Winter Park Ranch Water and Sanitation District
Fraser, Colorado

Financial Statements
December 31, 2024

Winter Park Ranch Water and Sanitation District
Financial Report
December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Winter Park Ranch Water and Sanitation District
Fraser, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of Winter Park Ranch Water and Sanitation District (the "District"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Winter Park Ranch Water and Sanitation District basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of Winter Park Ranch 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").

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 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.

Emphasis-of-Matter

As discussed in Note III.C to the financial statements, the District adopted Governmental Accounting Standards Board Statement No. 101, Compensated Absences, in 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The 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 Winter Park Ranch Water and Sanitation District's ability to continue as a going concern for one year after the date that the financial statements are issued.

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

U.S. GAAP require 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 U.S. GAAS, 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.

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Winter Park Ranch Water and Sanitation District
Fraser, Colorado

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Winter Park Ranch Water and Sanitation District's basic financial statements. The individual fund budgetary comparison in Section E are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparison 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. 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.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 22, 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS

WINTER PARK RANCH WATER AND SANITATION DISTRICT

Management's Discussion and Analysis
December 31, 2024

We, the financial managers of the Winter Park Ranch Water and Sanitation District (the "District"), offer readers of the District's financial statements this narrative summary of the financial activities of the District for the fiscal year ended December 31, 2024.

Overview of the Financial Statements
This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of two components: 1) financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. These components are discussed below.

Financial Statements: The 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 the District's assets and liabilities (both short-term and long-term), with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Position shows how the government's net position changed during the year presented. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes.)

The Statement of Cash Flows shows the District's sources of cash inflows and outflows during the years presented. Cash flows are categorized among operating, non-capital financing, capital and related financing and investing activities, and unlike items reported in the Statement of Revenues, Expenses, and Changes in Fund Net Position, these amounts are reported on the cash basis of accounting.

The District's financial statements can be found on pages C1 through C3 of this report.

Proprietary Funds: The District maintains a proprietary fund commonly known as an enterprise fund. Enterprise funds are used to report business-type activities. The District uses an enterprise fund to account for its water and sanitation services.

Notes to the Financial Statements: The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the District. They also provide additional information that will aid in the interpretation of the financial statements. The Notes to the Financial Statements can be found in Section D of this report.

Other Information: The Schedule of Revenues and Expenditures - Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis on page E1 provides a detailed comparison of the District's actual revenues and expenditures to budgeted amounts. As the District's budget was adopted in a manner that is not consistent with generally accepted accounting principles ("GAAP"), this schedule is presented on a non-GAAP basis with a reconciliation to GAAP basis.

The business-type activity of the District relates to water and sanitation services. There are currently no governmental-type activities occurring in the District.

Financial Analysis of the District:

The following chart shows the District's assets, liabilities, and net position for December 31, 2024 and 2023:

WINTER PARK RANCH WATER AND SANITATION DISTRICT'S STATEMENT OF NET POSITION

	2024	2023
Assets:		
Current assets	$ 8,681,473	$ 8,571,257
Capital assets, net	12,960,232	11,237,445
Total Assets	21,641,705	19,808,702
Liabilities:		
Current liabilities	169,082	35,476
Total Liabilities	169,082	35,476
Deferred Inflows or Resources	793,851	783,157
Net Position		
Net investment in capital assets	12,892,057	11,237,445
Restricted	100,644	53,431
Unrestricted	7,686,071	7,699,193
Total Net Position	$ 20,678,772	$ 18,990,069

The District's assets increased $1,833,003 during 2024. Cash and investments increased by $104,150, and capital assets increased by $1,722,787 due to significant ongoing sewer system improvements in the current year, offset by depreciation expense.

In 2024, the District's net position increased $1,688,703. The District operations resulted in an operating loss of $856,440 during 2024. Non-operating revenue exceeded non-operating expenses by $1,553,462. The majority of the non-operating revenue for 2024 is made up of property taxes.

Approximately 62% of the District's net position reflects its investment in capital assets, as of December 31, 2024.

At the end of the years 2024 and 2023, the District reported positive balances in all three categories of net position.

