paragraph, offset by reduced capital contributions, which are driven by development in the District's service area. 2023 saw the completion of major development projects which did not occur in 2024.

Service fee revenue increased \$4,554,740 in 2024. This resulted from increased fees. Overall operating revenue increased \$5,548,987 in 2023. This was a result of an increase in contract services provided and increased service fees.

In 2023, total revenues were \$53,431,020, which is an increase of \$9,886,508 over 2022 levels.

Service fee revenue in 2023 increased \$3,183,848. This was a result of increased water usage and increased fees. Overall operating revenue increased \$3,620,039. This was a result of an increase in contract services provided and increased service fees.

**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2024  
(continued)**

**REVIEW OF EXPENSES**

	2024			2023		
	Water	Sanitation	Total	Water	Sanitation	Total
<b>Expenses:</b>						
Operating Expenses:						
Maintenance	1,170,920	3,605,584	4,776,504	1,139,228	2,988,852	4,128,080
Water operations	3,177,526	1,696,851	4,874,377	3,080,270	1,446,237	4,526,507
Utility services	492,627	1,826,190	2,318,817	414,930	2,043,623	2,458,553
Wastewater treatment	-	11,015,201	11,015,201	-	9,794,319	9,794,319
Engineering	539,745	1,973,713	2,513,458	451,633	1,565,623	2,017,256
Laboratory	197,318	789,273	986,591	182,463	729,852	912,315
Employee housing	-	507,236	507,236	-	472,407	472,407
General and administrative	3,671,819	12,645,521	16,317,340	2,858,810	11,003,358	13,862,168
Non-operating expenses:						
Interest expense	670,221	4,728,470	5,398,691	680,166	4,602,177	5,282,343
Bond issuance costs	210,710	-	210,710	-	487,885	487,885
Treasurer's fees	42,105	66,877	108,982	40,849	59,100	99,949
<b>Total Expenses</b>	<b>10,172,991</b>	<b>38,854,916</b>	<b>49,027,907</b>	<b>8,848,349</b>	<b>35,193,433</b>	<b>44,041,782</b>
<b>Change in Net Position</b>	1,981,942	2,521,137	4,503,079	3,910,893	5,478,345	9,389,238
<b>Net Position - Beginning of Year</b>	30,958,483	97,235,683	128,194,166	27,047,590	91,757,338	118,804,928
<b>Net Position - End of Year</b>	32,940,425	99,756,820	132,697,245	30,958,483	97,235,683	128,194,166

In 2024, total expenses were \$49,027,907, which was an increase of \$4,986,125 over 2023 expenses of \$44,041,782.

Operating expenses increased \$5,137,919 in 2024. The increase was largely attributable to the higher expenses associated with personnel costs, utility services, and engineering costs.

In 2023, total expenses were \$44,041,782, which was an increase of \$5,826,385 over 2022 levels.

Operating expenses increased \$3,665,892 in 2023. The increase was largely attributable to the higher expenses associated with personnel costs, utility services, and engineering costs.

**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2024  
(continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The District's total capital assets at December 31, 2024 and 2023 amounted to \$224,721,347 and \$224,026,638 (net of accumulated depreciation), respectively. Capital assets include land and easements, water rights, treatment plants, distribution systems, employee housing, computers, equipment and vehicles. Capital assets are shown on the Statement of Net Position at the cost on the day of acquisition.

Most of the water and storage rights currently used by the District were provided by previous government water providers at no cost to the District. In accordance with Governmental Accounting Standards Board (GASB), only owned water and storage rights are shown on the District's Statement of Net Position at historic cost, totaling \$1,496,416. This cost represents mostly legal expenditures to establish the District's ability to use these rights to provide water to its customers and some additional acquisitions of new rights. Also in accordance with GASB, the investment in Eagle Park Reservoir Company Stock, which provides a valuable source of raw water supply, is not reflected in capital assets, but is shown in Other Assets at the historic cost of \$3,453,442.

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**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2024  
(continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)**

Management of the District believes the actual value of these water and storage rights used by the District to be much greater than historical cost at December 31, 2024. The change in capital assets in 2024 is as follows:

	<b>Water</b>			
	<b>1/1/24 Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	
Capital assets, not being depreciated:				
Water rights	1,496,416	-	-	1,496,416
Construction in progress	3,966,975	2,240,666	(2,416,016)	3,791,625
Total capital assets, not being depreciated	<u>5,463,391</u>	<u>2,240,666</u>	<u>(2,416,016)</u>	<u>5,288,041</u>
Capital assets, being depreciated and amortized:				
Treatment plants	4,702,580	53,197	-	4,755,777
Distribution systems	57,051,925	2,356,585	-	59,408,510
Computers, equipment and vehicles	4,494,445	441,856	(613,623)	4,322,678
Intangible subscription assets	193,897	92,219	-	286,116
Leased assets	152,041	-	(152,041)	-
Total capital assets being depreciated and amortized	<u>66,594,888</u>	<u>2,943,857</u>	<u>(765,664)</u>	<u>68,773,081</u>
Less accumulated depreciation and amortization for				
Treatment plants	(2,944,366)	(166,486)	-	(3,110,852)
Distribution systems	(27,507,883)	(1,667,888)	-	(29,175,771)
Computers, equipment and vehicles	(3,128,111)	(258,480)	610,542	(2,776,049)
Intangible subscription assets	-	(152,319)	-	(152,319)
Leased assets	(64,618)	(15,856)	80,474	-
Total accumulated depreciation and amortization	<u>(33,644,978)</u>	<u>(2,261,029)</u>	<u>691,016</u>	<u>(35,214,991)</u>
Total capital assets, being depreciated and amortized, net	<u>32,949,910</u>	<u>682,828</u>	<u>(74,648)</u>	<u>33,558,090</u>
<b>Total capital assets, net</b>	<u><u>38,413,301</u></u>	<u><u>2,923,494</u></u>	<u><u>(2,490,664)</u></u>	<u><u>38,846,131</u></u>

**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2024  
(continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)**

	<b>Sanitation</b>			<b>12/31/24 Ending Balance</b>
	<b>1/1/24 Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	
Capital assets, not being depreciated:				
Land and easements	3,644,631	-	(90,951)	3,553,680
Construction in progress	24,663,045	8,857,529	(20,008,374)	13,512,200
Total capital assets, not being depreciated	<u>28,307,676</u>	<u>8,857,529</u>	<u>(20,099,325)</u>	<u>17,065,880</u>
Capital assets, being depreciated and amortized:				
Treatment plants	186,588,267	1,841,464	-	188,429,731
Distribution systems	59,696,820	16,870,037	-	76,566,857
Computers, equipment and vehicles	13,768,797	1,767,423	(2,466,992)	13,069,228
Employee housing	21,265,321	356,572	-	21,621,893
Intangible subscription assets	775,588	368,876	-	1,144,464
Leased assets	608,163	-	(608,163)	-
Total capital assets being depreciated and amortized	<u>282,702,956</u>	<u>21,204,372</u>	<u>(3,075,155)</u>	<u>300,832,173</u>
Less accumulated depreciation and amortization for				
Treatment plants	(77,704,268)	(5,319,912)	-	(83,024,180)
Distribution systems	(33,817,925)	(1,733,426)	-	(35,551,351)
Computers, equipment and vehicles	(9,612,657)	(1,033,914)	2,442,166	(8,204,405)
Employee housing	(4,003,976)	(629,647)	-	(4,633,623)
Intangible subscription assets	-	(609,278)	-	(609,278)
Leased assets	(258,469)	(63,430)	321,899	-
Total accumulated depreciation and amortization	<u>(125,397,295)</u>	<u>(9,389,607)</u>	<u>2,764,065</u>	<u>(132,022,837)</u>
Total capital assets, being depreciated and amortized, net	<u>157,305,661</u>	<u>11,814,765</u>	<u>(311,090)</u>	<u>168,809,336</u>
<b>Total capital assets, net</b>	<u><u>185,613,337</u></u>	<u><u>20,672,294</u></u>	<u><u>(20,410,415)</u></u>	<u><u>185,875,216</u></u>

Additional information on the District's capital assets can be found on pages D13 –D14 in Note III in the Notes to Financial Statements.

**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2024  
(continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)**

**Long-term Debt**

At December 31, 2024, the District's loan payable for Eagle Park Reservoir shares from the Colorado Water Conservation Board (CWCB) had \$458,591 outstanding. The Water General Obligation Bonds issued in 2012 for water system improvements had an outstanding balance at December 31, 2024 of \$3,315,000. The 2017 Water Revenue Refunding Bonds, 2019 Water Revenue Bonds, and 2024 Water Revenue Bonds had outstanding principal of \$26,140,000. The 2017 Wastewater Revenue Refunding Bonds, 2020 Wastewater Revenue Bonds and Revenue Refunding Bonds, and 2023 Wastewater Revenue Bonds had principal outstanding of \$112,110,000. The 2016 Sanitation District General Obligation Bonds had principal outstanding of \$18,780,000. Other changes in debt in the current year are representative of scheduled reductions on long term obligations.

Additional detail on debt is in Note III in the Notes to Financial Statements.

**BUDGET VARIANCES AND FUTURE CONSIDERATIONS**

**Budget Variances**

In 2024, budgeted revenues were \$47,396,103. Revenues came in over budget expectations by \$20,761,435. The variance is mostly due to the proceeds on bond issuances being larger than budgeted for. The expenditure original budget was \$62,103,043, which was amended to \$64,219,510 for capital projects and bond refunding payments carried forward from previous years. Actual expenditures of \$53,980,622 were \$10,238,888 under budget, mainly due to multi-year capital project spending projects being carried forward.

**2025 Budget Considerations**

The District will continue to promote wise use of water and support a comprehensive water conservation program. Additionally, the District will explore opportunities to develop or acquire new water resources.

In 2025, the approved revenue budget is \$55,398,776 and the approved expenditure budget is \$68,094,473, including \$21,861,986 of new capital additions.

**REQUESTS FOR INFORMATION**

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Jim Cannava, Finance Manager, Eagle River Water and Sanitation District, 846 Forest Road, Vail, Colorado 81657.

**BASIC FINANCIAL STATEMENTS**



**EAGLE RIVER  
WATER & SANITATION  
DISTRICT**

**Eagle River Water and Sanitation District**  
**Statement of Net Position**  
**December 31, 2024**  
**(With Comparative Totals for 2023)**

	<b>2024</b>			<b>2023</b>
	<b>Water</b>	<b>Sanitation</b>	<b>Total</b>	<b>Total</b>
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents - Unrestricted	3,407,043	13,857,558	17,264,601	10,083,764
Cash and cash equivalents - Restricted	730,683	600,000	1,330,683	695,047
Investments - Unrestricted	3,901,268	25,776,360	29,677,628	22,850,755
Investments - Restricted	12,374,211	13,466,813	25,841,024	26,611,134
Receivables, net of allowance for uncollectibles:				
Service	918,323	3,673,292	4,591,615	4,019,076
Property taxes	1,395,484	2,202,978	3,598,462	3,611,877
Current portion of notes receivable	-	55,087	55,087	6,470
Interest	161,270	321,919	483,189	397,831
Other	205,986	1,358,807	1,564,793	4,540,749
Inventory	1,119,393	878,303	1,997,696	1,464,221
Prepaid expenses	64,505	289,822	354,327	784,005
<b>Total Current Assets</b>	<b>24,278,166</b>	<b>62,480,939</b>	<b>86,759,105</b>	<b>75,064,929</b>
<b>Non-current Assets:</b>				
<b>Other Assets:</b>				
Notes receivable - Due in more than one year	-	880,528	880,528	734,145
Patronage dividend receivable	142,988	428,964	571,952	558,591
Other receivables	246,309	-	246,309	89,596
Investment in Eagle Park Reservoir Company	3,298,908	-	3,298,908	3,298,908
<b>Total Other Assets</b>	<b>3,688,205</b>	<b>1,309,492</b>	<b>4,997,697</b>	<b>4,681,240</b>
<b>Capital Assets:</b>				
Land and easements	-	3,553,680	3,553,680	3,644,631
Water rights	1,496,416	-	1,496,416	1,496,416
Construction in progress	3,791,625	13,512,200	17,303,825	28,630,020
Treatment plants	4,755,777	188,429,731	193,185,508	191,290,847
Distribution systems	59,408,510	76,566,857	135,975,367	116,748,745
Computers, equipment, and vehicles	4,322,678	13,069,228	17,391,906	18,263,242
Employee housing	-	21,621,893	21,621,893	21,265,321
Intangible subscription assets	286,116	1,144,464	1,430,580	969,485
Leased assets	-	-	-	760,204
Less: Accumulated depreciation and amortization	(35,214,991)	(132,022,837)	(167,237,828)	(159,042,273)
<b>Total Capital Assets</b>	<b>38,846,131</b>	<b>185,875,216</b>	<b>224,721,347</b>	<b>224,026,638</b>
<b>Total Non-current Assets</b>	<b>42,534,336</b>	<b>187,184,708</b>	<b>229,719,044</b>	<b>228,707,878</b>
<b>Total Assets</b>	<b>66,812,502</b>	<b>249,665,647</b>	<b>316,478,149</b>	<b>303,772,807</b>
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	783,571	-	783,571	855,061
<b>Total Deferred Outflows of Resources</b>	<b>783,571</b>	<b>-</b>	<b>783,571</b>	<b>855,061</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>67,596,073</b>	<b>249,665,647</b>	<b>317,261,720</b>	<b>304,627,868</b>

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

**Eagle River Water and Sanitation District**  
**Statement of Net Position**  
**December 31, 2024**  
**(With Comparative Totals for 2023)**  
**(Continued)**

	<b>2024</b>			<b>2023</b>
	<b>Water</b>	<b>Sanitation</b>	<b>Total</b>	<b>Total</b>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts payable	357,805	2,009,100	2,366,905	4,867,294
Service fees payable	-	2,669,323	2,669,323	2,811,804
Accrued payroll and related liabilities	19,107	76,428	95,535	73,960
Interest payable	169,916	420,156	590,072	488,673
Loans, bonds and SBITA's payable - Due within one year	1,800,998	3,621,232	5,422,230	4,520,356
Deposits	-	80,902	80,902	85,418
<b>Total Current Liabilities</b>	<b>2,347,826</b>	<b>8,877,141</b>	<b>11,224,967</b>	<b>12,847,505</b>
<b>Non-current Liabilities:</b>				
Compensated absences - Due in more than one year	325,330	1,301,321	1,626,651	794,840
Loans, bonds and SBITA's payable - Due in more than one year	30,587,008	137,527,387	168,114,395	159,179,480
<b>Total Non-current Liabilities</b>	<b>30,912,338</b>	<b>138,828,708</b>	<b>169,741,046</b>	<b>159,974,320</b>
<b>Total Liabilities</b>	<b>33,260,164</b>	<b>147,705,849</b>	<b>180,966,013</b>	<b>172,821,825</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable property tax revenue	1,395,484	2,202,978	3,598,462	3,611,877
<b>Total Deferred Inflows of Resources</b>	<b>1,395,484</b>	<b>2,202,978</b>	<b>3,598,462</b>	<b>3,611,877</b>
<b>Net Position:</b>				
Net investment in capital assets	20,261,507	58,707,803	78,969,310	60,326,802
Restricted for:				
Debt	730,683	600,000	1,330,683	1,295,047
Capital projects	12,374,211	13,466,813	25,841,024	26,011,134
Unrestricted	(425,976)	26,982,204	26,556,228	40,561,183
<b>Total Net Position</b>	<b>32,940,425</b>	<b>99,756,820</b>	<b>132,697,245</b>	<b>128,194,166</b>

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

**Eagle River Water and Sanitation District**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Year Ended December 31, 2024**  
**(With Comparative Totals for 2023)**

