

GRAND COUNTY WATER & SANITATION DISTRICT

Grand County, Colorado

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2024 and 2023

GRAND COUNTY WATER & SANITATION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Grand County Water and Sanitation District No. 1
Grand County, Colorado

Opinions

We have audited the accompanying financial statements of Grand County Water and Sanitation District No. 1 (the District), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

I

Fiscal Focus Partners, LLC

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 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 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 on pages IV through VIII 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.

Supplemental Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as identified in the table of contents is presented for purposes of additional analysis and legal compliance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Arvada, Colorado
August 25, 2025

Grand County Water and Sanitation District No. 1 MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Grand County Water and Sanitation District No. 1's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the basic financial statements and the notes to financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- Assets of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$32,025,647 (net position). Of this amount, \$11,947,563 (unrestricted net position) may be used to meet the government's ongoing obligations to its citizen and creditors.
- The District's total net position increased by \$1,726,241 from the prior fiscal year.
- Property tax revenues for 2024 increased 15% from prior year as a result of an increased taxable assessed valuation.
- Tap fees, while decreasing, remained high at \$1,104,500, due to increased growth in the District's service area.
- Operating revenues increased approximately 8% from the prior year, and operating expenses increased by 16% from the prior year, primarily due to increases in salaries and wages, plant operating costs, and maintenance on existing facilities.
- Capital expenditures totaled \$610,527. The largest share of the expenditures was for improvements to water infrastructure.

Overview of the Financial Statements

The Grand County Water and Sanitation District No. 1 basic financial statements included in this report are those of a special-purpose government engaged in a business-type activity, providing water and sewer services. The statements are comprised of two components: 1) basic financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements. The basic financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

Grand County Water and Sanitation District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the District's net position changed during the most recent fiscal year. All changes in 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 this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned compensation). The statement reports the District's operating and nonoperating revenue by source along with operating and nonoperating expenses and capital contributions.

The *Statement of Cash Flows* reports the District's cash flows from operating activities, investing, capital and noncapital activities.

The *Notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

A budgetary comparison schedule has been provided in the *supplemental information* to demonstrate compliance with the budget.

Unlike the basic financial statements, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements. The fund statements of revenues, expenditures, and changes in fund balances are reconciled to facilitate a comparison between budget-basis fund statements and the basic financial statements.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Grand County Water and Sanitation District No. 1, assets exceeded liabilities and deferred inflows of resources by \$32,025,647 at the close of the most recent fiscal year.

**Grand County Water and Sanitation District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

Statement of Net Position			
December 31,			
	2024	2023	2022
Current assets	\$ 12,269,117	\$ 10,445,627	\$ 8,827,050
Current restricted assets	725,553	716,867	707,782
Capital assets	19,352,531	19,403,355	19,180,726
Long-term investments and other assets	306,167	315,371	312,413
Total assets	<u>32,653,368</u>	<u>30,881,220</u>	<u>29,027,971</u>
Current liabilities	237,728	201,380	192,673
Total liabilities	<u>237,728</u>	<u>201,380</u>	<u>192,673</u>
Deferred inflows of resources	<u>389,993</u>	<u>380,434</u>	<u>352,251</u>
Net position:			
Net investment in capital assets	19,352,531	19,403,355	19,180,726
Restricted	725,553	716,867	707,782
Unrestricted	11,947,563	10,179,184	8,594,539
Net position	<u>\$ 32,025,647</u>	<u>\$ 30,299,406</u>	<u>\$ 28,483,047</u>

- The largest portion of the District's net position (60%) reflects its investment in capital assets (e.g. infrastructure, plant, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently these assets are *not* available for future spending.
- Restricted net position consist of \$30,000 restricted for emergencies under TABOR; \$25,000 for the required reserve pursuant to an intergovernmental agreement; and \$670,553 held in agency for sewer plant costs.
- The remaining net position of \$11,947,563 is unrestricted and available for on-going obligations of the District.