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Financial Analysis of the District (continued):

The following chart is a summary of information relating to the District's Statement of Revenues, Expenses, and Changes in Fund Net Position:

WINTER PARK RANCH WATER AND SANITATION DISTRICT'S CHANGE IN NET POSITION

	2024	2023
Operating Revenues:		
Service charges	$ 798,090	$ 780,737
Other income	7,530	3,805
Total Operating Revenues	805,620	784,542
Operating Expenses:		
Water and sewer operations	1,301,188	1,044,975
Depreciation	360,872	382,587
Total Operating Expenses	1,662,060	1,427,562
Operating Income (Loss)	(856,440)	(643,020)
Non-operating Revenues (Expenses):		
Property taxes	818,441	500,246
Specific ownership taxes	37,544	32,097
Investment income (loss)	349,993	336,112
Interest income from JFOC	16,096	15,475
Treasurer's fees	(40,979)	(25,034)
Grant revenue	372,367	-
Total Non-operating Revenues (Expenses)	1,553,462	858,896
Income (Loss) Before Capital Contributions	697,022	215,876
Capital Contributions:		
Contributions - tap fees	912,000	176,000
Contributions - other governments	79,681	20,122
Total Capital Contributions	991,681	196,122
Change in Net Position	1,688,703	411,998
Net Position - Beginning of Year	18,990,069	18,578,071
Net Position - End of Year	$ 20,678,772	$ 18,990,069

The District change in net position increased $1,688,703 in 2024 compared to 2023. The increase is primarily due to an increase in capital tap fee contributions income. The District operating loss increased slightly year over year.

Financial Analysis of the District (continued):

Budget Variances in the Enterprise Fund

Budget Projections.

The 2024 District budget projected total revenues of $1,966,607 with actual revenues totaling $3,354,787 (171%). Total budgeted operating expenses were $1,207,150 with actual operating expenses totaling $1,301,188 (108%).The 2024 Capital Outlay budget was $2,758,600 with actual capital expenditures totaling $2,083,658 (76%).

Significant budget variances were as follows:

Account	Original Budget Variance Positive (Negative)	Reason
Water and sewer tap fees	752,000	Tap fees were budgeted based on previous year. In the current year there was one significant development that was not expected.
Investment income	152,565	Higher investment balances increased income
Grant revenue	372,367	Significant unexpected contribution from the Colorado River Cooperative Agreement
Capital outlay	700,486	Difficult to predict exact timing of projects due to availability of contractors and supplies.

Capital Asset and Debt Administration

Capital Assets. The District capitalized $2,083,658 in improvements and new assets and recognized $360,872 in depreciation expense and had disposals of $0 during 2024, which netted to an increase in capital assets of $1,722,787. Additional information, as well as a detailed classification of the District's net capital assets, can be found in the Notes to the Financial Statements in Section D.

Long-term Debts. The District has no long-term debt at December 31, 2024.

Next Year's Budget and Rates

The District's budgeted available resources at the beginning of 2025 are $6,426,064. The District's 2025 budget anticipates a non-capital increase of $691,806, capital expenditures of $1,280,000, and ending available resources of $5,837,870.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Winter Park Ranch Water and Sanitation District, PO Box 1390, Fraser, CO 80442.

FINANCIAL STATEMENTS

Winter Park Ranch Water and Sanitation District
Statement of Net Position
December 31, 2024
(With Comparative Totals for 2023)