	<b>2024</b>			<b>2023</b>
	<b>Water</b>	<b>Sanitation</b>	<b>Total</b>	<b>Total</b>
<b>Operating Revenues:</b>				
Service fees	9,192,235	24,637,263	33,829,498	29,274,758
Contract services	-	9,176,798	9,176,798	8,518,900
Meter sales and rental income	-	1,667,454	1,667,454	1,711,133
Other charges for services	432,393	719,477	1,151,870	771,842
<b>Total Operating Revenues</b>	<b>9,624,628</b>	<b>36,200,992</b>	<b>45,825,620</b>	<b>40,276,633</b>
<b>Operating Expenses:</b>				
Maintenance	1,170,920	3,605,584	4,776,504	4,128,080
Water operations	3,177,526	1,696,851	4,874,377	4,526,507
Utility services	492,627	1,826,190	2,318,817	2,458,553
Wastewater treatment	-	11,015,201	11,015,201	9,794,319
Engineering	539,745	1,973,713	2,513,458	2,017,256
Laboratory	197,318	789,273	986,591	912,315
Employee housing	-	507,236	507,236	472,407
General and administrative	3,671,819	12,645,521	16,317,340	13,862,168
<b>Total Operating Expenses</b>	<b>9,249,955</b>	<b>34,059,569</b>	<b>43,309,524</b>	<b>38,171,605</b>
<b>Operating Income (Loss)</b>	<b>374,673</b>	<b>2,141,423</b>	<b>2,516,096</b>	<b>2,105,028</b>
<b>Non-operating Revenues (Expenses):</b>				
Property taxes	1,402,025	2,226,926	3,628,951	3,327,980
Specific ownership taxes	80,861	112,997	193,858	195,781
Investment income	300,132	1,809,218	2,109,350	3,552,523
Gain (loss) on disposal of capital assets	7,607	85,393	93,000	1,574,694
Other non-operating revenues	33,467	120,711	154,178	129,068
Interest expense, net of premium amortization	(670,221)	(4,728,470)	(5,398,691)	(5,282,343)
Treasurer's fees	(42,105)	(66,877)	(108,982)	(99,949)
Bond issuance costs	(210,710)	-	(210,710)	(487,885)
<b>Total Non-operating Revenues (Expenses)</b>	<b>901,056</b>	<b>(440,102)</b>	<b>460,954</b>	<b>2,909,869</b>
<b>Income (Loss) Before Capital Contributions</b>	<b>1,275,729</b>	<b>1,701,321</b>	<b>2,977,050</b>	<b>5,014,897</b>
<b>Capital Contributions:</b>				
Tap fees	140,902	451,767	592,669	2,830,041
Contributed assets - physical assets	328,860	368,049	696,909	1,344,881
Fees in lieu of water and sewer lines	-	-	-	89,600
Contributed assets - cash	236,451	-	236,451	109,819
<b>Total Capital Contributions</b>	<b>706,213</b>	<b>819,816</b>	<b>1,526,029</b>	<b>4,374,341</b>
<b>Change in Net Position</b>	<b>1,981,942</b>	<b>2,521,137</b>	<b>4,503,079</b>	<b>9,389,238</b>
<b>Net Position - Beginning of Year</b>	<b>30,958,483</b>	<b>97,235,683</b>	<b>128,194,166</b>	<b>118,804,928</b>
<b>Net Position - End of Year</b>	<b>32,940,425</b>	<b>99,756,820</b>	<b>132,697,245</b>	<b>128,194,166</b>

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

**Eagle River Water and Sanitation District**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2024**  
**(With Comparative Totals for the Year Ended 2023)**

	2024			2023
	Water	Sanitation	Total	Total
<b>Cash Flows From Operating Activities:</b>				
Cash received from customers and others	11,055,900	37,016,424	48,072,324	40,572,077
Cash payments for goods and services	(3,638,683)	(10,820,121)	(14,458,805)	(12,684,227)
Cash payments to employees and for benefits	(3,428,171)	(15,594,426)	(19,022,597)	(17,464,800)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>3,989,046</u>	<u>10,601,877</u>	<u>14,590,922</u>	<u>10,423,050</u>
<b>Cash Flows From Non-capital Financing Activities:</b>				
Property taxes levied for operations, net	636,171	818,011	1,454,182	1,173,808
Specific ownership taxes received	37,827	42,792	80,619	70,893
Patronage dividend received	10,249	29,015	39,264	37,828
Other cash receipts	20,311	81,242	101,553	79,658
<b>Net Cash Provided (Used) by Non-capital Financing Activities</b>	<u>704,558</u>	<u>971,060</u>	<u>1,675,618</u>	<u>1,362,187</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Proceeds from bond issuance, including premium	15,210,710	-	15,210,710	49,553,099
Property taxes levied for debt service, net	723,750	1,342,038	2,065,788	2,054,223
Specific ownership taxes received	43,034	70,205	113,239	124,888
Cash received from tap fees	140,902	451,767	592,669	2,830,041
Proceeds from sale of capital assets	84,755	484,933	569,688	1,775,985
Cash received (paid) related to capital asset deposit	-	(4,516)	(4,516)	2,214
Fees in lieu of water and sewer lines	236,451	-	236,451	199,419
Cash paid for principal on debt and leases	(1,307,492)	(3,204,725)	(4,512,217)	(3,625,564)
Cash paid for interest on debt and leases	(672,654)	(5,079,543)	(5,752,197)	(5,412,937)
Cash paid for debt issuance costs	(210,710)	-	(210,710)	(487,885)
Cash paid for capital acquisitions	(2,480,407)	(10,050,795)	(12,531,202)	(27,879,079)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>11,768,339</u>	<u>(15,990,636)</u>	<u>(4,222,297)</u>	<u>19,134,404</u>
<b>Cash Flows From Investing Activities:</b>				
Interest and investment income received	206,959	1,441,210	1,648,169	1,312,734
Proceeds from sales and maturities of investments	5,051,100	39,066,010	44,117,110	25,676,838
Principal received on notes receivable	-	50,000	50,000	-
(Purchase) sale of stock in Eagle Park Reservoir Company	-	-	-	154,533
Purchase of investments	(20,694,664)	(29,103,385)	(49,798,049)	(69,895,207)
Issuance of notes receivable	-	(245,000)	(245,000)	(97,855)
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>(15,436,605)</u>	<u>11,208,835</u>	<u>(4,227,770)</u>	<u>(42,848,957)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,025,337	6,791,136	7,816,473	(11,929,316)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>3,112,389</u>	<u>7,666,422</u>	<u>10,778,811</u>	<u>22,708,127</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>4,137,726</u></u>	<u><u>14,457,558</u></u>	<u><u>18,595,284</u></u>	<u><u>10,778,811</u></u>
<b>Represented by Balance Sheet captions:</b>				
Cash and cash equivalents - Unrestricted	3,407,043	13,857,558	17,264,601	10,083,764
Cash and cash equivalents - Restricted	730,683	600,000	1,330,683	695,047
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>4,137,726</u></u>	<u><u>14,457,558</u></u>	<u><u>18,595,284</u></u>	<u><u>10,778,811</u></u>

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

**Eagle River Water and Sanitation District**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2024**  
**(With Comparative Totals for the Year Ended 2023)**  
**(Continued)**

	<b>2024</b>			<b>2023</b>
	<b>Water</b>	<b>Sanitation</b>	<b>Total</b>	<b>Total</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	374,673	2,141,423	2,516,096	2,105,028
<b>Adjustments:</b>				
Depreciation and amortization	2,261,029	9,389,607	11,650,636	9,649,939
Principal payments on subscription assets	(67,062)	(268,248)	(335,310)	-
(Increase) decrease in accounts receivable	1,431,272	815,432	2,246,704	295,443
(Increase) decrease in inventory	(332,710)	(200,765)	(533,475)	199,439
(Increase) decrease in prepaid expenses	87,456	342,222	429,678	(399,810)
Increase (decrease) in accounts payable	63,711	(2,158,023)	(2,094,312)	(788,665)
Increase (decrease) in service fees payable	-	(142,481)	(142,481)	(659,143)
Increase (decrease) in payroll liabilities	4,315	17,260	21,575	(34,124)
Increase (decrease) in accrued compensated absences	166,362	665,449	831,811	54,943
<b>Total Adjustments</b>	<b>3,614,373</b>	<b>8,460,454</b>	<b>12,074,827</b>	<b>8,318,022</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,989,046</b>	<b>10,601,877</b>	<b>14,590,923</b>	<b>10,423,050</b>
<b>Non-cash Investing, Capital, and Financing Activities:</b>				
Contribution of capital assets from developers	328,860	368,049	696,909	1,344,881
Unrealized gain (loss) on investments	(79,767)	35,970	(43,797)	754,956
<b>Total non-cash Investing, Capital and Financing Activities:</b>	<b>249,093</b>	<b>404,019</b>	<b>653,112</b>	<b>2,099,837</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**



**EAGLE RIVER  
WATER & SANITATION  
DISTRICT**

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**

**I. Summary of Significant Accounting Policies**

Eagle River Water and Sanitation District (the “District”) was formed July 1, 1996, pursuant to an agreement to consolidate the sanitation functions of the Upper Eagle Valley Consolidated Sanitation District and the water service functions of the Vail Valley Consolidated Water District, both of which are located in Eagle County, Colorado. The District, a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District was established to ensure a more effective and economical operation of water and sanitation systems within the jurisdictional boundaries of the District. Seven elected board members govern the District.

The 1996 consolidation of Upper Eagle Valley Consolidated Sanitation District and Vail Valley Consolidated Water District was accomplished pursuant to Colorado law which specifically provides that a separate ad valorem tax be levied against the area comprising the consolidating districts which, together with any other special rates, tolls, fees or charges for service within the consolidating District area, will be sufficient to pay the principal and interest on the consolidating Districts' outstanding bonds.

The District's financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

**A. Reporting Entity**

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity. Based upon these criteria, the District is not a component unit of any other government. The District has three blended component units and while they are legally separate entities they are in substance part of the District's operations:

**Eagle River Water and Sanitation District Water Subdistrict** - The Eagle River Water and Sanitation District Water Subdistrict (the “Water Subdistrict”) was incorporated in 2002 and formed for the purpose of creating a separate taxing district pursuant to the Special District Act. The boundaries of the Subdistrict are generally identical to the boundaries of the Town, but include some properties which are not within the Town. The Subdistrict issued bonds in 2002, 2004, 2009, 2011, and 2012 for the construction of various facilities. The financial data of the Subdistrict is reported as part of the primary government because it is fiscally dependent upon the District and provides financing solely to the District. Although the Subdistrict is a separate legal entity, for financial reporting purposes, it is part of the District and is included in the Water Fund.

**Wolcott Water and Sewer Subdistrict** – During 2013, the District incorporated the Wolcott Water and Sewer Subdistrict (the “Wolcott Subdistrict”) for the purpose of creating a separate taxing district pursuant to the Special District Act near the town of Wolcott, Colorado. Although the Subdistrict is a separate legal entity, for financial reporting purposes, it is part of the District and is included in the Sanitation Fund.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**A. Reporting Entity (continued)**

**Bighorn Terrace Sewer Subdistrict** – During 2018, the District incorporated the Bighorn Terrace Sewer Subdistrict (the “Bighorn Terrace Subdistrict”) for the purpose of creating a separate taxing district pursuant to the Special District Act. Although the Subdistrict is a separate legal entity, for financial reporting purposes, it is part of the District and is included in the Sanitation Fund.

**B. Fund Accounting**

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The District uses a proprietary fund-type, an enterprise fund, to account for its activities, providing water and wastewater treatment services to taxpayers within the District's boundaries. Enterprise funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

**1. Long-term Economic Focus and Accrual Basis**

Proprietary funds use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

**2. Financial Statement Presentation**

Proprietary funds distinguish operating revenues and expenses from non-operating 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's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise 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 non-operating revenues and expenses.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts and Accounting Policies**

**1. Cash, Cash Equivalents and Investments**

For purposes of the Statements of Cash Flows, the District considers cash on hand, demand deposits, U.S. government obligations and other highly liquid with maturities of three months or less when purchased to be cash equivalents.

Investments are stated at fair value or net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The District's investment policy is detailed at note III.A.

**2. Receivables**

Receivables are reported net of an allowance for uncollectible accounts. An allowance for doubtful accounts in the amount of \$24,285 had been established at December 31, 2024 to estimate uncollectible accounts.

**3. Property Taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as unavailable property tax revenue.

**4. Inventory**

Inventory is determined at the lower of cost (determined on the first-in, first-out basis) or market.

**5. Capital Assets**

Capital assets, which include land and easements, water rights, construction in progress, treatment plants, distribution systems, computers, equipment, vehicles, and employee housing, are reported in the financial statements. The District defines capital assets as assets with an initial cost of \$5,000 or more. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of water rights includes acquisition cost, legal, and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not depreciated. All other costs, including costs incurred for the protection of those rights, are expensed.

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. Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts and Accounting Policies (continued)**

**5. Capital Assets (continued)**

Treatment plants, distribution systems, computers, equipment, leased assets, vehicles, and employee housing are depreciated or amortized using the straight-line method over the following estimated useful lives or length of the lease:

<b>Assets</b>	<b>Years</b>
Treatment plants	5 - 40
Distribution systems	5 - 40
Computers, equipment, and vehicles	2 - 10
Employee housing	40

**6. Net Position**

Net position represents the difference between assets, liabilities, and deferred inflows (outflows) of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets and increased by any unspent proceeds from related borrowings. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

**7. Compensated Absences**

The District allows employees to accrue paid time off at different rates based upon length of service. The District estimates how much of the leave is more likely than not to be used as paid leave and recognizes that portion as a liability for compensated absences.

**8. Long-term Obligations**

Long-term debt and other long-term obligations are reported as liabilities in Statement of Net Position. Bond premiums and discounts are deferred and amortized over the respective life of the respective debt using a combination of the effective-interest and straight-line methods. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred. The deferred cost on bond refunding is being amortized over the lesser of the life of the new bond or the remaining life of the refunded bonds using the straight-line method which approximates the effective interest method. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

**9. Leases**

Lessee – In 2024 the District was a lessee for noncancellable leases of office space. The District recognizes a lease liability and an intangible right-to-use lease asset. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts and Accounting Policies (continued)**

**9. Leases (continued)**

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term.

Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines the following:

**Discount Rate:** The District uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the District uses its incremental rate of borrowing.

**Lease Term:** The lease term includes the noncancellable period of the lease and extended term(s) that the District is reasonably certain to exercise.

**Lease Payments:** Lease payments included in the measurement of the lease liability are composed of fixed increasing payments, and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

**10. Subscription-Based Information Technology Arrangements**

The District is party to a noncancellable right-of-use subscription asset. The District recognizes a subscription liability and an intangible right-to-use subscription asset.

At the commencement of a lease, the District initially measures the subscription liability at the present value of payments expected to be made during the term.

Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts and Accounting Policies (continued)**

**10. Subscription-Based Information Technology Arrangements (continued)**

Key estimates and judgments related to subscriptions include how the District determines the following:

**Discount Rate:** The District uses the interest rate charged by the vendor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the vendor is not provided, the District uses its incremental rate of borrowing.

**Term:** The subscription term includes the noncancellable period of the agreement and extended term(s) that the District is reasonably certain to exercise.

**Payments:** Subscription payments included in the measurement of the subscription liability are composed of fixed increasing payments, and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the Statement of Net Position.

**11. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category. It is unavailable revenue that is deferred and recognized as an inflow of resources in the period that the amounts become available.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts and Accounting Policies (continued)**

**11. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**12. Restricted and Unrestricted Resources**

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

**13. Comparative Data**

The financial statements include certain prior year comparative information in total, but not by segment. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2023, from which comparative totals were derived.

**II. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations for the ensuing year pursuant to the Colorado Local Budget Law. The budget is adopted on a non-GAAP basis and is reconciled to GAAP in Section E of this report. Expenditures may not legally exceed appropriations at the fund level and all appropriations lapse at year-end.

As required by Colorado statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for 2024.

1. For the 2024 budget year, prior to August 25, 2023, the County Assessor sent to the District an assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10 only once by a single notification to the District.
2. The District submitted, on or before October 15, 2023, a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
3. Prior to December 15, 2023, after a required publication of "Notice of Proposed Budget" and a public hearing, the District certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the District adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**II. Stewardship, Compliance, and Accountability (continued)**

**A. Budgetary Information (continued)**

4. After adoption of the budget resolution, the District may make the following changes: a) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; b) approve emergency appropriations; and c) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2023 were collected in 2024 and taxes certified in 2024 will be collected in 2025. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

**B. TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from state and local governments, are excluded from the provisions of TABOR. The District's management believes its operations qualify for this exclusion.

The District believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits and qualification as an enterprise, will require judicial interpretation.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds**

**A. Deposits and Investments**

The District’s deposits are entirely covered by the Federal Deposit Insurance Corporation (“FDIC”) or by collateral held under Colorado’s Public Deposit Protection Act (“PDPA”). The FDIC insures depositors up to \$250,000 for all accounts. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amounts of the District’s petty cash, demand deposits and investments were \$74,113,936 as of December 31, 2024.

*Fair Value of Investments*

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At December 31, 2024, the District had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
United States Treasury notes	38,735,461	38,735,461	-	-
Federal agency securities	9,746,248	-	9,746,248	-
Corporate bonds	7,036,943	7,036,943	-	-
<u>Investments Measured at Net Asset Value</u>		<u>Total</u>		
Colotrust		11,996,159		

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Agencies: quoted prices for identical securities in markets that are not active

The investment pool represents investments in the Colorado Government Liquid Asset Trust (“COLOTRUST”) which is a 2a7-like pool. The fair value of the pools is determined by the pool’s share price. The District has no regulatory oversight for the pool.