**Grand County Water and Sanitation District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

	Changes in Net Position		
	For the Years Ended December 31,		
	2024	2023	2022
Revenues			
Operating revenue			
Water operations	\$ 1,091,661	\$ 955,308	\$ 846,320
Sewer operations	1,029,790	1,009,473	943,311
Nonoperating revenue			
Taxes	423,704	374,728	374,776
Grant revenue	372,367	-	-
Net investment income	576,122	418,339	88,868
Capital contributions			
Tap fees	1,104,500	1,526,342	1,832,840
Total revenues	<u>4,598,144</u>	<u>4,284,190</u>	<u>4,086,115</u>
Expenses			
Operating expenses			
Water operations	903,968	793,103	1,032,587
Sewer operations	1,276,308	1,020,276	1,076,386
Depreciation	661,351	638,946	634,643
Nonoperating expenses			
County Treasurer fees	20,300	17,616	17,656
Unrealized losses (gains)	9,976	(2,110)	36,942
Total expenses	<u>2,871,903</u>	<u>2,467,831</u>	<u>2,798,214</u>
Change in net position	<u>1,726,241</u>	<u>1,816,359</u>	<u>1,287,901</u>
Net position - beginning	30,299,406	28,483,047	27,195,146
Net position - ending	<u>\$ 32,025,647</u>	<u>\$ 30,299,406</u>	<u>\$ 28,483,047</u>

Budgetary Highlights

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of capital outlay and debt repayment in addition to operations and nonoperating revenue and expenses and contributions. Depreciation is not reflected in the budget since it does not affect funds available. Funds available (current assets less current liabilities, exclusive of the current portion of long-term obligations, plus noncurrent investments) increased \$1,787,041 during 2024.

**Grand County Water and Sanitation District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

Capital Assets

The District's net investment in capital assets as of December 31, 2024, 2023 and 2022 was as follows:

	Capital Assets		
	December 31,		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Land	\$ 544,795	\$ 544,795	\$ 544,795
Water rights	1,969,964	1,969,964	1,969,964
Plant and improvements	20,314,670	20,296,700	20,276,950
Water storage tanks	2,277,466	2,277,466	2,277,466
Infrastructure	8,632,614	8,091,972	7,354,934
Vehicles	288,776	236,861	236,861
Office equipment	133,096	133,096	133,096
Other equipment	341,823	341,823	237,036
Total assets	<u>34,503,204</u>	<u>33,892,677</u>	<u>33,031,102</u>
Accumulated depreciation	<u>(15,150,673)</u>	<u>(14,489,322)</u>	<u>(13,850,376)</u>
Net capital assets	<u><u>\$ 19,352,531</u></u>	<u><u>\$ 19,403,355</u></u>	<u><u>\$ 19,180,726</u></u>

Additional information relating to the District's capital assets activity can be found in Note 4 of this report.

Economic Factors and Next Year's Budget

- Considering that usage varies from year to year, the District has conservatively budgeted 2025 service revenue to be slightly lower than 2024.
- Continued moderate growth in the District is expected in 2025 but the timing of tap fees is unpredictable, accordingly amounts of tap fees budgeted for 2025 are lower than actual tap fees received in 2024.
- The District is budgeting for continued water line and water plant improvements as well as sewer collection and rehab for 2025.

Requests for Information

This financial 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 financial information should be addressed to:

Director of Administration
Grand County Water and Sanitation District No. 1
P.O. Box 3077
50 Vasquez Road
Winter Park, Colorado 80482-3077

BASIC FINANCIAL STATEMENTS

GRAND COUNTY WATER & SANITATION DISTRICT

STATEMENTS OF NET POSITION

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,044	\$ 216,331
Investments	11,676,765	9,633,050
Accounts receivable - System Users	172,760	192,710
Receivable - County Treasurer	1,289	1,725
Property taxes receivable	389,993	380,434
Prepaid expenses	26,266	21,377
Total current assets	<u>12,269,117</u>	<u>10,445,627</u>
Current restricted assets		
Cash and cash equivalents - restricted	55,000	49,000
Funds held in agency - restricted for Joint Facilities	670,553	667,867
Total current restricted assets	<u>725,553</u>	<u>716,867</u>
Noncurrent assets		
Investments	306,167	315,371
Total noncurrent assets	<u>306,167</u>	<u>315,371</u>
Capital assets		
Capital assets not being depreciated	2,514,759	2,514,759
Capital assets being depreciated, net of accumulated depreciation	16,837,772	16,888,596
Total capital assets	<u>19,352,531</u>	<u>19,403,355</u>
Total assets	<u>32,653,368</u>	<u>30,881,220</u>
LIABILITIES		
Current liabilities		
Accounts payable	220,909	195,635
Other accrued liabilities	16,819	5,745
Total current liabilities	<u>237,728</u>	<u>201,380</u>
Total liabilities	<u>237,728</u>	<u>201,380</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue	389,993	380,434
Total deferred inflows of resources	<u>389,993</u>	<u>380,434</u>
NET POSITION		
Net investment in capital assets	19,352,531	19,403,355
Restricted	725,553	716,867
Unrestricted	11,947,563	10,179,184
Total net position	<u>\$ 32,025,647</u>	<u>\$ 30,299,406</u>

The accompanying Notes to the Financial Statements are an integral part of these statements .