	2024	2023 (Restated)
Assets:		
Current Assets:		
Cash and cash equivalents	5,323,768	4,647,340
Investments	2,021,075	2,593,353
Cash held by JFOC	493,397	491,662
Receivables		
Service	10,303	17,093
Property taxes	796,646	785,607
Other	100	100
Inventory	6,160	6,160
Prepaid expenses	30,024	29,942
Total Current Assets	8,681,473	8,571,257
Non-current Assets:		
Land	490,950	490,950
Water rights	237,233	237,233
Construction in progress	1,970,481	-
Plant and improvements	7,038,232	6,938,199
Water storage tanks	1,822,558	1,822,558
Collection, transmission and distribution systems	9,563,006	9,563,006
Vehicles, machinery and equipment	533,928	520,783
Less: Accumulated depreciation	(8,696,156)	(8,335,284)
Total Non-current Assets	12,960,232	11,237,445
Total Assets	21,641,705	19,808,702
Liabilities:		
Current Liabilities:		
Accounts payable	24,986	1,807
Accounts payable, capital	15,068	-
Retainage payable	68,175	-
Due to other governments	26,698	18,868
Accrued payroll and related liabilities	14,226	596
Compensated absences - Due in less than one year	4,982	3,551
Total Current Liabilities	154,135	24,822
Non-current Liabilities:		
Compensated absences - Due in more than one year	14,947	10,654
Total Non-current Liabilities	14,947	10,654
Total Liabilities	169,082	35,476
Deferred Inflows of Resources:		
Unavailable property tax revenue	793,851	783,157
Total Deferred Inflows of Resources	793,851	783,157
Net Position:		
Net investment in capital assets	12,892,057	11,237,445
Restricted for emergency reserve	100,644	53,431
Unrestricted	7,686,071	7,699,193
Total Net Position	20,678,772	18,990,069

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

Winter Park Ranch Water and Sanitation District
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2024
(With Comparative Totals for 2023)

	2024	2023 (Restated)
Operating Revenues:		
Service charges	798,090	780,737
Other income	7,530	3,805
Total Operating Revenues	805,620	784,542
Operating Expenses:		
Water and sewer operations	1,301,188	1,044,975
Depreciation	360,872	382,587
Total Operating Expenses	1,662,060	1,427,562
Operating Income (Loss)	(856,440)	(643,020)
Non-operating Revenues (Expenses):		
Property taxes	818,441	500,246
Specific ownership taxes	37,544	32,097
Investment income (loss)	349,993	336,112
Interest income from JFOC	16,096	15,475
Treasurer's fees	(40,979)	(25,034)
Grant revenue	372,367	-
Total Non-operating Revenues (Expenses)	1,553,462	858,896
Income (Loss) Before Capital Contributions	697,022	215,876
Capital Contributions:		
Contributions - tap fees	912,000	176,000
Contributions - other governments	79,681	20,122
Total Capital Contributions	991,681	196,122
Change in Net Position	1,688,703	411,998
Net Position - Beginning of Year	18,990,069	18,578,071
Net Position - End of Year	20,678,772	18,990,069

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

Winter Park Ranch Water and Sanitation District
Statement of Cash Flows
For the Year Ended December 31, 2024
(With Comparative Totals for 2023)

	2024	2023
Cash Flows From Operating Activities:		
Cash received from customers and others	812,410	771,128
Cash payments for goods and services	(660,858)	(634,071)
Cash payments to employees - salaries and benefits	(506,806)	(448,044)
Net Cash Provided (Used) by Operating Activities	(355,254)	(310,987)
Cash Flows From Non-capital Financing Activities:		
Property and specific ownership taxes, net of collection fees	814,661	507,498
Net Cash Provided (Used) by Non-capital Financing Activities	814,661	507,498
Cash Flows From Capital and Related Financing Activities:		
Tap fees collected	912,000	176,000
Cash paid for capital acquisitions	(1,989,616)	(365,382)
Capital grants	372,367	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(705,249)	(189,382)
Cash Flows From Investing Activities:		
Interest income received	313,037	252,565
Sale of investments	2,126,665	200,027
Purchase of investments	(1,517,432)	(225,000)
Net Cash Provided (Used) by Investing Activities	922,270	227,592
Net Increase (Decrease) in Cash and Investments	676,428	234,721
Cash and Investments - Beginning of Year	4,647,340	4,412,619
Cash and Investments - End of Year	5,323,768	4,647,340
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	(856,440)	(643,020)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	360,872	382,587
(Increase) decrease in accounts receivable	6,790	(13,415)
(Increase) decrease in prepaid expenses	(82)	(135)
Increase (decrease) in accounts payable	46,077	(51,805)
Increase (decrease) in retainage payable	68,175	-
Increase (decrease) in payroll liabilities	13,630	596
Increase (decrease) in accrued compensated absences	5,724	14,205
Total Adjustments	501,186	332,033
Net Cash Provided (Used) by Operating Activities	(355,254)	(310,987)
Non-cash Investing, Capital, and Financing Activities:		
Unrealized gain (loss) on investments	36,955	83,547

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

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

Winter Park Ranch Water and Sanitation District (the "District") was formed in 1966 to provide complete domestic water and sewer facilities for the residents of Winter Park Ranch located near Fraser, Colorado. Five elected board members govern the District.