**Interest Rate Risk.** As a means of limiting its exposure to interest rate risk, the District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. The investment policy also limits types of investments to specific maturity dates. Finally, the policy requires the District, at all times, to maintain 10% of its total investment portfolio in instruments maturing in 120 days or less.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

**Credit Risk.** Colorado statutes and the District investment policy specify instruments in which local governments may invest, including:

- Obligations of the U.S. and certain U.S. governmental agency securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local governmental entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The District's investment policy has further restricted the investment of District funds to U.S. Treasury obligations, Federal agency securities, commercial paper, U. S. Corporate securities, eligible banker's acceptances, written repurchase agreements collateralized by certain authorized securities, local government investment pools, time certificates of deposit, and certain money market funds. The District's investment policy requires all investments to be highly rated by nationally recognized statistical rating agencies as follows:

	<b>Required Ratings</b>
Federal agency securities	AAA
Commercial paper	A-1
United States Treasury notes	AAA
Eligible bankers acceptances	A-1
Local government investment pools	AAAm
Money market mutual funds	AAAm

In addition, the District's investment policy requires that approved counterparties to repurchase agreements have at least a short-term debt rating of A-1 and a long-term debt rating of A.

At December 31, 2024, unrealized losses were \$43,797, which reflects changes in the fair market value of investments. At December 31, 2024, the District had the following cash and investments with the following maturities:

	<b>Standard &amp; Poors Rating</b>	<b>Carrying Amounts</b>	<b>Maturities</b>	
			<b>Less than one year</b>	<b>One to five years</b>
<i>Deposits:</i>				
Checking	Not rated	2,156,367	2,156,367	-
Money market	Not rated	4,442,758	4,442,758	-
Certificates of deposit	Not rated	-	-	-
<i>Investments:</i>				
Investment pools	AAAm	11,996,159	11,996,159	-
Corporate bonds	AA+/AA-/AAA	7,036,943	2,860,505	4,176,438
United States Treasury notes	AA+	38,735,461	12,750,461	25,985,000
Federal agency securities	AA+	9,746,248	5,321,279	4,424,969
<b>Total</b>		<b>74,113,936</b>	<b>39,527,529</b>	<b>34,586,407</b>

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

**Concentration of Credit Risk.** The District's investment policy requires its portfolio to be adequately diversified to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual financial institutions or maturities. The District may invest to the following maximum limits:

	<b>Maximum Percentage</b>
U.S. Treasury obligations	100%
Federal agency securities	100%
Repurchase agreements	100%
Certificates of deposit	50%
Local government investment pools	50%
Bankers acceptances and commercial paper	30%

Investments in any one issuer (other than U.S. Treasury obligations, mutual funds, and external investment pools) that represented 5% or more of the total District investments at December 31, 2024 were as follows:

<b>Issuer</b>	<b>Reported Amount</b>	<b>Percentage of Investment Portfolio</b>
Corporate bonds	7,036,943	10%
United States Treasury notes	38,735,461	54%
Federal agency securities	9,746,248	14%
Colotrust	11,996,159	17%

**B. Restricted Cash, Cash Equivalents and Investments**

At December 31, 2024, cash has been restricted for the following purposes:

	<b>Water</b>	<b>Sanitation</b>	<b>Total</b>
Unspent bond funds	12,374,211	13,466,813	25,841,024
Debt service reserves	130,683	-	130,683
Rate stabilization funds	600,000	600,000	1,200,000
<b>Total</b>	<b>13,104,894</b>	<b>14,066,813</b>	<b>27,171,707</b>

The District's cash and cash equivalents are disclosed in the following financial statement captions as follows:

	<b>Water</b>	<b>Sanitation</b>	<b>Total</b>
Cash and cash equivalents - Unrestricted	3,407,043	13,857,558	17,264,601
Cash and cash equivalents - Restricted	730,683	600,000	1,330,683
Investments - Unrestricted	3,901,268	25,776,360	29,677,628
Investments - Restricted	12,374,211	13,466,813	25,841,024
<b>Total</b>	<b>20,413,205</b>	<b>53,700,731</b>	<b>74,113,936</b>

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**C. Liquidity and Availability of Funds**

At December 31, 2024, the District reported net position on a budgetary basis of \$77,302,819 on page E3. The components of the District's budgetary net position are as follows:

<b>Funds available at year-end:</b>	<b>Water</b>	<b>Sanitation</b>	<b>Total</b>
Current assets	24,278,166	62,480,939	86,759,105
Less: current portion of long-term receivable	-	(55,087)	(55,087)
Less: current liabilities and deferred inflows	(3,743,310)	(11,080,119)	(14,823,429)
Add: current portion of long-term obligations	1,800,998	3,621,232	5,422,230
<b>Total funds available</b>	<b>22,335,854</b>	<b>54,966,965</b>	<b>77,302,819</b>
Less: unspent bond funds	(12,374,211)	(13,466,813)	(25,841,024)
Less: debt service reserves	(130,683)	-	(130,683)
Less: rate stabilization funds	(600,000)	(600,000)	(1,200,000)
<b>Total unrestricted funds available</b>	<b>9,230,960</b>	<b>40,900,152</b>	<b>50,131,112</b>

**D. Notes Receivable**

The following is an analysis of changes in notes receivable for the year ended December 31, 2024:

	<b>1/1/24 Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>12/31/24 Ending Balance</b>
Employees	740,615	245,000	(50,000)	935,615
	740,615	245,000	(50,000)	935,615
Less: Current portion	(6,470)	(55,087)	6,470	(55,087)
Long-term portion	734,145	189,913	(43,530)	880,528

The following notes receivable were outstanding as of December 31, 2024:

**1. Employees**

The District provides down payment assistance to employees as part of its Employee Home Ownership Program. Prior to November 2024, these non-interest bearing notes are secured by the related properties and will be collected over a period not to exceed fifteen years. Regular payments of principal and interest are not required. After November 2024, the notes bear interest at 2.5% and monthly payments of principal and interest are required over a period not to exceed thirty years.

**2. Sewer Tap Purchases**

The District provides Sewer Tap deferral payment plans. These loans bear interest at 3.5% annually and are collected over a period of ten years. The District has no outstanding receivables related to sewer tap payment plans at December 31, 2024.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Patronage Dividend Receivable**

The District has a dividend receivable from Holy Cross Electric Association (“Holy Cross”) which represents allocated refundable operating profits. These amounts are held by Holy Cross as working capital until the financial condition of Holy Cross permits a refund. Refunds are normally received annually approximately ten years in arrears. During the year ended December 31, 2024, the District received a refund of \$13,361 from Holy Cross. The balance due to the District at December 31, 2024 was \$571,952.

**F. Investment in Eagle Park Reservoir Company**

The Eagle Park Reservoir Company (the “Reservoir Company”), a Colorado nonprofit corporation was formed May 8, 1998 to acquire water diversion, storage facilities and water rights, and operate its water storage facilities located in Eagle County, Colorado, and to direct releases of water from the reservoir on behalf of its stockholders. An investment in the Reservoir Company allows the owner to augment its existing water rights.

In 1998, the District acquired 3,300 Class A Shares (approximately 16.4%) and 125 Class B shares of the stock in the Reservoir Company for \$1,909,732 and the contribution/pledge of certain water rights. The \$1,909,732 was financed through an assessment obligation payable to the Reservoir Company, which is explained in Note III.H.1, and is recorded as an investment in Eagle Park Reservoir Company, along with \$130,000 of legal costs related to the issuance of the assessment payable. Since 1998, the District has acquired additional shares of the Reservoir Company through various transactions.

During 2011 through 2017, the District’s investment in the Reservoir Company was unchanged. In March 2018, the District transferred 16,8789 Class A, Series 2 shares to Upper Eagle Regional Water Authority (the “Authority”), which had a historical cost of \$13,314. In 2023 the District transferred another 250 shares to the Authority.

As of December 31, 2024, the District held 4,078 Class A Shares (approximately 16.1%), 125 Class B Series 1 and 125 Class B Series 2 shares of the stock in the Reservoir Company at a cost of \$3,454,442.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Capital Assets**

Capital asset activity related to water services for 2024 was as follows:

	<u>1/1/24</u> <b>Beginning</b> <b>Balance</b>	<b>Additions</b>	<b>Retirements</b> <b>and Transfers</b>	<b>12/31/24</b> <b>Ending</b> <b>Balance</b>
<b>Water</b>				
Capital assets, not being depreciated:				
Water rights	1,496,416	-	-	1,496,416
Construction in progress	3,966,975	2,240,666	(2,416,016)	3,791,625
Total capital assets, not being depreciated	<u>5,463,391</u>	<u>2,240,666</u>	<u>(2,416,016)</u>	<u>5,288,041</u>
Capital assets, being depreciated and amortized:				
Treatment plants	4,702,580	53,197	-	4,755,777
Distribution systems	57,051,925	2,356,585	-	59,408,510
Computers, equipment and vehicles	4,494,445	441,856	(613,623)	4,322,678
Intangible subscription assets	193,897	92,219	-	286,116
Leased assets	152,041	-	(152,041)	-
Total capital assets being depreciated and amortized	<u>66,594,888</u>	<u>2,943,857</u>	<u>(765,664)</u>	<u>68,773,081</u>
Less accumulated depreciation and amortization for:				
Treatment plants	(2,944,366)	(166,486)	-	(3,110,852)
Distribution systems	(27,507,883)	(1,667,888)	-	(29,175,771)
Computers, equipment and vehicles	(3,128,111)	(258,480)	610,542	(2,776,049)
Intangible subscription assets	-	(152,319)	-	(152,319)
Leased assets	(64,618)	(15,856)	80,474	-
Total accumulated depreciation and amortization	<u>(33,644,978)</u>	<u>(2,261,029)</u>	<u>691,016</u>	<u>(35,214,991)</u>
Total capital assets, being depreciated and amortized, net	<u>32,949,910</u>	<u>682,828</u>	<u>(74,648)</u>	<u>33,558,090</u>
<b>Total capital assets, net - Water</b>	<u><u>38,413,301</u></u>	<u><u>2,923,494</u></u>	<u><u>(2,490,664)</u></u>	<u><u>38,846,131</u></u>

Fully depreciated assets related to water services totaled \$8,636,015 for the year ended December 31, 2024.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Capital Assets (continued)**

Capital asset activity related to sanitation services for 2024 was as follows:

	<u>1/1/24 Beginning Balance</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>12/31/24 Ending Balance</u>
<b>Sanitation</b>				
Capital assets, not being depreciated:				
Land and easements	3,644,631	-	(90,951)	3,553,680
Construction in progress	24,663,045	8,857,529	(20,008,374)	13,512,200
Total capital assets, not being depreciated	<u>28,307,676</u>	<u>8,857,529</u>	<u>(20,099,325)</u>	<u>17,065,880</u>
Capital assets, being depreciated and amortized:				
Treatment plants	186,588,267	1,841,464	-	188,429,731
Distribution systems	59,696,820	16,870,037	-	76,566,857
Computers, equipment and vehicles	13,768,797	1,767,423	(2,466,992)	13,069,228
Employee housing	21,265,321	356,572	-	21,621,893
Intangible subscription assets	775,588	368,876	-	1,144,464
Leased assets	608,163	-	(608,163)	-
Total capital assets being depreciated and amortized	<u>282,702,956</u>	<u>21,204,372</u>	<u>(3,075,155)</u>	<u>300,832,173</u>
Less accumulated depreciation and amortization for:				
Treatment plants	(77,704,268)	(5,319,912)	-	(83,024,180)
Distribution systems	(33,817,925)	(1,733,426)	-	(35,551,351)
Computers, equipment and vehicles	(9,612,657)	(1,033,914)	2,442,166	(8,204,405)
Employee housing	(4,003,976)	(629,647)	-	(4,633,623)
Intangible subscription assets	-	(609,278)	-	(609,278)
Leased assets	(258,469)	(63,430)	321,899	-
Total accumulated depreciation and amortization	<u>(125,397,295)</u>	<u>(9,389,607)</u>	<u>2,764,065</u>	<u>(132,022,837)</u>
Total capital assets, being depreciated and amortized, net	<u>157,305,661</u>	<u>11,814,765</u>	<u>(311,090)</u>	<u>168,809,336</u>
<b>Total capital assets, net - Sanitation</b>	<u><u>185,613,337</u></u>	<u><u>20,672,294</u></u>	<u><u>(20,410,415)</u></u>	<u><u>185,875,216</u></u>

Fully depreciated assets related to sanitation services totaled \$47,552,646 for the year ended December 31, 2024.

Depreciation and amortization expense (of leased and intangible subscription assets) for the year ended December 31, 2024 was charged to the following departments:

	<u>Water</u>	<u>Sanitation</u>	<u>Total</u>
Maintenance	57,185	228,741	285,926
Water operations	1,834,373	-	1,834,373
Wastewater treatment	-	7,053,336	7,053,336
General and administrative	369,471	2,107,530	2,477,001
<b>Total</b>	<u><u>2,261,029</u></u>	<u><u>9,389,607</u></u>	<u><u>11,650,636</u></u>

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Long-Term Debt – Water**

The District has the following long-term debt outstanding related to its water operations:

**1. 1998 Assessment Obligation Note**

As previously explained in Note III.F, the District financed its 1998 investment in the Reservoir Company through the execution of an assessment obligation note in the amount of \$1,909,842. This note bears interest at 5.45% annually. Debt service payments of \$130,683 are due annually on September 16, through 2028.

The obligation is secured by the District's ownership of common stock of the Reservoir Company and certain water rights owned by participating members and leased to the District. The agreement contains release provisions for the collateral based on the timely payment of scheduled obligations. The assessment payable is subject to annual appropriation.

The District is maintaining a reserve equal to the next fiscal year's principal and interest payments for this obligation.

**2. General Obligation Water Bonds, Series 2012A**

The District, through the Water Subdistrict, issued \$1,000,000 of general obligation water bonds in December 2012, the proceeds of which will be used to construct improvements to the District's water system and pay the costs of issuance. The interest rates on the bonds range from 2.30% to 2.50%. Interest is payable on June 1 and December 1, through 2029. The principal is payable on December 1 and matures in various increments through 2029.

Principal on the serial bonds is due beginning in 2023 through 2029 in amounts ranging from \$130,000 to \$155,000.

The bonds are not secured by the Water Subdistrict's assets and are not obligations of the District. The bonds are direct obligations and pledge the full faith and credit of the Water Subdistrict and are ultimately secured by the Water Subdistrict's general ad valorem tax collections.

Bonds maturing on or after December 1, 2023, are subject to redemption prior to maturity at the option of District at par plus accrued interest.

**3. General Obligation Water Refunding Bonds, Series 2012B**

The District, through the Water Subdistrict, issued \$6,605,000 of general obligation water refunding bonds in December 2012, the proceeds of which were used to partially refund the aforementioned 2004 General Obligation Water Bonds (Note III.H.2) and pay the costs of issuance. The interest rates on the bonds range from 2.00% to 3.00%. Interest is payable on June 1 and December 1, through 2029. The principal is payable on December 1 and matures in various increments through 2029.

Principal on the serial bonds is due beginning in 2013 through 2029 in amounts ranging from \$25,000 to \$555,000.

The District realized a present value savings on the refunding of \$801,658.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Long-Term Debt – Water (continued)**

**3. General Obligation Water Refunding Bonds, Series 2012B (continued)**

The bonds are not secured by the Water Subdistrict's assets and are not obligations of the District. The bonds are direct obligations and pledge the full faith and credit of the Water Subdistrict and are ultimately secured by the Water Subdistrict's general ad valorem tax collections.

Bonds maturing on or after December 1, 2023, are subject to redemption prior to maturity at the option of District at par plus accrued interest.

**4. Water Enterprise Revenue Refunding Bonds, Series 2017**

The District issued \$12,545,000 of water enterprise revenue bonds in May 2017, with annual interest rates ranging from 3.00% to 5.00%. Interest is payable June 1 and December, through 2039. The principal is payable on December 1 and matures in various increments through 2039. The proceeds were used to retire the 2009 water enterprise revenue bonds and pay the costs of issuance. The 2009 bonds are considered defeased and have been removed from long-term debt.

Principal on the bonds is due beginning in 2017 through 2039 in amounts ranging from \$345,000 to \$780,000.

Only bonds maturing on and after December 1, 2028, are subject to redemption prior to maturity; these bonds are subject to redemption prior to maturity at the option of the District at par.

These bonds are secured by a Reserve Fund equal to the least of 1) 10% of the principal amount of the bonds, 2) the maximum annual principal and interest on the bonds, or 3) 125% of average principal and interest on the bonds which will become due in any fiscal year. The District has purchased a bond reserve insurance policy to provide reserve funds if needed; therefore, no reserve has been reflected in these financial statements for this purpose.