GRAND COUNTY WATER & SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
For the Years Ended December 31, 2024 and 2023

	2024	2023
OPERATING REVENUES		
Water operations	\$ 1,091,661	\$ 955,308
Sewer operations	1,029,790	1,009,473
Total operating revenues	2,121,451	1,964,781
OPERATING EXPENSES		
Water operations - administrative	306,215	345,680
Water operations - maintenance	597,753	447,423
Sewer operations - administrative	245,105	316,569
Sewer operations - maintenance	1,031,203	703,707
Depreciation	661,351	638,946
Total operating expenses	2,841,627	2,452,325
OPERATING INCOME (LOSS)	(720,176)	(487,544)
NONOPERATING REVENUES		
Property taxes	405,040	352,154
Specific ownership taxes	18,664	22,574
Grant and other revenue	372,367	-
Net investment income	576,122	418,339
Total nonoperating revenues	1,372,193	793,067
NONOPERATING EXPENSES		
County Treasurer fees	20,300	17,616
Unrealized (gains) loss on investments	9,976	(2,110)
Total nonoperating expenses	30,276	15,506
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	621,741	290,017
CAPITAL CONTRIBUTIONS		
Tap fees	1,104,500	1,526,342
CHANGE IN NET POSITION	1,726,241	1,816,359
NET POSITION - beginning of the year	30,299,406	28,483,047
NET POSITION - end of the year	\$ 32,025,647	\$ 30,299,406

The accompanying Notes to the Financial Statements are an integral part of the statements.

GRAND COUNTY WATER & SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 2,141,401	\$ 1,926,807
Payments to suppliers for goods and services	(1,485,934)	(1,219,670)
Payments to employees for services	(665,569)	(589,238)
Net cash provided (used) by operating activities	(10,102)	117,899
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	405,040	352,154
Specific ownership taxes	19,100	22,915
County Treasurer's fees	(20,300)	(17,616)
Net cash provided (used) by noncapital financing activities	403,840	357,453
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Tap fees	1,104,500	1,526,342
Acquisition of capital assets	(592,557)	(861,575)
Grant and other nonoperating proceeds	372,367	-
Reserve (increase) decrease for sewer improvements	(17,970)	-
Net cash provided (used) by capital and related financing activities	866,340	664,767
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Proceeds from (purchase of) investments	(2,044,487)	(4,988,438)
Interest earnings received	576,122	418,339
Net cash provided (used) by investing activities	(1,468,365)	(4,570,099)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(208,287)	(3,429,980)
CASH AND CASH EQUIVALENTS - beginning of year	265,331	3,695,311
CASH AND CASH EQUIVALENTS - end of year	\$ 57,044	\$ 265,331
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (720,176)	\$ (487,544)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	661,351	638,946
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	19,950	(37,974)
Prepaid expenses	(4,889)	(4,151)
Funds held in agency - net of capital reserve increase	(2,686)	(85)
Increase (decrease) in:		
Accounts payable	25,274	8,389
Other accrued liabilities	11,074	318
Total adjustments	710,074	605,443
Net cash provided (used) by operating activities	\$ (10,102)	\$ 117,899

The accompanying Notes to the Financial Statements are an integral part of the statements.

Grand County Water and Sanitation District No. 1

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Note 1 – Definition of reporting entity

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Grand County, Colorado. The District was organized to provide water and sanitation services to property within the District's boundaries.

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

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

Note 2 – Summary of significant accounting policies

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

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

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.

Basis of Accounting

The District's financial statements are reported using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and payments on loans are recorded as reductions in liabilities. Tap fees and contributed assets from developers are recorded as capital contributions when received or collectible.

Grand County Water and Sanitation District No. 1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

Operating revenues and expenses

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

Cash equivalents

For purposes of the Statement of Cash Flows, the District considers cash deposits and highly liquid investments with original maturities of three months or less from the date of acquisition, to be cash equivalents.

Funds Held in Agency

As part of a joint operating agreement plan with Winter Park Ranch Water and Sanitation District and the Town of Fraser, District funds are being held and administered by the Joint Facilities Oversight Committee for all three participating districts. The District restricts the balance of such funds and the corresponding net position for future sewer plant operating and replacement costs.