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 on the criteria above, the District is not financially accountable for any other entity nor is the District a component unit of any other government.

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.

I. Summary of Significant Accounting Policies (continued)

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

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.

D. Financial Statement Accounts and Accounting Policies

1. Cash and Cash Equivalents

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

2. Investments

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

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts. Any and all user charges 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 accounts has been made in the financial statements.

4. 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.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts and Accounting Policies (continued)

5. Inventory

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

6. Capital Assets

Capital assets, which include land, water rights, construction in progress, buildings and improvements, transmission systems, vehicles, and equipment, are reported in the financial statements. The District defines capital assets as assets with an initial cost of more than $1,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

The District currently has water rights for seven wells known as Winter Park West Well Nos. 1 through 7 that have an appropriation date of July 13, 1966. The cost of water rights includes costs associated with the acquisition and adjudication of the District's water rights. Since the rights have a perpetual life, they are not depreciated. The District entered into a temporary water lease agreement with the Colorado Water Conservation Board and the Colorado Water Trust that expired on December 31, 2022 and was not renewed. The parties consult on an annual basis to determine whether certain of the District's water rights will be used that year for instream flow purposes.

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

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. Buildings and improvements, water storage tanks, infrastructure, vehicles, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	40
Water storage tanks	10-40
Collection, transmission systems	40
Vehicles	5
Office equipment	5
Other equipment	5-40

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts and Accounting Policies (continued)

7. 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. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

8. Deferred Inflows of Resources

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. Property taxes levied in 2024 for collection in 2025 are reported as deferred inflows of resources.

9. 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.

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.

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

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 the District the certified assessed valuation of all taxable property within the District's boundaries. Typically, prior to December 10, 2023, the County Assessor would have sent the final recertified assessed valuation to the District. However, property tax measures enacted by the Colorado Legislature during a special session in November 2023 allowed counties an extension to January 3, 2024 to provide final assessed valuations.

2. On or before October 15, 2023, the District manager would have submitted to the District's governing Board a recommended budget, which detailed the property taxes needed along with other available revenues to meet the District's operating requirements.

3. Typically, for the 2024 budget, prior to December 15, 2023, a public hearing would have been held for the budget, the Board would have computed and certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board would have adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year. Due to the Colorado Legislature's actions discussed above, the deadline for mill levy certifications was extended from December 15, 2023, to January 10, 2024. For the 2024 budget, the final budget resolution was adopted prior to January 10, 2024.

4. After adoption of the budget resolution, the District may make the following changes: a) transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) 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. For this purpose, the District has set aside $100,644.

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

The electorate of the District approved the following ballot question:

Shall the Winter Park West Water & Sanitation District, without any increase in the property tax mill levy, be authorized to collect, retain and expend all revenues and other funds collected from any source during 1999 and each subsequent year, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution, the 5.5% limitation under Section 29-1-301 C.R.S., or any other law?

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.

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.

Deposits and investments are presented on the December 31, 2024 Statement of Net Position and Statement of Cash Flows as follows:

			Maturities	
Type	**Standard & Poor's Rating**	**Carrying Amounts**	**Less than one year**	**1 - 5 years**
Deposits:				
Checking	Not rated	727,792	-	-
Money market	Not rated	258,029	-	-
Escrow	Not rated	50,209	-	-
Investments:				
Colotrust	AAAm	4,287,738	4,287,738	-
Federal agency securities	AA+	2,021,075	1,027,308	993,767
Total		7,344,843	5,315,046	993,767

The District follows Colorado statutes regarding its investments.