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 115% of each fiscal year's debt service requirements of outstanding District bonds.

A bond insurance policy, which guarantees the scheduled payment of principal and interest on the bonds, was issued by Assured Guaranty Corporation concurrently with the issuance of these bonds.

The District realized a present value savings on the refunding of \$1,096,697.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Long-Term Debt – Water (continued)**

**5. Water Enterprise Revenue Bonds, Series 2019**

The District issued \$3,825,000 of water revenue bonds in December 2019, the proceeds of which will be used to construct improvements to the District's water system and pay the costs of issuance. The interest rate on the bonds are 4.00%. Interest is payable on June 1 and December 1, through 2039. The principal is payable on December 1 and matures in various increments through 2039.

Principal on the serial bonds is due beginning in 2020 through 2039 in amounts ranging from \$125,000 to \$255,000.

Only bonds maturing on and after December 1, 2029, are subject to redemption prior to maturity; these bonds are subject to redemption prior to maturity at the option of the District at par.

These bonds are secured by a Reserve Fund equal to the least of 1) 10% of the principal amount of the bonds, 2) the maximum annual principal and interest on the bonds, or 3) 125% of average principal and interest on the bonds which will become due in any fiscal year. The District has purchased a bond reserve insurance policy to provide reserve funds if needed; therefore, no reserve has been reflected in these financial statements for this purpose.

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 115% of each fiscal year's debt service requirements of outstanding District bonds.

A bond insurance policy, which guarantees the scheduled payment of principal and interest on the bonds, was issued by Assured Guaranty Corporation concurrently with the issuance of these bonds.

**6. Water Enterprise Revenue Bonds, Series 2024**

The District issued \$13,690,000 of water revenue bonds in October 2024, the proceeds of which will be used to construct improvements to the District's water system and pay the costs of issuance. The interest rate on the bonds is 5.00%. Interest is payable on June 1 and December 1, through 2044. The principal is payable on December 1 and matures in various increments through 2044.

Principal on the serial bonds is due beginning in 2025 through 2044 in amounts ranging from \$360,000 to \$1,050,000.

Only bonds maturing on and after December 1, 2034, are subject to redemption prior to maturity; these bonds are subject to redemption prior to maturity at the option of the District at par.

In conjunction with the issuance of these bonds, the District is required to maintain a Rate Stabilization Fund of \$600,000; the Rate Stabilization Fund was created to help offset or reduce any increase in fees, rates, and other charges to the users of the water system which was created by the Rate Maintenance Covenant.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Long-Term Debt – Water (continued)**

**6. Water Enterprise Revenue Bonds, Series 2024 (continued)**

These bonds are secured by a Reserve Fund equal to the least of 1) 10% of the principal amount of the bonds, 2) the maximum annual principal and interest on the bonds, or 3) 125% of average principal and interest on the bonds which will become due in any fiscal year. The District has purchased a bond reserve insurance policy to provide reserve funds if needed; therefore, no reserve has been reflected in these financial statements for this purpose.

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 115% of each fiscal year's debt service requirements of outstanding District bonds.

A bond insurance policy, which guarantees the scheduled payment of principal and interest on the bonds, was issued by Assured Guaranty Corporation concurrently with the issuance of these bonds.

**I. Long-Term Debt – Sanitation**

**1. Enterprise Wastewater Revenue Bonds, Series 2012**

The District issued \$28,060,000 of wastewater revenue bonds in December 2012, with annual interest rates ranging from 2.00% to 5.00%. Interest is payable June 1 and December 1, through 2042. The principal is payable on December 1 and matures in various increments through 2042. The proceeds of these bonds were used to finance improvements to the wastewater system.

As special, limited obligations of the District, principal and interest on the bonds are payable solely from Net Pledged Revenues, as defined in the bond documents. Such net revenue includes income from the operation and use of the wastewater treatment facilities and other legally available revenue after the payment of operation and maintenance expenses of the system. In connection with the issuance of these bonds, the District has adopted a resolution imposing a new Sewer Debt Service Rate which is collected monthly from each equivalent ("SFE") in the system.

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 110% of each fiscal year's debt service requirements of outstanding District bonds.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**I. Long-Term Debt – Sanitation (continued)**

**1. Enterprise Wastewater Revenue Bonds, Series 2012 (continued)**

These bonds are secured by a common Reserve Fund equal to the minimum of: a) 10% of the principal amount of the bonds, b) the maximum annual debt service in any calendar year, or c) 125% of the average annual debt service of the bonds.

In conjunction with the issuance of the 2012 Bonds, the District is required to maintain a Rate Stabilization Fund of \$600,000; the Rate Stabilization Fund was created to help offset or reduce any increase in fees, rates, and other charges to the users of the water system which was created by the Rate Maintenance Covenant.

Bonds maturing on and before December 1, 2022, are not subject to optional prior redemption. Bonds maturing on or after December 1, 2023, are subject to redemption prior to maturity at the option of District at par plus accrued interest.

**2. General Obligation Wastewater Bonds, Series 2016**

The District, through the Wastewater Subdistrict, issued \$23,295,000 of general obligation wastewater bonds in March 2016, the proceeds of which will be used to construct improvements to the District's wastewater system and pay the costs of issuance. The interest rates on the bonds range from 2.00% to 5.00%. Interest is payable on June 1 and December 1, through 2045. The principal is payable on December 1 and matures in various increments through 2045.

Principal on the serial bonds is due beginning in 2016 through 2045 in amounts ranging from \$315,000 to \$1,305,000.

The bonds are not secured by the Wastewater Subdistrict's assets and are not obligations of the District. The bonds are direct obligations and pledge the full faith and credit of the Wastewater Subdistrict and are ultimately secured by the Wastewater Subdistrict's general ad valorem tax collections.

Bonds maturing on or after December 1, 2027, are subject to redemption prior to maturity at the option of District at par plus accrued interest.

**3. Enterprise Wastewater Revenue Crossover Refunding Bonds, Series 2017**

The District issued \$12,430,000 of enterprise wastewater revenue crossover refunding bonds in December 2017, with annual interest rates ranging from 3.00% to 5.00%. Interest is payable June 1 and December 1, through 2039. The principal is payable on December 1 and matures in various increments through 2039. The proceeds were used to retire the 2009B wastewater enterprise revenue bonds on the crossover date December 1, 2019. The 2009B bonds are considered defeased and have been removed from long-term debt.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**I. Long-Term Debt – Sanitation (continued)**

**3. Enterprise Wastewater Revenue Crossover Refunding Bonds, Series 2017 (continued)**

The proceeds from the issuance are held in an escrow account until the crossover date. Principal on the bonds is due beginning in 2020 through 2039 in amounts ranging from \$440,000 to \$840,000.

Only bonds maturing on and after December 1, 2028, are subject to redemption prior to maturity; these bonds are subject to redemption prior to maturity at the option of the District.

These bonds are secured by a Reserve Fund equal to the least of 1) 10% of the principal amount of the bonds, 2) the maximum annual principal and interest on the bonds, or 3) 125% of average principal and interest on the bonds which will become due in any fiscal year. The District has purchased a bond reserve insurance policy to provide reserve funds if needed; therefore, no reserve has been reflected in these financial statements for this purpose.

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 115% of each fiscal year's debt service requirements of outstanding District bonds.

A bond insurance policy, which guarantees the scheduled payment of principal and interest on the bonds, was issued by Assured Guaranty Corporation concurrently with the issuance of these bonds.

**4. Enterprise Wastewater Revenue Bonds, Series 2020A**

The District issued \$35,220,000 of wastewater revenue bonds in June 2020, with annual interest rates ranging from 3.00% to 4.00%. Interest is payable June 1 and December 1, through 2049. The principal is payable on December 1 and matures in various increments through 2049. The proceeds of these bonds were used to finance improvements to the wastewater system.

As special, limited obligations of the District, principal and interest on the bonds are payable solely from Net Pledged Revenues, as defined in the bond documents. Such net revenue includes income from the operation and use of the wastewater treatment facilities and other legally available revenue after the payment of operation and maintenance expenses of the system. In connection with the issuance of these bonds, the District has adopted a resolution imposing a new Sewer Debt Service Rate which is collected monthly from each single family equivalent ("SFE") in the system.

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 110% of each fiscal year's debt service requirements of outstanding District bonds.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**I. Long-Term Debt – Sanitation (continued)**

**4. Enterprise Wastewater Revenue Bonds, Series 2020A (continued)**

As previously discussed, these bonds are secured by a common Reserve Fund equal to the minimum of: a) 10% of the principal amount of the bonds, b) the maximum annual debt service in any calendar year, or c) 125% of the average annual debt service of the bonds.

A bond insurance policy, which guarantees the scheduled payment of principal and interest on the bonds, was issued by Assured Guaranty Corporation concurrently with the issuance of these bonds.

Bonds maturing on and before December 1, 2029, are not subject to optional prior redemption. Bonds maturing on or after December 1, 2030, are subject to redemption prior to maturity at the option of District at par plus accrued interest.

**5. Enterprise Wastewater Revenue Refunding Bonds, Series 2020B**

The District issued \$24,930,000 of wastewater enterprise revenue bonds in June 2020, with annual interest rates ranging from 0.82% to 2.42%. Interest is payable June 1 and December 1, through 2039. The principal is payable on December 1 and matures in various increments through 2042. The proceeds were used to partially refund the 2012 wastewater enterprise revenue bonds. The 2012 bonds are considered partially defeased and have been partially removed from long-term debt.

Principal on the bonds is due through 2042 in amounts ranging from \$185,000 to \$1,575,000.

Only bonds maturing on and after December 1, 2030, are subject to redemption prior to maturity; these bonds are subject to redemption prior to maturity at the option of the District at par plus accrued interest.

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 110% of each fiscal year's debt service requirements of outstanding District bonds.

As previously discussed, these bonds are secured by a common Reserve Fund equal to the minimum of: a) 10% of the principal amount of the bonds, b) the maximum annual debt service in any calendar year, or c) 125% of the average annual debt service of the bonds.

A bond insurance policy, which guarantees the scheduled payment of principal and interest on the bonds, was issued by Assured Guaranty Corporation concurrently with the issuance of these bonds.

The District realized a present value savings on the refunding of \$3,147,296

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2024  
(Continued)**

**III. Detailed Notes on All Funds (continued)**

**I. Long-Term Debt – Sanitation (continued)**

**5. Enterprise Wastewater Revenue Bonds, Series 2023**

The District issued \$45,720,000 of 2023 Wastewater Revenue Bonds in January 2023, with interest rates ranging from 4.0% to 5.0%. Interest is payable June 1 and December 1, through 2052. The bonds were issued to finance a portion of its capital improvement program primarily relating to the Avon Wastewater Treatment Facilities Master Plan

Principal on the bonds is due through 2042 in amounts ranging from \$760,000 to \$2,710,000.

Only bonds maturing on and after December 1, 2033, are subject to redemption prior to maturity; these bonds are subject to redemption prior to maturity at the option of the District at par plus accrued interest.

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 110% of each fiscal year's debt service requirements of outstanding District bonds.

A bond insurance policy, which guarantees the scheduled payment of principal and interest on the bonds, was issued by Assured Guaranty Corporation concurrently with the issuance of these bonds.

**J. Long-term Lease Liability – Water and Sanitation**

The District executed an office lease on August 13, 2019. The lease term expires in September 2029. Payments under the lease include interest at 1.70%. The lease was terminated in November 2024.

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**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**K. Long-term Liability Activity Schedule**

Long-term liability activity for 2024 was as follows:

	<b>1/1/24 Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>12/31/24 Ending Balance</b>	<b>Due Within One Year</b>
<b>Water</b>					
1998 assessment obligation note	558,818	-	(100,227)	458,591	105,690
2012A general obligation bonds	875,000	-	(130,000)	745,000	135,000
2012B general obligation refunding bonds	3,030,000	-	(460,000)	2,570,000	475,000
2017 revenue refunding bonds	9,780,000	-	(445,000)	9,335,000	470,000
2019 revenue bonds	3,270,000	-	(155,000)	3,115,000	160,000
2024 revenue bonds	-	13,690,000	-	13,690,000	360,000
Unamortized bond premiums	967,109	1,520,710	(169,725)	2,318,094	-
Lease payable	122,393	-	(122,393)	-	-
Technology subscriptions	131,164	25,157	-	156,321	95,308
Accrued compensated absences *	158,968	166,362	-	325,330	-
Subtotal - Water	<u>18,893,452</u>	<u>15,402,229</u>	<u>(1,582,345)</u>	<u>32,713,336</u>	<u>1,800,998</u>
<b>Sanitation</b>					
2016 general obligation bonds	19,365,000	-	(585,000)	18,780,000	595,000
2017 wastewater revenue refunding bonds	10,595,000	-	(495,000)	10,100,000	510,000
2020A wastewater revenue bonds	34,455,000	-	(265,000)	34,190,000	275,000
2020B wastewater revenue refunding bonds	23,910,000	-	(1,050,000)	22,860,000	1,060,000
2023 wastewater revenue bonds	45,720,000	-	(760,000)	44,960,000	800,000
Unamortized bond premiums	10,028,515	-	(395,179)	9,633,336	-
Lease payable	367,182	-	(367,182)	-	-
Technology subscriptions	524,655	100,628	-	625,283	381,232
Accrued compensated absences *	635,872	665,449	-	1,301,321	-
Subtotal - Sanitation	<u>145,601,224</u>	<u>766,077</u>	<u>(3,917,361)</u>	<u>142,449,940</u>	<u>3,621,232</u>
<b>Total</b>	<u>164,494,676</u>	<u>16,168,306</u>	<u>(5,499,706)</u>	<u>175,163,276</u>	<u>5,422,230</u>

\* The change in accrued compensated absences is presented as a net change.

**L. Debt Service Schedules**

Debt service requirements at December 31, 2024, were as follows for water operations:

<b>Water</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	1,705,690	1,345,262	3,050,952
2026	1,836,449	1,208,259	3,044,708
2027	1,932,524	1,123,934	3,056,458
2028	2,013,928	1,035,180	3,049,108
2029	1,970,000	948,025	2,918,025
2030 - 2034	7,075,000	3,799,725	10,874,725
2035 - 2039	8,600,000	2,277,625	10,877,625
2040 - 2044	4,780,000	740,000	5,520,000
<b>Total water debt service</b>	<u>29,913,591</u>	<u>12,478,010</u>	<u>42,391,601</u>

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**L. Debt Service Schedules (continued)**

Debt service requirements at December 31, 2024, were as follows for sanitation operations:

<b>Sanitation</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	3,240,000	5,041,874	8,281,874
2026	3,335,000	4,947,205	8,282,205
2027	3,450,000	4,833,817	8,283,817
2028	3,585,000	4,654,982	8,239,982
2029	3,725,000	4,558,075	8,283,075
2030 - 2034	20,725,000	20,692,397	41,417,397
2035 - 2039	24,820,000	16,604,698	41,424,698
2040 - 2044	29,675,000	11,732,677	41,407,677
2045 - 2049	30,510,000	5,431,700	35,941,700
2050 - 2052	7,825,000	634,200	8,459,200
<b>Total sanitation debt service</b>	<b>130,890,000</b>	<b>79,131,625</b>	<b>210,021,625</b>

Aggregate debt service requirements at December 31, 2024, were as follows for the District:

<b>Combined</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	4,945,690	6,387,136	11,332,826
2026	5,171,449	6,155,464	11,326,913
2027	5,382,524	5,957,751	11,340,275
2028	5,598,928	5,690,162	11,289,090
2029	5,695,000	5,506,100	11,201,100
2030 - 2034	27,800,000	24,492,122	52,292,122
2035 - 2039	33,420,000	18,882,323	52,302,323
2040 - 2044	34,455,000	12,472,677	46,927,677
2045 - 2049	30,510,000	5,431,700	35,941,700
2050 - 2052	7,825,000	634,200	8,459,200
<b>Total combined debt service</b>	<b>160,803,591</b>	<b>91,609,635</b>	<b>252,413,226</b>

The District is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**M. Subscription-Based Information Technology Agreements**

The District is a party in multiple non-cancellable multi-year subscription-based information technology agreements (“SBITA’s”). In accordance with relevant accounting standards, the District recognizes a right-of-use SBITA asset and a corresponding SBITA liability. The SBITA asset is amortized on a straight-line basis over the life of the agreement and the liability is reduced by allocating payments made by the District to either liability reduction or interest expense based on the interest rate of the agreements. The District’s SBITA agreements bear interest between 2.54% and 4.00%

Future minimum subscription-based information technology (“SBITA”) payments at December 31, 2024, were as follows for water operations:

<b>Water</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	95,308	5,587	100,895
2026	29,908	2,441	32,349
2027	31,104	1,244	32,349
<b>Minimum SBITA payments</b>	<b>156,321</b>	<b>9,272</b>	<b>165,592</b>

Future minimum subscription-based information technology (“SBITA”) payments at December 31, 2024, were as follows for sanitation operations:

<b>Sanitation</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	381,232	22,348	403,580
2026	119,632	9,762	129,394
2027	124,419	4,977	129,396
<b>Minimum SBITA payments</b>	<b>625,283</b>	<b>37,086</b>	<b>662,369</b>

Aggregate future minimum subscription-based information technology (“SBITA”) payments at December 31, 2024, were as follows for the District:

<b>Combined</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	476,540	27,935	504,475
2026	149,540	12,203	161,743
2027	155,523	6,221	161,744
<b>Minimum SBITA payments</b>	<b>781,604</b>	<b>46,358</b>	<b>827,962</b>

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**IV. Other Information**

**A. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with other special districts in the State to form the Colorado Special Districts Property and Liability Pool ("the Pool"), a public entity risk pool currently operating as a common risk management and insurance program for member special districts. 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, public officials' liability and workers compensation 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.