Accounts receivable, allowance for doubtful accounts

User fees and tap fees constitute a perpetual lien on or against property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

Grand County Water and Sanitation District No. 1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

Property Taxes

Property taxes are levied based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November and December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Capital assets

Capital assets include land, water rights, water and sewer plants and systems, equipment and vehicles. Capital assets are defined by the District as those assets with an initial, individual cost of \$5,000 or greater and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Plant and improvements	7 to 40 years
Water storage tanks	7 to 18 years
Water and sewers distribution system	40 years
Vehicles	5 to 7 years
Office and other equipment	5 to 7 years

Grand County Water and Sanitation District No. 1

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2024

Water rights

The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Water rights have a perpetual life, thus the cost is not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

Compensated absences

The District has a policy that allows employees to accumulate unused vacation benefits and compensatory time off up to a certain maximum hours. Compensated absences are accrued when incurred in the financial statements. However, at December 31, 2024 and 2023, the District had no material liability for accumulated unpaid vacation or sick pay.

Capital contributions

Tap fees are recorded as capital contributions when received. Water and sewer lines contributed to the District by developers are recorded as capital contribution revenue and additions to the water and sewer system when received.

Budgets

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

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that District management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Grand County Water and Sanitation District No. 1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

Note 3 – Cash and investments

Cash and investments are reflected on the December 31, 2024 and 2023 Statements of Net Position as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 2,044	\$ 216,331
Cash and cash equivalents - restricted	55,000	49,000
Investments	11,676,765	9,633,050
Investments - noncurrent	306,167	315,371
	<u>\$ 12,039,976</u>	<u>\$ 10,213,752</u>

Cash and investments as of December 31, 2024 and 2023 consist of the following:

Deposits with financial institutions	\$ 57,044	\$ 265,331
Investments	11,982,932	9,948,421
Total cash and investments	<u>\$ 12,039,976</u>	<u>\$ 10,213,752</u>

At December 31, 2024 and 2023, the District's cash deposits had bank balances of \$209,409 and \$293,623, respectively, and carrying balances of \$57,044 and \$265,331, respectively.

Deposits with financial institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. As of December 31, 2024 and 2023, the federal insurance limits were \$250,000. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has not adopted a deposit policy for custodial credit risk. None of the District's deposits at December 31, 2024 and 2023 were

Grand County Water and Sanitation District No. 1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

exposed to credit risk. As of December 31, 2024 and 2023, the District's bank balances and carrying balances were insured or collateralized as follows:

	<u>2024</u>	<u>2023</u>
Bank balances		
Federally insured	\$ 209,409	\$ 250,000
Collateralized	-	43,623
Total bank balances	<u>\$ 209,409</u>	<u>\$ 293,623</u>
Carrying balances		
Federally insured	\$ 57,044	\$ 250,000
Collateralized	-	15,331
Total carrying balances	<u>\$ 57,044</u>	<u>\$ 265,331</u>

Investments

The District's investment policy restricts investments to only those permitted by state statutes. Additionally, the District's policy is to hold investments until maturity.

The District primarily limits its investments to certain U.S. government agency securities, money market funds and local government investments pools, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest including the following:

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain securities lending agreements
- Certain certificates of participation
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities

Grand County Water and Sanitation District No. 1

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2024

- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series), money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee), CSAFE which is recorded at amortized cost, and COLOTRUST which is recorded at net asset value.

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

<u>Investment</u>	<u>Maturity</u>	<u>2024</u>	<u>2023</u>
U.S. government agency securities	1 to 2 years	\$ 307,026	\$ 316,138
Colorado Liquid Asset Trust (Colotrust) - Colotrust Plus	Weighted average under 60 days	5,892,994	4,869,691
Colorado Surplus Asset Fund (CSAFE) - Colorado CORE Fund	Weighted average under 180 days	5,782,912	4,762,592
Total investments		<u>\$ 11,982,932</u>	<u>\$ 9,948,421</u>

U.S. Government Agency Securities

As of December 31, 2024 and 2023, the investment in government securities was in U.S. Agency Bonds rated AAA and valued using Level 1 inputs.

COLOTRUST

The District invests in the Colorado Local Government Liquid Asset Trust (Colotrust); an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. A Board of Trustees elected by the fund's Participants is responsible for overseeing the management of COLOTRUST including establishing operating standards and policies. Colotrust offers shares in three portfolios, COLOTRUST PRIME (PRIME), COLOTRUST PLUS+ (PLUS), and COLOTRUST EDGE (EDGE). In accordance with FASB guidance, Colotrust utilizes ASC 820 "Fair Value Measurement and Disclosure" to define fair value, establish a framework for measuring fair value, and expand disclosure requirements regarding fair value measurements. Colotrust seeks to provide modest returns while preserving capital by

Grand County Water and Sanitation District No. 1

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2024

investing only in securities that are legal pursuant to the Legal Investments Act (Part 6, Article 75, Title 24, C.R.S.) and the Public Deposit Protection Act (Articles 10.5 and 47 of Title 11, C.R.S.) (the Statutes).