Interest Rate Risk. Colorado Revised Statutes limit the District's investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from changes in interest rates. As a result of the limited length of maturities, the District has limited its interest rate risk.

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Credit Risk. Colorado statutes 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

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 fair value measurements:

		Fair Value Measurement Using		
Investments	**Total**	**Level 1**	**Level 2**	**Level 3**
Measured at Fair Value:				
Federal Agency Securities	2,021,075	-	2,021,075	-
Measured at Net Asset Value:				
Colotrust	4,287,738			
Total	6,308,813			

III. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital asset activity for 2024 was as follows:

	Beginning Balance	Category Transfer	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:					
Land	490,950	-	-	-	490,950
Water rights	237,233	-	-	-	237,233
Construction in progress	-	-	1,970,481	-	1,970,481
Total capital assets, not being depreciated	728,183	-	1,970,481	-	2,698,664
Capital assets, being depreciated:					
Plant and improvements	6,938,199	-	100,033	-	7,038,232
Water storage tanks	1,822,558	-	-	-	1,822,558
Collection, transmission systems	9,563,006	-	-	-	9,563,006
Vehicles and equipment	520,783	-	13,145	-	533,928
Total capital assets, being depreciated	18,844,546	-	113,178	-	18,957,724
Less accumulated depreciation for:					
Plant and improvements	2,063,680	-	244,728	-	2,308,408
Water storage tanks	660,674	-	52,315	-	712,989
Collection, transmission systems	5,286,855	-	40,745	-	5,327,600
Vehicles and equipment	324,075	-	23,084	-	347,159
Total accumulated depreciation	8,335,284	-	360,872	-	8,696,156
Total capital assets, being depreciated, net	10,509,262	-	(247,694)	-	10,261,568
Total capital assets, net	11,237,445	-	1,722,787	-	12,960,232

C. Compensated Absences

The District allows its employees to accumulate paid leave, based on the employee’s length of service. Vacation time can be accrued up to a maximum of 160 hours and compensatory time can be accrued up to a maximum of 80 hours. Paid leave is paid out upon termination up to the maximum accrual. The District also allows employees to accumulate sick leave. Sick leave is accrued at a rate of 40 hours per year regardless of employee’s length of service. Sick leave can accumulate up to 200 hours.

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. At December 31, 2024, the estimated value of accumulated personal days off and sick leave is $19,929.

III. Detailed Notes on All Funds (continued)

C. Compensated Absences (continued)

Changes in the District's accrued compensated absences obligations for the year ended December 31, 2024 are as follows:

	Beginning Balance (restated)	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences*	14,205	5,724	-	19,929	4,982

*The change in the compensated absence liability is presented as a net change

IV. Other Information

A. Risk Management

Except as provided within the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or injuries to employees. The District is insured for such risks as a member of the Colorado Special Districts Property and Liability Pool (the "Pool"). The Pool is an organization created by an intergovernmental agreement to provide property and general liability, automobile physical damage and liability, public officials liability and boiler and machinery coverage to its members. The Pool provides coverage for property claims up to the values declared and liability coverage for claims up to $1,000,000. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public official's 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.

A summary of audited statutory financial information for the Pool as of for the year ended December 31, 2024 (the latest audited information available) is as follows:

Assets	81,143,798
Liabilities	58,670,068
Capital and surplus	22,473,730
Total	81,143,798
Revenue	29,593,851
Underwriting expenses	31,416,477
Underwriting gain	(1,822,626)
Other income	1,695,393
Net Income (Loss)	(127,233)

IV. Other Information (continued)

B. Retirement Plans - Deferred Compensation Plan – 457(b)

This District participates in the CRA retirement plan created in accordance with Internal Revenue Code Section 457(b) (the "457 Plan"), which is a deferred compensation plan. The plan permits employees to defer a portion of their salary until future years. All contributions to the 457(b) Plan and all income attributable to those amounts, property are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. The District has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The District is neither the trustee nor the administrator for the plan. The seven-member governing board of the CRA makes all necessary rules and is responsible for the administration of the funds in the 457(b) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee.