**B. Pension Plans**

**1. Defined Contribution Pension Plan - Section 414(h)**

Full-time, year-round employees of the District participate in a defined contribution pension plan which was established by the District and is maintained and administered by the Principal Financial Group. Additional plan oversight and advisory services are provided by Morton and Company. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees participate in the District's plan upon employment. Under this plan, 5% of the employees' compensation is withheld and remitted to the Plan Administrator. Following six months of the participant's employment, the District contributes a matching 5% of all eligible employees' compensation. In addition, the District contributes 6.2% of compensation for all eligible participants hired after March 31, 1986, or 7.65% of compensation for participants hired prior to March 31, 1986. This contribution begins upon employment.

The District's contributions, plus earnings, become vested at a rate of 20% for each year of participation in the plan. District contributions for employees who leave employment before five years of participation are used to reduce the District's future contribution requirement. There is no liability for benefits under the plan beyond the District's required contributions. Plan provisions and contribution requirements are established and may be amended by the District.

The District's 2024 covered payroll was \$14,653,580. Contributions actually made, which equaled the required contributions, were \$732,679 for plan members and \$681,514 for the District for the year ended December 31, 2024. Forfeitures totaled \$101,554 for the year ended December 31, 2024.

As of December 31, 2024, there were no outstanding contribution liabilities.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**IV. Other Information (continued)**

**B. Pension Plans (continued)**

**2. Deferred Compensation Plan**

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457 for full-time, year-round employees. This plan is administered by Principal Financial Group. Additional plan oversight and advisory services are provided by Morton and Company. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergencies. During 2011, the District amended the plan to offer a Roth contribution option.

**C. Employee Housing Program**

The District operates a housing program that benefits its employees by providing affordable housing options as real estate prices in the Vail area are high. The objective of the program is to retain current employees and to attract new employees to the area. There are certain specified individuals who are not District employees who are also allowed to participate in the housing program depending on availability and whether they meet eligibility criteria established by the Board.

The District offers rental properties to employees as well as home buyers assistance options. The rental properties consist of condos, apartments and homes that are either built or purchased by the District. For employees using the housing program for rental properties, the District will set up a payroll deduction as a means to collect the rent. This is also done for employees using the home buyers' assistance option.

**D. Intergovernmental Agreements**

**1. Interconnect**

The District and Upper Eagle Regional Water Authority (the "Authority") entered into an intergovernmental agreement ("IGA") in 1994 to construct an interconnect between their two water systems to enable the transfer of water between the parties for the purposes of achieving operational flexibility. In accordance with the IGA, the deliveries between the two systems are to be measured daily (net distribution of water) with the net amount owed by either party to the other to be recorded by the owing party at a rate equal to 75 percent of the then current water rate charges by the owing party. The intent of the parties is to provide long-term service to each other through the availability of peak use season and emergency supplemental water supply. The agreement provides for a payment calculation year of May 1 to April 30. If at the end of the payment year there is a net distribution of water to one of the parties that party shall make payment to the other party. It should be noted that historically towards the end of each payment year (April 30) the system is run to create a zero balance outstanding, such that no payment is due to or from either party. For the payment years ended April 30, 2024 and 2023, the balance outstanding was \$0.

The value of water distributed by the District through the interconnect was \$246,309 and \$89,596 during the year ended December 31, 2024 and 2023, respectively. As the system is brought to a zero balance by the end of each payment year (April 30), the District has chosen to forgo immediate payment and carry this receivable forward. The District reserves the right to request payment from the Authority at any time in the future.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**IV. Other Information (continued)**

**D. Intergovernmental Agreements (continued)**

**2. Contract for Water Services**

Through an agreement, the District provides administration, operations, customer billing, system maintenance and capital program management services to the Authority. The District bills customers for the water service provided and collects and remits the monies to the Authority. The water service monies are not recognized as revenue of the District. In addition to the contract fees, the District bills the Authority for maintenance and supplies which are recognized as revenue. The District earned \$9,117,411 and \$8,464,920 of contract fees from the Authority during 2024 and 2023, respectively. The District has outstanding management fees due from the Authority as a result of an annual cost study adjustment as of December 31, 2024 and 2023 totaling \$218,725 and \$0, respectively, included in other receivables. There were other outstanding receivables, for operations services, due from the Authority as of December 31, 2024 and 2023 totaling \$1,440,984 and \$3,315,428, respectively, included in other accounts receivables. As of December 31, 2024 and 2023 there was \$2,417,503 and \$2,588,352 for water service billed, due to the Authority included in accounts payable, respectively.

The District earned \$59,386 and \$36,156 of contract fees from other governments which it has similar agreements (i.e. Town of Minturn and Eagle Park Reservoir Company) during 2024 and 2023, respectively.

**E. Commitments and Contingencies - Federal and State Grants and Financial Sources**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**F. Construction Commitments**

At December 31, 2024, the District had the following contractual commitments:

<b>Contract No.</b>	<b>Project</b>	<b>Vendor</b>	<b>Contract Commitment</b>	<b>Completed</b>	<b>Remaining</b>
24.15.098	Vail Office Entry Gate	Strategic Fence and Wall	16,070	-	16,070
24.15.097	Vail Office Entry Gate	Triangle Electric, Inc.	15,000	-	15,000
24.15.094	101 Eagle Road Office Renovation	Universal Mechanical Services, LLC	125,668	(115,200)	10,468
22.15.073	Vail WWTF Master Plan Improvements	PCL Construction, Inc.	10,253,028	(7,963,299)	2,289,730
22.15.061	Avon WWTF Lab Improvements	Moltz Construction, Inc.	731,515	(675,400)	56,115

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**IV. Other Information (continued)**

**G. Adoption of New Accounting Standard – GASB Statement No. 101, *Compensated Absences***

During 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. This standard requires governments to recognize a liability for all forms of compensated absences, including those that are not paid upon an employee's separation from service, such as sick leave. The standard requires governments to estimate the compensated absence liability based on historical data regarding the accumulation and forfeiture of leave balances rather than solely on termination payouts. The District has applied this standard to the beginning of the earliest comparative period presented. The application of the new standard did not result in a restatement of net position.

**SUPPLEMENTARY INFORMATION**



**EAGLE RIVER  
WATER & SANITATION  
DISTRICT**

**Eagle River Water and Sanitation District**  
**Schedule of Revenues, Expenditures, and Changes in Net Position**  
**Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2024**  
**(With Comparative Totals for the Year Ended 2023)**

	2024			2023	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Revenues:</b>					
<b>Water:</b>					
Service fees	8,943,562	8,943,562	9,192,235	248,673	8,641,929
Other charges for services	142,346	142,346	275,680	133,334	167,326
Property taxes	1,400,642	1,400,642	1,402,025	1,383	1,360,180
Specific ownership taxes	58,693	58,693	80,861	22,168	78,032
Investment income	83,741	83,741	300,132	216,391	168,391
Proceeds from sale of assets	-	-	92,362	92,362	1,497,042
Tap fees	188,220	188,220	140,902	(47,318)	151,035
Contributed assets	30,000	30,000	236,451	206,451	32,068
Proceeds from bond issue	-	-	13,690,000	13,690,000	-
Premium (discount) on debt issuance	-	-	1,520,710	1,520,710	-
Other	22,662	22,662	30,560	7,898	25,886
<b>Total Water Revenues</b>	<b>10,869,866</b>	<b>10,869,866</b>	<b>26,961,918</b>	<b>16,092,052</b>	<b>12,121,889</b>
<b>Sanitation:</b>					
Service fees	23,679,732	23,679,732	24,637,263	957,531	20,632,829
Contract services	8,043,031	8,043,031	9,176,798	1,133,767	8,518,900
Rental income	929,855	929,855	860,731	(69,124)	771,092
Meter sales	600,000	600,000	806,723	206,723	940,041
Other charges for services	338,661	338,661	719,477	380,816	644,407
Property taxes	1,989,414	1,989,414	2,226,926	237,512	1,967,800
Specific ownership taxes	66,103	66,103	112,997	46,894	117,749
Investment income	19,100	19,100	1,809,218	1,790,118	3,384,132
Proceeds from sale of assets	-	-	484,933	484,933	77,652
Tap fees	773,543	773,543	451,767	(321,776)	2,679,006
Fees in lieu of sewer lines	-	-	-	-	89,600
Contributed assets	-	-	-	-	77,751
Proceeds from bond issue	-	-	-	-	45,720,000
Premium (discount) on debt issuance	-	-	-	-	3,833,099
Net loan (advances) repayments	-	-	(201,470)	(201,470)	(102,265)
Other	86,798	86,798	110,257	23,459	98,054
<b>Total Sanitation Revenues</b>	<b>36,526,237</b>	<b>36,526,237</b>	<b>41,195,620</b>	<b>4,669,383</b>	<b>89,449,847</b>
<b>Total Revenues</b>	<b>47,396,103</b>	<b>47,396,103</b>	<b>68,157,538</b>	<b>20,761,435</b>	<b>101,571,736</b>
<b>Expenditures - Water:</b>					
<b>Water Operations:</b>					
Salaries and benefits	3,836,657	3,836,657	3,969,819	(133,162)	3,165,691
Supplies and materials	527,366	749,010	682,926	66,084	464,012
Telephone and radio service	69,360	69,360	74,557	(5,197)	66,888
Insurance	94,815	94,815	90,607	4,208	84,508
Repairs and maintenance	305,520	772,351	402,310	370,041	508,807
Other	695,628	695,628	638,133	57,495	754,081
Utilities	325,000	325,000	276,652	48,348	273,180
Chemicals	100,000	100,000	102,580	(2,580)	99,247
Meter replacement	300,000	300,000	180,040	119,960	141,384
Outside services	16,670	16,670	14,626	2,044	12,183
<b>Total Water Operations</b>	<b>6,271,016</b>	<b>6,959,491</b>	<b>6,432,250</b>	<b>527,241</b>	<b>5,569,981</b>

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

**Eagle River Water and Sanitation District**  
**Schedule of Revenues, Expenditures, and Changes in Net Position**  
**Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2024**  
**(With Comparative Totals for the Year Ended 2023)**  
**(Continued)**

	2024			2023	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Expenditures - Water (continued):</b>					
<b>General and Administrative:</b>					
Legal	32,000	32,000	31,518	482	43,640
Accounting and audit	19,220	19,220	16,479	2,741	20,910
Engineering	14,650	14,650	3,257	11,393	7,609
Management and consulting	259,750	315,362	136,253	179,109	264,625
Benefit administration	12,000	12,000	12,533	(533)	12,967
Community relations	70,144	70,144	97,003	(26,859)	78,300
Directors fees and expenses	6,015	6,015	3,535	2,480	5,476
Maintenance contracts	43,000	43,000	37,624	5,376	29,122
Water quality	144,346	144,346	136,439	7,907	111,038
Treasurer's fees	43,536	43,536	42,105	1,431	40,849
<b>Total General and Administrative</b>	<b>644,661</b>	<b>700,273</b>	<b>516,746</b>	<b>183,527</b>	<b>614,536</b>
<b>Debt Service:</b>					
Principal	1,333,762	1,333,762	1,290,227	43,535	1,240,047
Interest	654,458	768,744	768,456	288	702,366
Debt issuance costs	-	213,600	210,710	2,890	-
<b>Subtotal - Debt Service</b>	<b>1,988,220</b>	<b>2,316,106</b>	<b>2,269,393</b>	<b>46,713</b>	<b>1,942,413</b>
<b>Capital Outlay</b>	<b>2,197,935</b>	<b>3,242,429</b>	<b>2,462,663</b>	<b>779,766</b>	<b>1,539,172</b>
<b>Total Water Expenditures</b>	<b>11,101,832</b>	<b>13,218,299</b>	<b>11,681,052</b>	<b>1,537,247</b>	<b>9,666,102</b>
<b>Expenditures - Sanitation:</b>					
<b>Sanitation Operations:</b>					
Salaries and benefits	15,967,357	15,967,357	16,084,607	(117,250)	14,643,402
Supplies and materials	2,346,770	2,346,770	2,857,484	(510,714)	2,002,191
Telephone and radio service	277,440	277,440	298,227	(20,787)	267,552
Insurance	379,262	379,262	362,428	16,834	338,031
Repairs and maintenance	642,095	642,095	899,298	(257,203)	651,306
Other	1,405,888	1,405,888	1,254,722	151,166	1,337,636
Utilities	1,359,386	1,359,386	1,090,480	268,906	1,233,066
Meter replacement	800,000	800,000	579,045	220,955	950,678
Permits	47,600	47,600	43,259	4,341	43,963
Outside services	66,680	66,680	58,505	8,175	48,732
<b>Total Sanitation Operations</b>	<b>23,292,478</b>	<b>23,292,478</b>	<b>23,528,055</b>	<b>(235,577)</b>	<b>21,516,557</b>
<b>General and Administrative:</b>					
Legal	254,200	254,200	197,697	56,503	298,402
Accounting and audit	74,880	74,880	65,497	9,383	76,039
Engineering	18,600	18,600	13,026	5,574	23,604
Management and consulting	103,725	103,725	44,099	59,626	72,618
Benefit administration	48,000	48,000	50,131	(2,131)	51,867
Community relations	40,560	40,560	34,875	5,685	26,360
Directors fees and expenses	24,060	24,060	14,140	9,920	21,904
Maintenance contracts	182,000	182,000	158,556	23,444	123,882
Sanitation quality	217,200	217,200	185,703	31,497	167,119
Treasurer's fees	58,699	58,699	66,877	(8,178)	59,100
Debt issuance costs	-	-	-	-	487,885
<b>Total General and Administrative</b>	<b>1,021,924</b>	<b>1,021,924</b>	<b>830,601</b>	<b>191,323</b>	<b>1,408,780</b>

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

**Eagle River Water and Sanitation District**  
**Schedule of Revenues, Expenditures, and Changes in Net Position**  
**Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2024**  
**(With Comparative Totals for the Year Ended 2023)**  
**(Continued)**