PRIME is designed to provide daily liquidity while generating current income and preserving capital for Colorado governmental entities. PRIME may invest in the following: U.S. Treasury securities or repurchase agreements collateralized by U.S. Treasury securities, securities of a Federal Farm Credit Bank, a Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, the Federal National 3 Mortgage Association, the Government National Mortgage Association, and other federal instrumentality or agency security permitted by the Legal Investments Act, repurchase agreements collateralized by those securities, collateralized bank deposits, and 'AAAm' rated government money market funds. PRIME operates similarly to a money market fund and each share of PRIME is equal in value to \$1.00. PRIME maintains a stable NAV of \$1. PRIME is rated AAAm by Standard & Poor's Global Ratings. PRIME measures all of its investments with a weighted average maturity of 60 days or less. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

PLUS is designed to provide daily liquidity while generating current income and preserving capital for Colorado governmental entities. PLUS may invest in the same investments as PRIME listed above and PLUS may also invest in commercial paper and corporate notes rated in the highest rating category by one or more nationally recognized organizations that regularly rate such obligations. PLUS operates similarly to a money market fund and each share of PLUS is equal in value to \$1.00. PLUS maintains a stable NAV of \$1. PLUS is rated AAAm by Standard & Poor's Global Ratings. PLUS measures all of its investments with a weighted average maturity of 60 days or less. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

EDGE offers Participants a professionally managed enhanced cash portfolio to meet their intermediate liquidity needs. EDGE does not seek to maintain a stable NAV. EDGE initially established a \$10.00 transactional share price and calculates and publishes a fair value NAV daily. The EDGE portfolio is characterized by a higher weighted average maturity (WAM) and a longer target duration than either PRIME or PLUS. The principal value of an EDGE investment may fluctuate and could be greater or less than the share price at purchase, prior to redemption, and at the time of redemption. The EDGE portfolio invests in securities that are legal pursuant to the Statutes. EDGE is rated AAAF/S1 by Fitch Ratings. There are no unfunded commitments, redemptions are unlimited and met on a transaction date plus one business day basis.

Grand County Water and Sanitation District No. 1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. CSAFE offers funds in two portfolios: CSAFE Cash Fund (Cash) and CSAFE Colorado Core Fund (CORE). The State Securities Commissioner administers and enforces all State statutes governing CSAFE. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE.

The Cash Fund is a highly liquid fund operating similar to a money market like-fund. The Cash Fund is intended for investment of Participants' operational and short-term surplus moneys (cash) with an emphasis placed on liquidity and a stable \$1.00 transactional share price. The Cash Fund may invest in the following: U.S. Treasury & Agency Securities, U.S. Government Instrumentalities, Municipal Securities, Repurchase Agreements, Supranational and non-United States sovereigns, Shares of certain money market funds, Shares in other Colorado Local Government Investment Pool Funds, U.S. dollar denominated senior debt instruments issued by corporations, Public Deposit Protection Act collateralized deposits in eligible banks, Negotiable Bank Certificates of Deposit and Reciprocal FDIC Stacking Deposits. The Cash Fund is rated AAmmf by Fitch Ratings. The Cash Fund operates under GASB Statement 79, Amortized Cost Basis methodology, for the determination of transactional share price. GASB 79 Methodology exempts Participants from a valuation disclosure required of some fair value funds by GASB Statements No. 31 and No. 72. The Cash Fund measures all of its investments at amortized cost with a weighted average maturity of 60 days or less. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

The CORE Fund is designed for the investment of short to intermediate term cash flows that are expected to occur across an entity's forthcoming budgetary cycles. The Colorado Core Fund seeks to maintain a constant net asset value (NAV) but with slightly longer weighted average maturity of its portfolio than the Cash Fund described above. Participants are limited to three (3) redemptions per month per account in the CORE Fund and redemptions are met on a transaction date plus one business day basis. The CORE Fund seeks to maintain a constant \$2.00 transactional share price. The CORE Fund's authorized securities are the same as those allowed in the Cash Fund. The CORE Fund operates under GASB Statement 31 and 72 which is the method for the use of fair market valuation. The CORE fund maintains a weighted average maturity of 180 days or less. The CORE Fund is rated AAf/S1 by Fitch Ratings. There are no unfunded commitments and there is no redemption notice period. The District records its investment in CORE at NAV.