	2024			2023	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Expenditures - Sanitation (continued):</b>					
<b>Debt Service:</b>					
Principal	3,213,700	3,213,700	3,155,000	58,700	2,310,000
Interest	5,125,771	5,125,771	5,123,649	2,122	5,040,933
<b>Subtotal - Debt Service</b>	<u>8,339,471</u>	<u>8,339,471</u>	<u>8,278,649</u>	<u>60,822</u>	<u>7,350,933</u>
<b>Capital Outlay</b>	<u>18,347,338</u>	<u>18,347,338</u>	<u>9,662,265</u>	<u>8,685,073</u>	<u>23,842,464</u>
<b>Total Sanitation Expenditures</b>	<u>51,001,211</u>	<u>51,001,211</u>	<u>42,299,570</u>	<u>8,701,641</u>	<u>54,118,734</u>
<b>Total District Expenditures</b>	<u>62,103,043</u>	<u>64,219,510</u>	<u>53,980,622</u>	<u>10,238,888</u>	<u>63,784,836</u>
<b>Change in Net Position (budget basis)</b>	<u>(14,706,940)</u>	<u>(16,823,407)</u>	<u>14,176,916</u>	<u>31,000,323</u>	<u>37,786,900</u>
<b>Net Position - Beginning of Year (budget basis)</b>	<u>62,237,109</u>	<u>62,237,109</u>	<u>63,125,903</u>	<u>888,794</u>	<u>25,339,003</u>
<b>Net Position - End of Year (budget basis)</b>	<u>47,530,169</u>	<u>45,413,702</u>	<u>77,302,819</u>	<u>31,889,117</u>	<u>63,125,903</u>
<b>Reconciliation to GAAP Basis</b>					
	<b>Water</b>	<b>Sanitation</b>	<b>Total</b>	<b>Total</b>	
Excess (deficiency) of revenues over expenditures	15,280,866	(1,103,950)	14,176,916	37,786,900	
Net loan receivable advances (repayments)	-	201,470	201,470	95,795	
Change in patronage dividend receivable	2,907	10,454	13,361	11,582	
Change in other long-term receivables	156,713	-	156,713	(34,583)	
Increase (decrease) in investment in Eagle Park Res. Co.	-	-	-	(154,534)	
Capitalized assets	2,439,647	9,685,477	12,125,124	25,125,503	
Contributed capital assets	328,860	368,049	696,909	1,344,881	
Carrying value of capital and leased assets disposed or sold	(84,755)	(399,540)	(484,295)	-	
Depreciation and amortization	(2,261,029)	(9,389,607)	(11,650,636)	(9,649,939)	
Net effect of capital, lease, & SBITA asset miscellaneous activity	23,015	(53,919)	(30,904)	-	
(Increase)/decrease in compensated absences	(166,362)	(665,449)	(831,811)	(54,943)	
Proceeds from bond issue	(13,690,000)	-	(13,690,000)	(45,720,000)	
(Premium) discount on debt issuance	(1,520,710)	-	(1,520,710)	(3,833,099)	
Amortization of bond premiums, discounts, and refunding costs	98,236	395,179	493,415	532,445	
Debt principal payments	1,290,227	3,155,000	4,445,227	3,555,047	
Lease principal payments	17,265	49,725	66,990	70,517	
Technology subscription principal payments	67,062	268,248	335,310	313,666	
<b>Change in Net Position - GAAP Basis</b>	<u>1,981,942</u>	<u>2,521,137</u>	<u>4,503,079</u>	<u>9,389,238</u>	

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

**Eagle River Water and Sanitation District  
Schedule of Debt Service Requirements to Maturity - Water  
December 31, 2024**

**1998 Assessment Obligation Note  
Payable to Eagle Park Reservoir Company  
Original Principal - \$1,909,842  
Interest Rate - 5.45%**

<b>Year Ending December 31,</b>	<b>Principal Due September 16</b>	<b>Interest Due September 16</b>	<b>Total</b>
2025	105,690	24,993	130,683
2026	111,449	19,234	130,683
2027	117,524	13,159	130,683
2028	123,928	6,754	130,682
	<u>458,591</u>	<u>64,140</u>	<u>522,731</u>

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

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Water**  
**December 31, 2024**

**2012 Water General Obligation Bonds**  
**Original Principal - \$1,000,000**  
**Interest Rate - 2.30% to 2.50%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2025	135,000	29,800	164,800
2026	145,000	24,400	169,400
2027	150,000	18,600	168,600
2028	155,000	12,600	167,600
2029	160,000	6,400	166,400
	<u>745,000</u>	<u>91,800</u>	<u>836,800</u>

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

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Water**  
**December 31, 2024**

**2012 General Obligation Water Refunding Bonds**  
**Original Principal - \$6,605,000**  
**Interest Rate - 2.00% to 3.00%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2025	475,000	102,800	577,800
2026	490,000	83,800	573,800
2027	515,000	64,200	579,200
2028	535,000	43,600	578,600
2029	555,000	22,200	577,200
	<u>2,570,000</u>	<u>316,600</u>	<u>2,886,600</u>

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

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Water**  
**December 31, 2024**

**2017 Water Revenue Refunding Bonds**

**Original Principal - \$12,545,000**

**Interest Rate - 2.00% to 5.00%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2025	470,000	342,075	812,075
2026	490,000	318,575	808,575
2027	515,000	294,075	809,075
2028	540,000	268,325	808,325
2029	560,000	246,725	806,725
2030	585,000	224,325	809,325
2031	600,000	206,775	806,775
2032	620,000	188,775	808,775
2033	640,000	170,175	810,175
2034	660,000	149,375	809,375
2035	685,000	127,925	812,925
2036	705,000	103,950	808,950
2037	730,000	79,275	809,275
2038	755,000	53,725	808,725
2039	780,000	27,300	807,300
	<u>9,335,000</u>	<u>2,801,375</u>	<u>12,136,375</u>

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

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Water**  
**December 31, 2024**

<b>2019 Water Revenue Bonds</b>			
<b>Original Principal - \$3,825,000</b>			
<b>Interest Rate - 3.00% to 4.00%</b>			
<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2025	160,000	102,150	262,150
2026	165,000	95,750	260,750
2027	175,000	89,150	264,150
2028	180,000	82,150	262,150
2029	190,000	74,950	264,950
2030	195,000	67,350	262,350
2031	200,000	61,500	261,500
2032	210,000	55,500	265,500
2033	215,000	49,200	264,200
2034	220,000	42,750	262,750
2035	225,000	36,150	261,150
2036	235,000	29,400	264,400
2037	240,000	22,350	262,350
2038	250,000	15,150	265,150
2039	255,000	7,650	262,650
	<b>3,115,000</b>	<b>831,150</b>	<b>3,946,150</b>
	<b>3,115,000</b>	<b>831,150</b>	<b>3,946,150</b>

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

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Water**  
**December 31, 2024**

**2024 Water Revenue Bonds**  
**Original Principal - \$13,690,000**  
**Interest Rate- 5.00%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due</b>		<b>Total</b>
		<b>June 1 and December 1</b>		
2025	360,000	743,443		1,103,443
2026	435,000	666,500		1,101,500
2027	460,000	644,750		1,104,750
2028	480,000	621,750		1,101,750
2029	505,000	597,750		1,102,750
2030	530,000	572,500		1,102,500
2031	555,000	546,000		1,101,000
2032	585,000	518,250		1,103,250
2033	615,000	489,000		1,104,000
2034	645,000	458,250		1,103,250
2035	675,000	426,000		1,101,000
2036	710,000	392,250		1,102,250
2037	745,000	356,750		1,101,750
2038	785,000	319,500		1,104,500
2039	825,000	280,250		1,105,250
2040	865,000	239,000		1,104,000
2041	910,000	195,750		1,105,750
2042	955,000	150,250		1,105,250
2043	1,000,000	102,500		1,102,500
2044	1,050,000	52,500		1,102,500
	<u>13,690,000</u>	<u>8,372,943</u>		<u>22,062,943</u>

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

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Sanitation**  
**December 31, 2024**

**2016 Wastewater General Obligation Bonds**

**Principal - \$23,295,000**

**Interest Rate - 2.00% to 5.00%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2025	595,000	772,525	1,367,525
2026	610,000	757,650	1,367,650
2027	630,000	740,875	1,370,875
2028	660,000	709,375	1,369,375
2029	695,000	676,375	1,371,375
2030	720,000	648,575	1,368,575
2031	750,000	619,775	1,369,775
2032	775,000	597,275	1,372,275
2033	795,000	574,025	1,369,025
2034	830,000	538,250	1,368,250
2035	870,000	500,900	1,370,900
2036	910,000	461,750	1,371,750
2037	950,000	420,800	1,370,800
2038	980,000	387,550	1,367,550
2039	1,015,000	353,250	1,368,250
2040	1,050,000	317,725	1,367,725
2041	1,085,000	280,975	1,365,975
2042	1,125,000	243,000	1,368,000
2043	1,185,000	186,750	1,371,750
2044	1,245,000	127,500	1,372,500
2045	1,305,000	65,250	1,370,250
	<u>18,780,000</u>	<u>9,980,150</u>	<u>28,760,150</u>

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

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Sanitation**  
**December 31, 2024**

**2017 Wastewater Revenue Crossover Refunding Bonds**  
**Original Principal - \$12,430,000**  
**Interest Rate - 3.00% to 5.00%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2025	510,000	358,919	868,919
2026	525,000	343,619	868,619
2027	550,000	317,369	867,369
2028	580,000	289,869	869,869
2029	605,000	260,869	865,869
2030	635,000	230,619	865,619
2031	655,000	211,569	866,569
2032	675,000	191,919	866,919
2033	695,000	171,669	866,669
2034	720,000	149,950	869,950
2035	740,000	127,450	867,450
2036	765,000	104,325	869,325
2037	790,000	79,463	869,463
2038	815,000	53,788	868,788
2039	840,000	27,296	867,296
	<u>10,100,000</u>	<u>2,918,693</u>	<u>13,018,693</u>

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

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Sanitation**  
**December 31, 2024**

**2020A Wastewater Revenue Improvement Bonds**

**Original Principal - \$35,220,000**

**Interest Rate - 3.00% to 4.00%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2025	275,000	1,328,750	1,603,750
2026	285,000	1,317,750	1,602,750
2027	300,000	1,306,350	1,606,350
2028	310,000	1,294,350	1,604,350
2029	325,000	1,281,950	1,606,950
2030	340,000	1,268,950	1,608,950
2031	350,000	1,255,350	1,605,350
2032	365,000	1,241,350	1,606,350
2033	380,000	1,226,750	1,606,750
2034	395,000	1,211,550	1,606,550
2035	410,000	1,199,700	1,609,700
2036	415,000	1,187,400	1,602,400
2037	425,000	1,174,950	1,599,950
2038	445,000	1,162,200	1,607,200
2039	455,000	1,148,850	1,603,850
2040	1,340,000	1,135,200	2,475,200
2041	1,375,000	1,095,000	2,470,000
2042	1,430,000	1,040,000	2,470,000
2043	3,110,000	982,800	4,092,800
2044	3,235,000	858,400	4,093,400
2045	3,365,000	729,000	4,094,000
2046	3,500,000	594,400	4,094,400
2047	3,640,000	454,400	4,094,400
2048	3,785,000	308,800	4,093,800
2049	3,935,000	157,400	4,092,400
	<u>34,190,000</u>	<u>25,961,600</u>	<u>60,151,600</u>

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

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Sanitation**  
**December 31, 2024**

**2020B Wastewater Revenue Refunding Bonds**  
**Original Principal - \$24,930,000**  
**Interest Rate - 0.82% to 2.42%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2025	1,060,000	561,030	1,621,030
2026	1,075,000	547,536	1,622,536
2027	1,090,000	530,573	1,620,573
2028	1,110,000	511,738	1,621,738
2029	1,130,000	490,481	1,620,481
2030	1,150,000	468,277	1,618,277
2031	1,175,000	445,104	1,620,104
2032	1,200,000	420,018	1,620,018
2033	1,230,000	393,198	1,623,198
2034	1,255,000	364,724	1,619,724
2035	1,285,000	335,043	1,620,043
2036	1,320,000	304,010	1,624,010
2037	1,360,000	264,278	1,624,278
2038	1,395,000	223,342	1,618,342
2039	1,440,000	181,353	1,621,353
2040	1,480,000	138,009	1,618,009
2041	1,530,000	93,461	1,623,461
2042	1,575,000	47,407	1,622,407
	<u>22,860,000</u>	<u>6,319,582</u>	<u>29,179,582</u>

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

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Sanitation**  
**December 31, 2024**

**2023 Wastewater Revenue Bonds**

**Original Principal - \$45,720,000**

**Interest Rate - 5.00%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due</b>		<b>Total</b>
		<b>June 1 and December 1</b>		
2025	800,000	2,020,650		2,820,650
2026	840,000	1,980,650		2,820,650
2027	880,000	1,938,650		2,818,650
2028	925,000	1,849,650		2,774,650
2029	970,000	1,848,400		2,818,400
2030	1,020,000	1,799,900		2,819,900
2031	1,070,000	1,748,900		2,818,900
2032	1,125,000	1,695,400		2,820,400
2033	1,180,000	1,639,150		2,819,150
2034	1,240,000	1,580,150		2,820,150
2035	1,300,000	1,518,150		2,818,150
2036	1,365,000	1,453,150		2,818,150
2037	1,435,000	1,384,900		2,819,900
2038	1,510,000	1,313,150		2,823,150
2039	1,585,000	1,237,650		2,822,650
2040	1,645,000	1,174,250		2,819,250
2041	1,710,000	1,108,450		2,818,450
2042	1,780,000	1,040,050		2,820,050
2043	1,850,000	968,850		2,818,850
2044	1,925,000	894,850		2,819,850
2045	2,005,000	817,850		2,822,850
2046	2,085,000	737,650		2,822,650
2047	2,185,000	633,400		2,818,400
2048	2,295,000	524,150		2,819,150
2049	2,410,000	409,400		2,819,400
2050	2,505,000	313,000		2,818,000
2051	2,610,000	212,800		2,822,800
2052	2,710,000	108,400		2,818,400
	<u>44,960,000</u>	<u>33,951,600</u>		<u>78,911,600</u>

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

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity**  
**December 31, 2024**

<b>Subscription-Based Information Technology</b>			
<b>Agreements</b>			
<b>Year Ending</b>	<b>Water</b>	<b>Water</b>	
<b>December 31,</b>	<b>Principal Due</b>	<b>Interest Due</b>	<b>Total</b>
2025	95,308	5,587	100,895
2026	29,908	2,441	32,349
2027	31,105	1,244	32,349
	156,321	9,272	165,593
	156,321	9,272	165,593

<b>Subscription-Based Information Technology</b>			
<b>Agreements</b>			
<b>Year Ending</b>	<b>Sanitation</b>	<b>Sanitation</b>	
<b>December 31,</b>	<b>Principal Due</b>	<b>Interest Due</b>	<b>Total</b>
2025	381,232	22,348	403,580
2026	119,632	9,762	129,394
2027	124,419	4,977	129,396
	625,283	37,087	662,370
	625,283	37,087	662,370

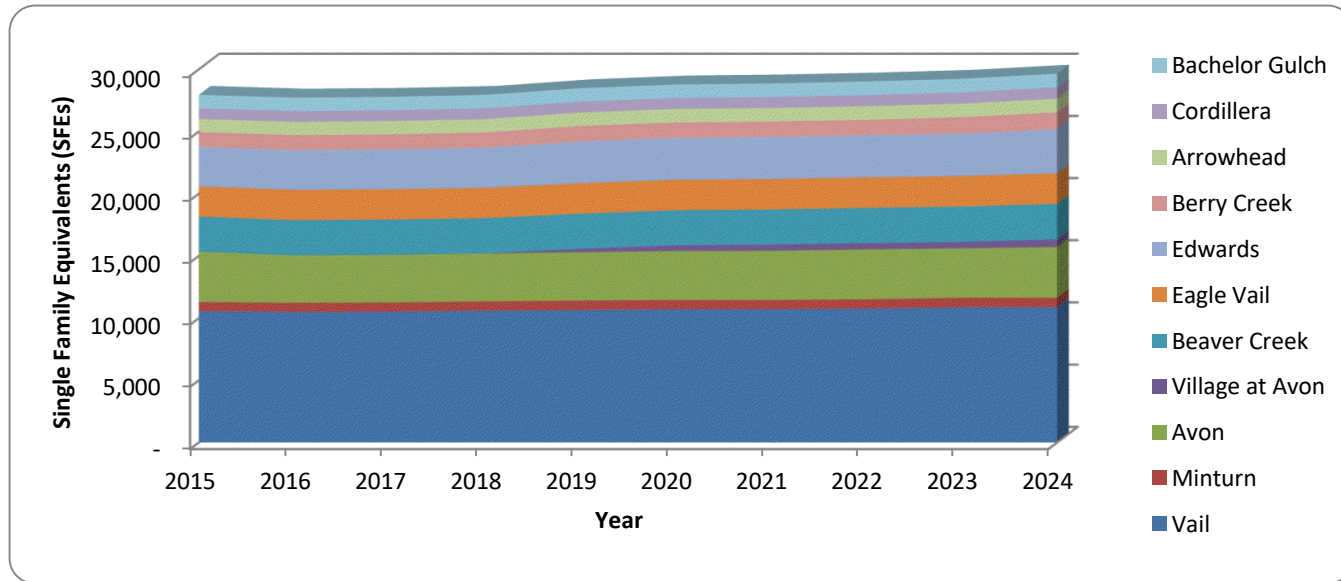
The accompanying notes are an integral part of these financial statements.