Grand County Water and Sanitation District No. 1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

Restricted cash and investments

The District had restricted cash of \$30,000 and \$24,000 for emergencies as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 11), as of December 31, 2024 and 2023, respectively.

Pursuant to an Intergovernmental Agreement (Note 7), the District has \$25,000 restricted for reservoir maintenance as of December 31, 2024 and 2023.

Note 4 – Capital assets

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

	December 31, 2023	Additions	Deletions	December 31, 2024
Capital assets, not being depreciated				
Land	\$ 544,795	\$ -	\$ -	\$ 544,795
Water rights	1,969,964	-	-	1,969,964
Total capital assets, not being depreciated	<u>2,514,759</u>	<u>-</u>	<u>-</u>	<u>2,514,759</u>
Capital assets being depreciated				
Plant and improvements	20,296,700	17,970	-	20,314,670
Water storage tanks	2,277,466	-	-	2,277,466
Infrastructure	8,091,972	540,642	-	8,632,614
Vehicles	236,861	51,915	-	288,776
Office equipment	133,096	-	-	133,096
Other equipment	341,823	-	-	341,823
Total capital assets being depreciated	<u>31,377,918</u>	<u>610,527</u>	<u>-</u>	<u>31,988,445</u>
Less accumulated depreciations for				
Plant and improvements	10,166,991	455,688	-	10,622,679
Water storage tanks	2,277,466	-	-	2,277,466
Infrastructure	1,440,375	198,670	-	1,639,045
Vehicles	232,119	6,993	-	239,112
Office equipment	133,636	-	-	133,636
Other equipment	238,735	-	-	238,735
Total accumulated depreciation	<u>14,489,322</u>	<u>661,351</u>	<u>-</u>	<u>15,150,673</u>
Total capital assets being depreciated, net	<u>16,888,596</u>	<u>(50,824)</u>	<u>-</u>	<u>16,837,772</u>
Capital assets, net	<u>\$ 19,403,355</u>	<u>\$ (50,824)</u>	<u>\$ -</u>	<u>\$ 19,352,531</u>

Grand County Water and Sanitation District No. 1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

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

	December 31, 2022	Additions	Deletions	December 31, 2023
Capital assets, not being depreciated				
Land	\$ 544,795	\$ -	\$ -	\$ 544,795
Water rights	1,969,964	-	-	1,969,964
Total capital assets, not being depreciated	<u>2,514,759</u>	<u>-</u>	<u>-</u>	<u>2,514,759</u>
Capital assets being depreciated				
Plant and improvements	20,276,950	19,750	-	20,296,700
Water storage tanks	2,277,466	-	-	2,277,466
Infrastructure	7,354,934	737,038	-	8,091,972
Vehicles	236,861	-	-	236,861
Office equipment	133,096	-	-	133,096
Other equipment	237,036	104,787	-	341,823
Total capital assets being depreciated	<u>30,516,343</u>	<u>861,575</u>	<u>-</u>	<u>31,377,918</u>
Less accumulated depreciation for				
Plant and improvements	9,729,728	437,263	-	10,166,991
Water storage tanks	2,277,466	-	-	2,277,466
Infrastructure	1,244,819	195,556	-	1,440,375
Vehicles	225,992	6,127	-	232,119
Office equipment	133,636	-	-	133,636
Other equipment	238,735	-	-	238,735
Total accumulated depreciation	<u>13,850,376</u>	<u>638,946</u>	<u>-</u>	<u>14,489,322</u>
Total capital assets being depreciated, net	<u>16,665,967</u>	<u>222,629</u>	<u>-</u>	<u>16,888,596</u>
Capital assets, net	<u>\$ 19,180,726</u>	<u>\$ 222,629</u>	<u>\$ -</u>	<u>\$ 19,403,355</u>

Depreciation expense of \$661,351 and \$638,946 for the years ended December 31, 2024 and 2023, respectively, was charged to water and sewer operations.

Note 5 – Debt authorization

At December 31, 2024 and 2023, the District had no authorized but unissued indebtedness.

Note 6 – Net Position

The District has Net Position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, mortgages, notes, or

Grand County Water and Sanitation District No. 1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

other borrowings that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2024 and 2023, the District had net investment in capital assets of \$19,352,531 and \$19,403,355, respectively.