STATISTICAL SECTION



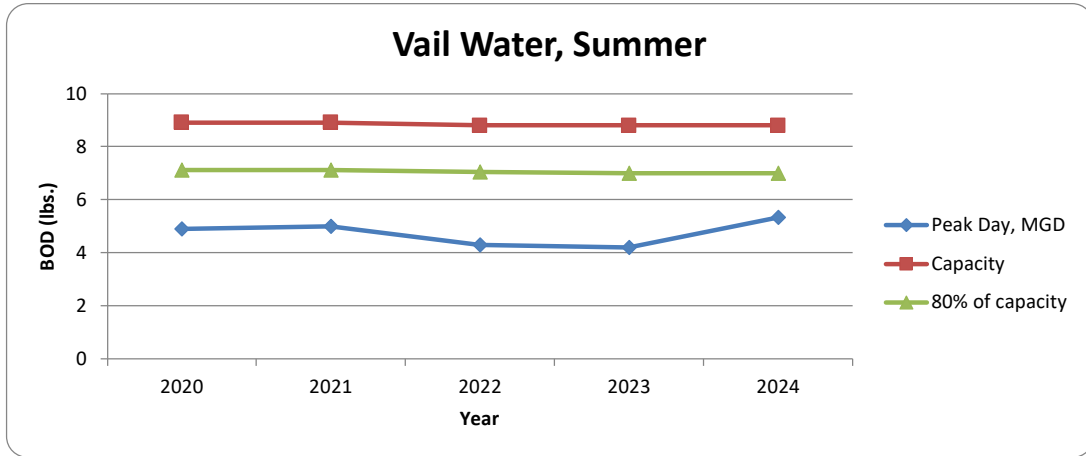
**EAGLE RIVER**  
**WATER & SANITATION**  
**DISTRICT**

**Eagle River Water and Sanitation District  
Single Family Equivalents (SFEs) in Service  
Ten Year Comparison  
December 31, 2024  
(Unaudited)**



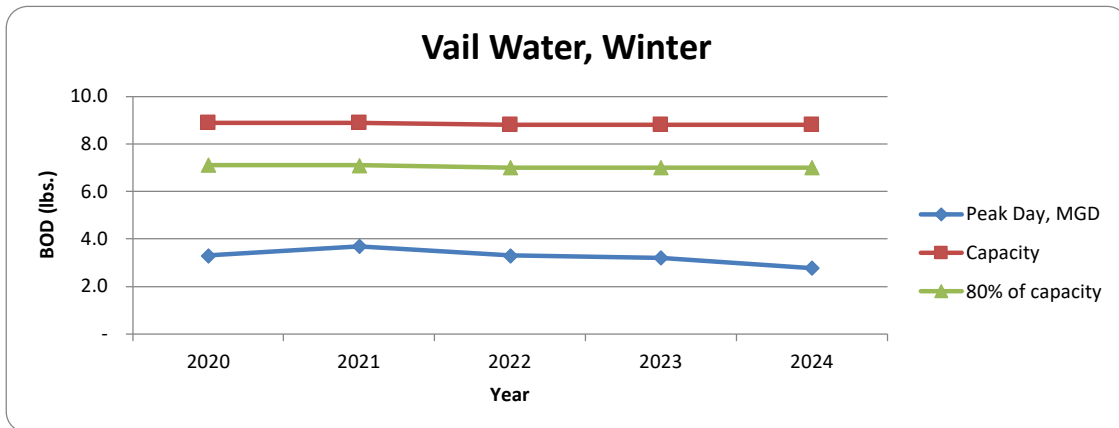
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Vail	10,551	10,494	10,509	10,595	10,650	10,703	10,706	10,757	10,876	10,876
Minturn	726	732	733	748	752	751	741	747	752	753
Avon	4,062	3,823	3,847	3,855	3,890	3,934	3,955	4,016	3,973	4,088
Village at Avon	-	-	-	-	268	447	494	495	501	600
Beaver Creek	2,823	2,824	2,829	2,829	2,831	2,834	2,834	2,846	2,864	2,863
Eagle Vail	2,425	2,427	2,433	2,441	2,446	2,446	2,447	2,450	2,451	2,454
Edwards	3,174	3,197	3,202	3,220	3,366	3,375	3,382	3,386	3,406	3,537
Berry Creek	1,195	1,211	1,220	1,231	1,239	1,239	1,241	1,245	1,330	1,364
Arrowhead	1,050	1,062	1,063	1,071	1,079	1,082	1,088	1,091	1,089	1,095
Cordillera	868	880	877	882	884	886	888	897	904	928
Bachelor Gulch	1,076	1,072	1,076	1,075	1,079	1,083	1,090	1,091	1,097	1,093
<b>Total SFEs</b>	<u>27,948</u>	<u>27,722</u>	<u>27,789</u>	<u>27,947</u>	<u>28,484</u>	<u>28,780</u>	<u>28,866</u>	<u>29,021</u>	<u>29,243</u>	<u>29,651</u>
Percent increase	<u>0.65%</u>	<u>-0.81%</u>	<u>0.24%</u>	<u>0.57%</u>	<u>1.92%</u>	<u>1.04%</u>	<u>0.30%</u>	<u>0.54%</u>	<u>0.76%</u>	<u>1.40%</u>

**Eagle River Water and Sanitation District  
Water Demand Compared To Capacity  
Five Year Comparison  
December 31, 2024  
(Unaudited)**



**Vail Water, Summer**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Peak Day, MGD	4.9	5.0	4.3	4.2	5.3
Capacity	8.9	8.9	8.8	8.8	8.8
80% of capacity	7.1	7.1	7.0	7.0	7.0
Flow, MGD as a % Capacity	55%	56%	49%	48%	61%

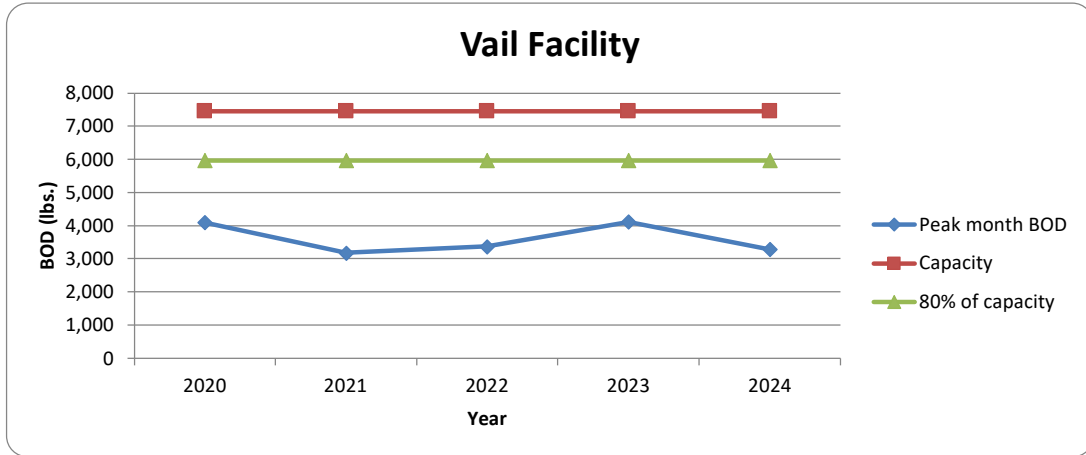


**Vail Water, Winter**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Peak Day, MGD	3.3	3.7	3.3	3.2	2.8
Capacity	8.9	8.9	8.8	8.8	8.8
80% of capacity	7.1	7.1	7.0	7.0	7.0
Flow, MGD as a % Capacity	37%	42%	38%	36%	32%

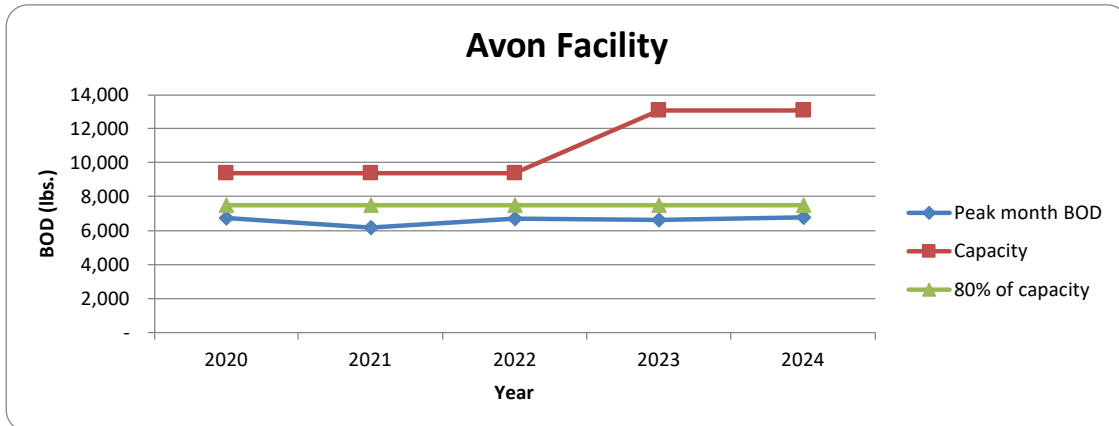
**Eagle River Water and Sanitation District  
Wastewater Loadings Compared to Facility Capacity  
Five Year Comparison  
December 31, 2024  
(Unaudited)**

Biochemical Oxygen Demand ("BOD") is the rate in which organisms use oxygen in wastewater while stabilizing decomposable organic matter under aerobic conditions. In decomposition, organic matter serves as food for the bacteria and energy results from its oxidation. BOD measurements are used as a surrogate measure of the organic strength of wastes in water.



**Vail Facility**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Peak month BOD	4,094	3,180	3,373	4,124	3,285
Capacity	7,450	7,450	7,450	7,450	7,450
80% of capacity	5,960	5,960	5,961	5,960	5,960
Peak month BOD as % of capacity	55%	43%	45%	55%	44%

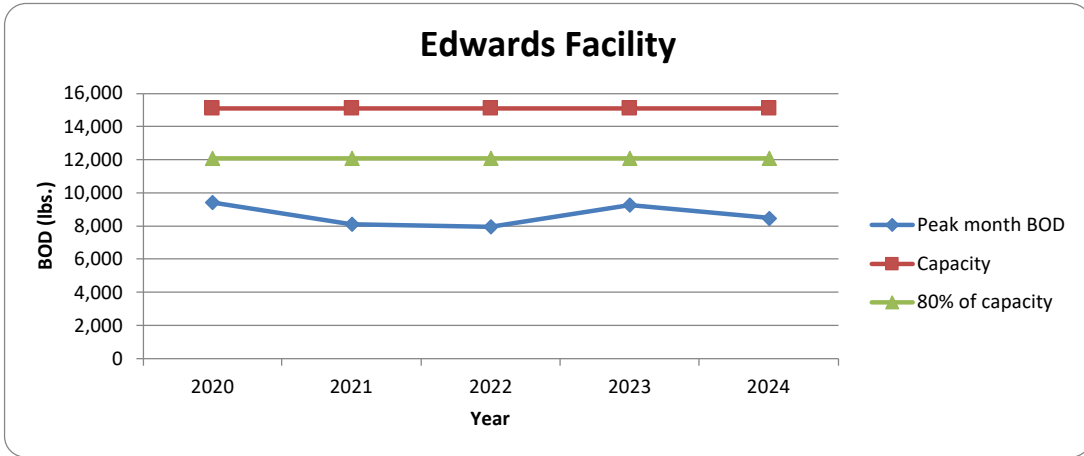


**Avon Facility**

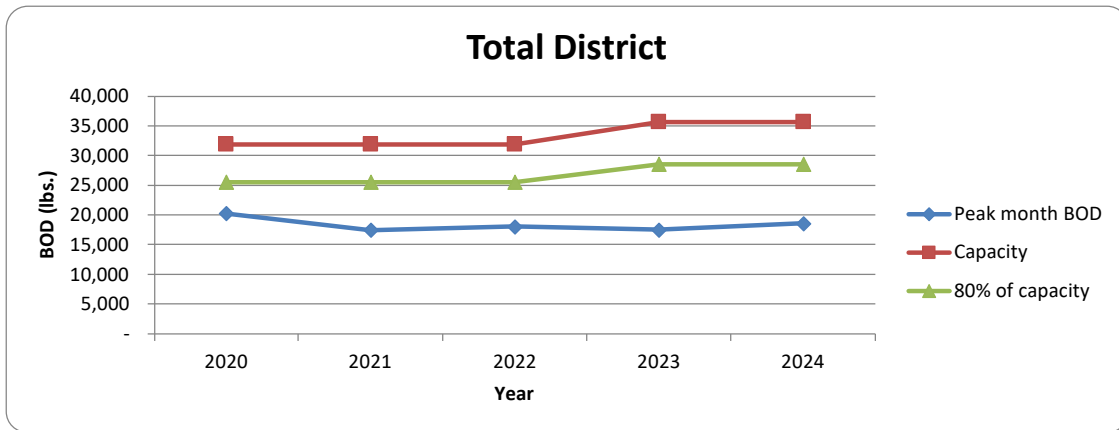
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Peak month BOD	6,755	6,201	6,701	6,643	6,810
Capacity	9,400	9,400	9,400	13,100	13,100
80% of capacity	7,520	7,520	7,520	7,520	7,520
Peak month BOD as % of capacity	72%	66%	71%	51%	52%

**Eagle River Water and Sanitation District  
Wastewater Loadings Compared to Facility Capacity  
Five Year Comparison  
December 31, 2024  
(Continued)  
(Unaudited)**

Biochemical Oxygen Demand ("BOD") is the rate in which organisms use oxygen in wastewater while stabilizing decomposable organic matter under aerobic conditions. In decomposition, organic matter serves as food for the bacteria and energy results from its oxidation. BOD measurements are used as a surrogate measure of the organic strength of wastes in water.



<b>Edwards Facility</b>					
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Peak month BOD	9,426	8,102	7,972	9,267	8,477
Capacity	15,100	15,100	15,100	15,100	15,100
80% of capacity	12,080	12,080	12,080	12,080	12,080
Peak month BOD as % of capacity	62%	54%	53%	61%	56%

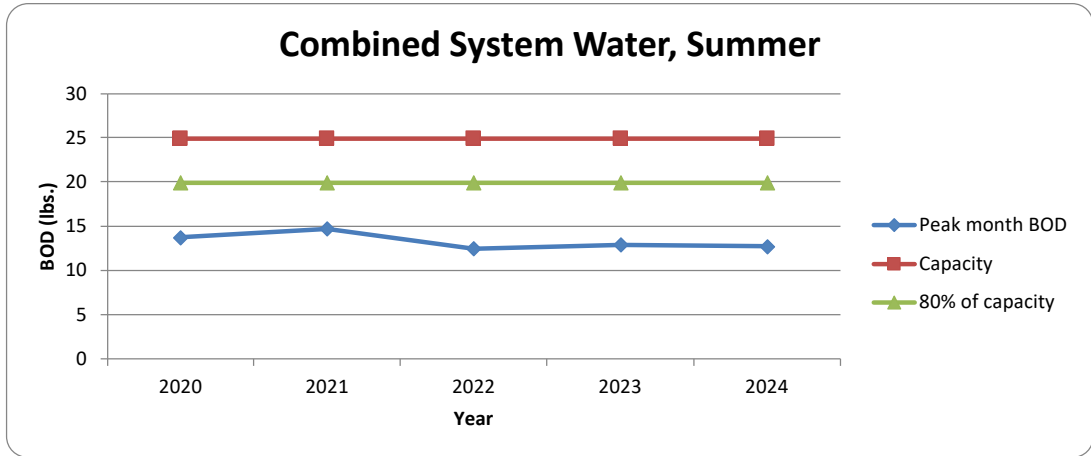


<b>Total District</b>					
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Peak month BOD	20,275	17,483	18,046	17,486	18,572
Capacity	31,950	31,950	31,950	35,650	35,650
80% of capacity	25,560	25,560	25,560	28,520	28,520
Peak month BOD as % of capacity	63%	55%	56%	49%	52%

**Eagle River Water and Sanitation District  
Top 10 Customers  
Five Year Comparison  
December 31, 2024  
(Unaudited)**

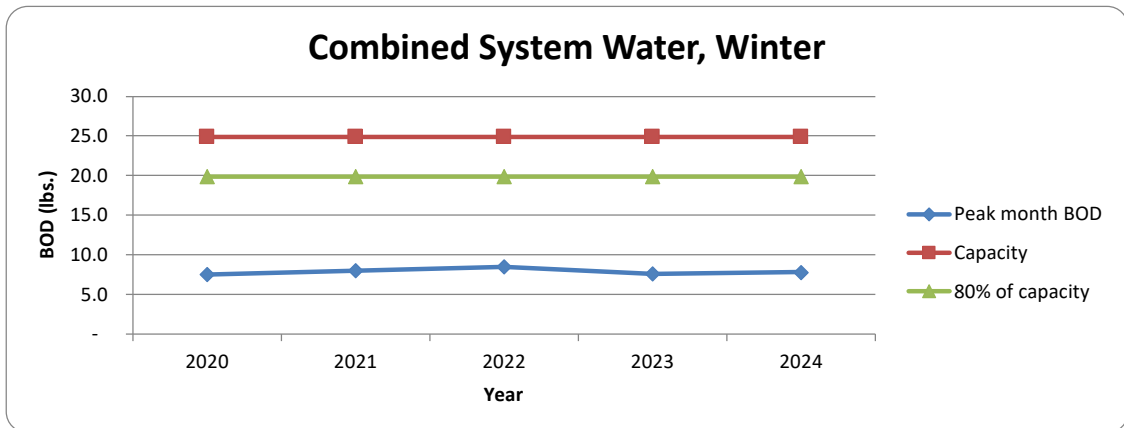
<b>Customer Type</b>	<b>1,000 Gallons</b>	<b>Sales Dollar Amount</b>	<b>% of Total Sales Dollars</b>
<b><u>Vail Water Sales</u></b>			
Ski Company/Resort	36,054	\$ 222,193	2.4%
Hotel/Resort	21,629	179,663	2.0%
Hospital	20,103	261,102	2.8%
Town of Vail	19,973	125,646	1.4%
Hotel/Condos/Resort	15,839	97,604	1.1%
Hotel/Resort	13,204	57,747	0.6%
Hotel/Condos/Resort	13,145	86,408	0.9%
Hotel/Resort	12,696	55,887	0.6%
Condominiums/Resort	11,711	50,938	0.6%
Condominiums/Resort	11,259	47,865	0.5%
<b>Total - Top 10 Customers</b>	<b>175,613</b>	<b>\$ 1,185,053</b>	<b>12.9%</b>
<b>Total - All Other Customers</b>	<b>412,441</b>	<b>8,007,182</b>	<b>87.1%</b>
<b>Total Service Fees</b>	<b>588,054</b>	<b>\$ 9,192,235</b>	<b>100.0%</b>
<b><u>Wastewater Sales</u></b>			
Ski Company/Resort		\$ 359,724	1.5%
Hotel/Resort		276,531	1.1%
Mobile Home Park		250,702	1.0%
Hotel/Condos/Resort		202,437	0.8%
Hospital		154,936	0.6%
Hotel/Resort		152,366	0.6%
Hotel/Condos/Resort		143,678	0.6%
Condominiums/Resort		136,510	0.6%
Apartment Complex		135,651	0.6%
Hotel/Condos/Resort		133,955	0.5%
<b>Total - Top 10 Customers</b>		<b>\$ 1,946,490</b>	<b>7.9%</b>
<b>Total - All Other Customers</b>		<b>22,690,773</b>	<b>92.1%</b>
<b>Total Service Fees</b>		<b>\$ 24,637,263</b>	<b>100.0%</b>

**Eagle River Water and Sanitation District**  
**Water Demand Compared to Capacity**  
**Five Year Comparison**  
**December 31, 2024**  
**(Continued)**



**Combined System Water, Summer**

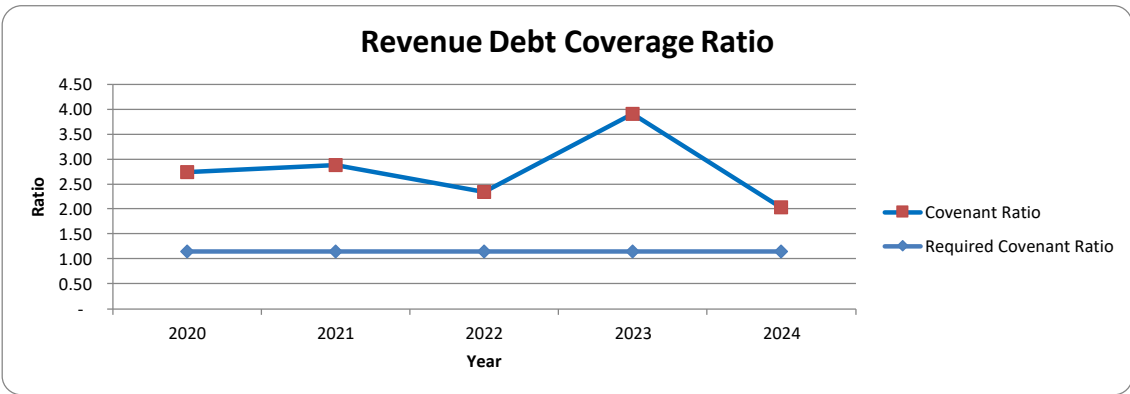
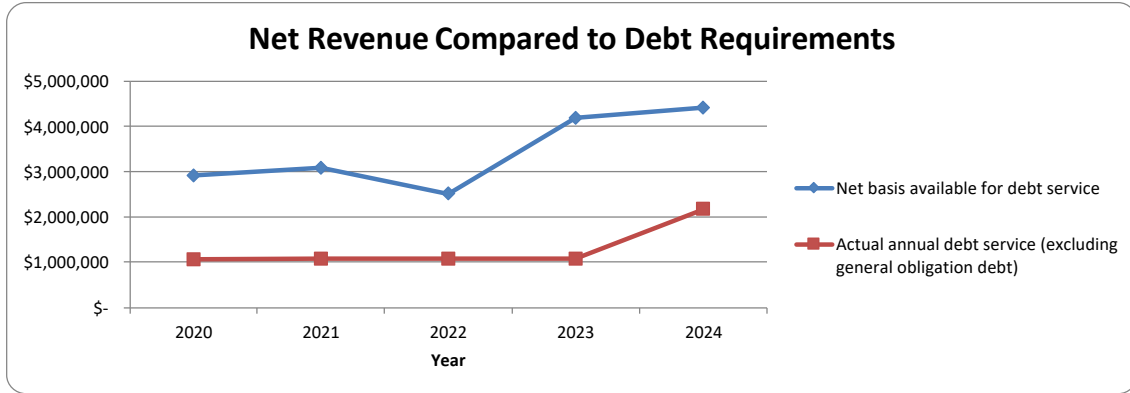
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Peak month BOD	13.7	14.7	12.5	12.9	12.7
Capacity	24.9	24.9	24.9	24.9	24.9
80% of capacity	19.9	19.9	19.9	19.9	19.9
Peak month BOD as % of capacity	55%	59%	50%	52%	51%



**Combined System Water, Summer**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Peak month BOD	7.5	8.0	8.5	7.6	7.8
Capacity	24.9	24.9	24.9	24.9	24.9
80% of capacity	19.9	19.9	19.9	19.9	19.9
Peak month BOD as % of capacity	30%	32%	34%	31%	31%

**Eagle River Water and Sanitation District  
Rate Maintenance Covenant - Water  
Five Year Comparison  
December 31, 2024  
(Unaudited)**



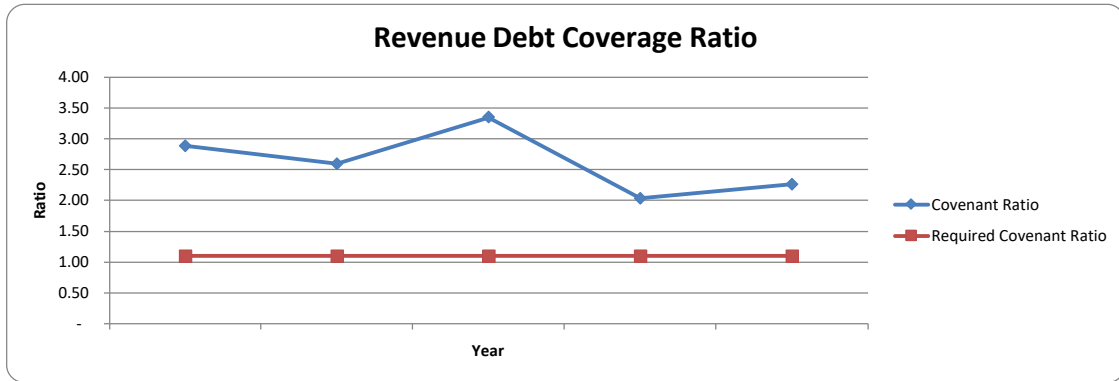
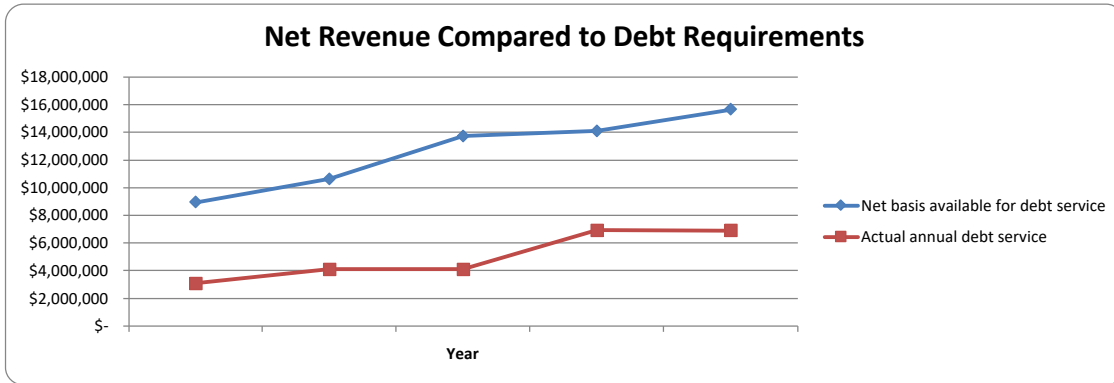
Per the bond covenants, the District is to assess a fee to cover operations and maintenance and 115% of water debt service.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating revenue	6,589,015	7,038,240	7,806,117	8,773,821	9,624,628
Plus:					
Tap fees and other contributed cash	307,504	677,841	259,212	151,035	140,902
Investment income	66,067	(991)	10,793	78,479	300,132
Property taxes for general operating	518,481	533,141	543,099	651,290	693,694
Other non-operating revenues	19,734	29,817	33,664	28,290	33,467
Rate stabilization funds	600,000	600,000	600,000	600,000	600,000
<b>Total revenues available for debt service</b>	<b>8,100,801</b>	<b>8,878,048</b>	<b>9,252,885</b>	<b>10,282,915</b>	<b>11,392,823</b>
Expenses	8,201,005	8,545,228	9,529,666	8,807,500	9,920,176
Less:					
Interest expense	(808,026)	(764,891)	(718,714)	(680,166)	(670,221)
Depreciation	(1,979,712)	(1,980,544)	(2,073,977)	(2,020,338)	(2,261,029)
Non-recurring or replacement expenses	(228,434)	(6,999)	-	(11,420)	(12,202)
<b>Total expenses available for debt service</b>	<b>5,184,833</b>	<b>5,792,794</b>	<b>6,736,975</b>	<b>6,095,576</b>	<b>6,976,724</b>
<b>Net basis available for debt service</b>	<b>2,915,968</b>	<b>3,085,254</b>	<b>2,515,910</b>	<b>4,187,339</b>	<b>4,416,099</b>
<b>Actual annual debt service (excluding general obligation debt)</b>	<b>1,065,263</b>	<b>1,071,600</b>	<b>1,073,900</b>	<b>1,070,500</b>	<b>2,177,668</b>
<b>Covenant Ratio</b>	<b>2.74</b>	<b>2.88</b>	<b>2.34</b>	<b>3.91</b>	<b>2.03</b>
<b>Required Covenant Ratio</b>	<b>1.15</b>	<b>1.15</b>	<b>1.15</b>	<b>1.15</b>	<b>1.15</b>

**Rate Maintenance Covenant:** The District's Water Enterprise Series 2017, 2019, and 2024 bonds include a Rate Maintenance Covenant sufficient revenues to pay: (i) Operation and Maintenance Expenses, (ii) 115% of each Fiscal Year's Bond Requirements of the Bonds, (iii) any amounts required to pay all Policy Costs then due and owing and all sums, (iv) any amounts required to meet then existing deficiencies pertaining to any fund or account relating to the Gross Pledged Revenues or any securities payable there from.

The above Rate Maintenance Covenant is tested annually. It is the District's policy to use unrestricted cash and investments (\$7,308,311 at December 31, 2024) to meet the Rate Maintenance Covenant if necessary.

**Eagle River Water and Sanitation District**  
**Rate Maintenance Covenant - Sanitation**  
**Five Year Comparison**  
**December 31, 2024**  
**(Unaudited)**



Per the bond covenants, the District is to assess a fee to cover operations and maintenance and 110% of sewer debt service.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating revenue	22,407,469	25,470,671	28,850,477	31,502,812	36,200,992
Plus:					
Tap fees and other contributed cash	668,867	1,297,552	2,437,698	2,756,757	451,767
Investment income	334,133	(18,024)	74,411	801,943	1,809,218
Property taxes for general operating	581,078	587,406	589,286	629,754	886,129
Other non-operating revenues	53,250	89,451	101,053	100,778	120,711
Rate stabilization funds	600,000	600,000	600,000	600,000	600,000
Total revenues available for debt service	<u>24,644,797</u>	<u>28,027,056</u>	<u>32,652,925</u>	<u>36,392,044</u>	<u>40,068,817</u>
Expenses	26,104,467	27,548,968	28,581,021	34,646,448	38,788,039
Less:					
Interest expense	(2,532,808)	(2,847,190)	(2,886,258)	(4,602,177)	(4,728,470)
Depreciation	(7,679,104)	(7,115,752)	(6,646,765)	(7,629,601)	(9,389,607)
Major capital additions	(211,190)	(207,358)	(135,687)	(116,145)	(138,585)
Total expenses available for debt service	<u>15,681,365</u>	<u>17,378,668</u>	<u>18,912,311</u>	<u>22,298,525</u>	<u>24,392,792</u>
<b>Net basis available for debt service</b>	<u>8,963,432</u>	<u>10,648,388</u>	<u>13,740,614</u>	<u>14,093,519</u>	<u>15,676,025</u>
<b>Actual annual debt service (excluding general obligation debt)</b>	<u>3,102,063</u>	<u>4,094,691</u>	<u>4,096,083</u>	<u>6,912,466</u>	<u>6,914,349</u>
<b>Covenant Ratio</b>	<u>2.89</u>	<u>2.60</u>	<u>3.35</u>	<u>2.04</u>	<u>2.27</u>
<b>Required Covenant Ratio</b>	<u>1.10</u>	<u>1.10</u>	<u>1.10</u>	<u>1.10</u>	<u>1.10</u>

**Rate Maintenance Covenant:** The District's Wastewater Revenue Bonds, Series 2009, 2012, 2017 and 2020 include a Rate Maintenance Covenant sufficient revenues to pay: (i) Operation and Maintenance Expenses, (ii) 110% of each Fiscal Year's Bond Requirements of the Bonds, (iii) any amounts required to pay all Policy Costs then due and owing and all sums, (iv) any amounts required to meet then existing deficiencies pertaining to any fund or account relating to the Gross Pledged Revenues or any securities payable there from.

The above Rate Maintenance Covenant is tested annually. It is the District's policy to use unrestricted cash and investments (\$39,633,918 at December 31, 2024) to meet the Rate Maintenance Covenant if necessary.

**Eagle River Water and Sanitation District**  
**Assessed Valuation, Property Taxes Levied and Collected - Water**  
**Five Year Comparison**  
**December 31, 2024**  
**(Unaudited)**

<b>Calendar Year Ended December 31</b>	<b>Valuation for Current Year Property Tax Levy</b>	<b>Total Mills Levied</b>		<b>Total Property Tax</b>		<b>% Collected to Levied</b>
		<b>Operating Mills Levied</b>	<b>Debt Service Mills Levied</b>	<b>Levied</b>	<b>Collected</b>	
2020	1,232,671,960	0.444	0.765	1,490,300	1,486,928	99.8%
2021	1,229,647,670	0.471	0.764	1,518,392	1,516,730	99.9%
2022	1,211,075,770	0.509	0.615	1,361,246	1,360,180	99.9%
2023	1,640,505,630	0.400	0.455	1,402,632	1,402,026	100.0%
2024	1,634,056,530	0.400	0.454	1,395,484		

Note: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.

**Eagle River Water and Sanitation District**  
**Assessed Valuation, Property Taxes Levied and Collected - Sanitation**  
**Five Year Comparison**  
**December 31, 2024**  
**(Unaudited)**

<b>Calendar Year Ended December 31</b>	<b>Valuation for Current Year Property Tax Levy</b>	<b>Total Mills Levied</b>		<b>Total Property Tax</b>		<b>% Collected to Levied</b>
		<b>Operating Mills Levied</b>	<b>Debt Service Mills Levied</b>	<b>Levied</b>	<b>Collected</b>	
2020	2,563,646,580	0.231	0.535	1,963,902	1,961,888	99.9%
2021	2,597,766,990	0.231	0.535	1,971,705	1,970,192	99.9%
2022	2,565,776,260	0.231	0.534	1,962,819	1,967,800	100.3%
2023	3,621,713,630	0.231	0.379	2,209,245	2,226,926	100.8%
2024	3,623,319,900	0.231	0.377	2,202,978		

Note: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.