Restricted assets include Net Position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2024 and 2023, the District had restricted Net Position as follows:

	2024	2023
Emergencies	\$ 30,000	\$ 24,000
JFOC reserves	670,553	667,867
Reservoir agreement	25,000	25,000
Total restricted	<u>\$ 725,553</u>	<u>\$ 716,867</u>

The District had unrestricted net position of \$11,947,563 and \$10,179,184 at December 31, 2024 and 2023, respectively.

Note 7 – Intergovernmental Agreements

The District participates in various intergovernmental agreements, the more significant agreements being as noted below.

Joint Facilities Oversight Committee

The District, Winter Park Ranch Water and Sanitation District, and the Town of Fraser have entered into an agreement whereby the entities jointly own and operate a sewer plant (JFOC Plant) that services each entity. The District's share of operating and capital costs for the JFOC Plant is 44%. The JFOC bills the District each month for the District's share of operating costs and capital improvements. The District's share of JFOC cash reserves is \$670,553 and \$667,867 at December 31, 2024 and 2023, respectively.

GCWSD Water Storage Reservoir No. 2 Operating Agreement

The District operates an 80 acre-foot water storage reservoir, in which Winter Park Water and Sanitation District (WPWSD) and the Town of Fraser (Fraser) each acquired rights to 25 acre-feet of storage from the District pursuant to Purchase and Sale agreements dated May 9, 2018 and May 3, 2018, respectively. The District is solely responsible for the storage and release of water, and the District is entitled to assess charges to WPWSD and Fraser for water releases. The District must maintain a \$25,000 minimum cash reserve for operating and maintenance costs.

Grand County Water and Sanitation District No. 1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

Note 8 – Occupancy Costs

During 2017, the District renewed its lease with the Town of Winter Park (the Town) for a term of 60 months. The lease agreement requires the Town to provide office space to the District in the Town's office facility through 2022. Under the lease, the annual lease payments to the Town are \$72,000. The lease stipulates that the Town can receive from the District one water and one sewer tap every six months currently valued at \$18,000 in lieu of paying rent to the Town. If tap fee rates being charged by the District increase, at that point the annual rent amount being charged by the Town will be recalculated.

In September 2022, the Town and the District entered into a new lease whereby the District agreed to a lease price of four combined water and sewer tap fees charged to customers by the District. At the time of the lease, this totaled \$80,000 annually. The number of taps fees charged will not change during the term of the lease but increases in charges of fees to customers will result in a change in the amount paid by the District to the Town. The lease remains in effect until September 2027.

Note 9 – Deferred compensation plan

Employees of the District may participate in a deferred compensation plan adopted under the provisions of the Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the District. Under the plan, employees may elect to defer a portion of their salaries and avoid paying income taxes on the deferred portion until the withdrawal date. The deferred compensation is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency.

In accordance with Internal Revenue Code Section 457(b), all plan assets and income are held in trust for the exclusive benefit of the participants and their beneficiaries. During the years ended December 31, 2024 and 2023, \$35,532 and \$40,220, respectively, was deferred at the request of the plan participants and remitted to the trustee on their behalf.

Note 10 – Risk management

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District carries commercial insurance for these risks of loss, including workers compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the past three fiscal years.

Grand County Water and Sanitation District No. 1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

Note 11 – Tax, spending and debt limitations

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

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

Spending and revenue limits are determined based on the prior year's fiscal year spending as adjusted for allowable increases for inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenues in excess of the fiscal year spending limit must be refunded unless retention of such revenue has been approved by the voters.

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

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise will require judicial interpretation.

During 1998, the District's voters authorized the District to collect, retain and expend all revenues derived from water and sewer rates, fees, tolls, and charges and tap fees, property taxes, state grants and all other sources during the year 1996 and each year thereafter notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution provided that no property tax rate or mill levy shall be increased without voter approval.

SUPPLEMENTAL INFORMATION

GRAND COUNTY WATER & SANITATION DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE -
BUDGET AND ACTUAL - BUDGETARY BASIS**

WATER FUND

For the Year Ended December 31, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for services	\$ 867,000	\$ 978,903	\$ 111,903
Property taxes	190,217	202,520	12,303
Specific ownership taxes	15,000	9,332	(5,668)
Net investment income	150,000	277,733	127,733
Tap fees	200,000	552,250	352,250
Other income	40,000	112,758	72,758
Total revenues	<u>1,462,217</u>	<u>2,133,496</u>	<u>671,279</u>
Expenditures			
Administrative			
Salaries	105,000	91,567	13,433
Benefits and taxes	43,000	33,210	9,790
County Treasurer's fees	9,000	10,150	(1,150)
Directors fees and meetings	4,000	2,800	1,200
Engineering	126,000	49,660	76,340
Legal	66,000	14,504	51,496
Audit	4,000	4,000	-
Insurance	46,000	39,295	6,705
Office, supplies and administrative expenses	99,300	71,179	28,121
Total administrative	<u>502,300</u>	<u>316,365</u>	<u>185,935</u>
Maintenance			
Salaries	150,000	155,255	(5,255)
Benefits and taxes	55,500	57,526	(2,026)
Vehicle expenses	9,000	15,199	(6,199)
Utilities	60,000	34,190	25,810
Existing facilities maintenance	150,000	5,413	144,587
Outside services - testing	20,000	81,248	(61,248)
Maintenance and repairs	30,000	122,444	(92,444)
Supplies and expense	80,000	126,478	(46,478)
Total maintenance	<u>554,500</u>	<u>597,753</u>	<u>(43,253)</u>
Capital outlay	625,000	566,599	58,401
Emergency reserve and contingency	5,563,726	-	5,563,726
Total expenditures	<u>7,245,526</u>	<u>1,480,717</u>	<u>5,764,809</u>
Excess (deficit) of revenues over (under) expenditures	<u>(5,783,309)</u>	<u>652,779</u>	<u>6,436,088</u>
Funds available - beginning of year	<u>5,783,309</u>	<u>3,384,518</u>	<u>(2,398,791)</u>
Funds available - end of year	<u>\$ -</u>	<u>\$ 4,037,297</u>	<u>\$ 4,037,297</u>

GRAND COUNTY WATER & SANITATION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL - BUDGETARY BASIS

SEWER FUND

For the Year Ended December 31, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for services	\$ 950,000	\$ 1,029,387	\$ 79,387
Property taxes	190,217	202,520	12,303
Specific ownership taxes	15,000	9,332	(5,668)
Net investment income	150,000	298,389	148,389
Tap fees	200,000	552,250	352,250
Grant and other revenue	-	372,367	372,367
Miscellaneous income	-	403	403
Total revenues	<u>1,505,217</u>	<u>2,464,648</u>	<u>959,431</u>
Expenditures			
Administrative			
Salaries	105,000	91,567	13,433
Benefits and taxes	43,000	33,210	9,790
County Treasurer's fees	9,000	10,150	(1,150)
Directors fees meetings	4,800	2,800	2,000
Engineering	21,000	4,106	16,894
Legal	71,000	13,986	57,014
Audit	4,000	4,000	-
Insurance	47,000	39,295	7,705
Office, supplies and administrative expenses	79,500	56,141	23,359
Total administrative	<u>384,300</u>	<u>255,255</u>	<u>129,045</u>
Maintenance			
Salaries	150,000	129,327	20,673
Benefits and taxes	52,500	57,233	(4,733)
Vehicle expenses	9,000	20,024	(11,024)
Utilities	7,000	34,190	(27,190)
Existing facilities maintenance	25,000	5,288	19,712
Outside services - testing	5,000	2,335	2,665
Collection Rehab	500,000	47,350	452,650
Sewer plant operations and management	515,000	732,617	(217,617)
Supplies and expense	8,000	2,839	5,161
Total maintenance	<u>1,271,500</u>	<u>1,031,203</u>	<u>240,297</u>
Capital outlay	225,000	43,928	181,072
Emergency reserve	5,563,727	-	5,563,727
Total expenditures	<u>7,444,527</u>	<u>1,330,386</u>	<u>6,114,141</u>
Excess (deficit) of revenues over (under) expenditures	<u>(5,939,310)</u>	<u>1,134,262</u>	<u>7,073,572</u>
Funds available - beginning of year	<u>5,939,310</u>	<u>5,970,046</u>	<u>30,736</u>
Funds available - end of year	<u>\$ -</u>	<u>\$ 7,104,308</u>	<u>\$ 7,104,308</u>

GRAND COUNTY WATER & SANITATION DISTRICT
RECONCILIATION OF ACTUAL (BUDGETARY BASIS) TO STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2024

Revenues (budgetary basis)	\$ 4,598,144
Total revenues per Statement of Revenues, Expenses and Changes in Net Position	4,598,144
Expenditures (budgetary basis)	2,811,103
Unrealized losses	9,976
Depreciation and amortization	661,351
Capital outlay	(610,527)
Total expenses per Statement of Revenues, Expenses and Changes in Net Position	2,871,903
Change in net position per Statement of Revenues, Expenses and Changes in Net Position	\$ 1,726,241