During the year ended December 31, 2024, there was $3,050 in benefits deferred at the request of the plan participants and remitted to the trustee on their behalf.

C. Retirement Plans – Defined Contribution Pension Plan – Section 401(a)

The District is a member of Colorado Retirement Association ("CRA"). CRA was established to provide retirement benefits to employees of Colorado local governments. As a member, the District participates in the CRA retirement plan created in accordance with Internal Revenue Code Section 401(a) (the "401(a) Plan"), which is a defined contribution pension plan. Employees of the District are required to participate in the 401(a) Plan and each contribute 6% of their gross salary to the Plan. The District matches employee contributions at the same rate. Employees are immediately eligible to participate in the plan and are immediately vested in all matching employer contributions. Members of the board of directors not desiring to be a member of CRA are covered under the federal social security program.

The District is neither the trustee nor the administrator of the 401(a) Plan. The seven-member governing board of CRA makes all necessary rules and is responsible for administration of the funds in the 401(a) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee.

The total covered pension plan payroll for 2024 amounted to $338,850. The District's pension expense for 2024 was $20,331, which was equal to its 2024 contribution. Employees also contributed $20,331 to the plan during 2024, with employer and employee contributions totaling $40,662.

IV. Other Information (continued)

D. Intergovernmental Agreements

1. Upper Fraser Valley Wastewater Agreement

In 2002, the District, Fraser Sanitation District, and Grand County Water and Sanitation District #1 entered into an agreement to participate in the joint construction, maintenance, and operation of joint interceptor sewer lines and joint sewage treatment facilities. This new wastewater treatment plant has been constructed on the existing plant site of the District/Fraser Sanitation District treatment facility and a new and/or expanded sewer trunk line from Grand County #1 will connect with the existing District/Fraser Sanitation District interceptor line. Title of the new joint facilities will be allocated among these three members based on each member's proportionate share of equivalent residential units to be serviced by the new plant.

Construction costs of these new facilities are based on each member's future share of equivalent residential units to be serviced by the new plant and are allocated as follows:

District	28.89%
Fraser Sanitation District	34.07%
Grand County	37.04%
	100.00%

Under the Upper Fraser Valley Wastewater Agreement, a Joint Facilities Oversight Committee ("JFOC") was established to represent the three members regarding the construction, expansion, operations, management, and maintenance of the new joint facilities. The JFOC is comprised of a total of nine members; with each member having three members. The Town of Fraser was appointed as the manager of the joint facilities for 2024. The JFOC may designate a new manager on an annual basis. Separate financial statements for JFOC can be found by contacting the Town of Fraser.

As of December 31, 2024, the District owed the Town of Fraser operation and maintenance reimbursements and management fees, and utilities, in the amounts of $26,698 and $0, respectively.

2. Sewer Line Sharing Agreement

For many years, the District and the Town of Fraser ("Fraser") have shared the use of sewer mains not covered in the Joint Facilities Agreement to convey sewage to the sewage treatment plant. As of May 9, 2013, the District and Fraser entered into a sewer line sharing agreement to confirm their understanding regarding the shared use of those sewer mains and arrangements for the maintenance and repair and replacement of such mains. Each party will be responsible for payment of a share of the costs of maintenance, repair, and replacement of each shared line.

IV. Other Information (continued)

E. Implementation of Accounting Standard

Effective January 1, 2024, the District implemented Governmental Accountings Standards Board Statements No. 101, Compensated Absences (“GASB 101”). The Standard requires entities 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 entities 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 applied GASB 101 retroactively and restated beginning net position as follows:

	12/31/2023 As Previously Reported	Restatement: Increase / (Decrease)	12/31/2023 As Restated
Net Position	19,004,274	(14,205)	18,990,069

SUPPLEMENTARY INFORMATION

Winter Park Ranch Water and Sanitation District
Schedule of Revenues, Expenditures, and Funds Available
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	2024			2023
	Original and Final Budget	Actual	Final Budget Variance Favorable (Unfavorable)	Actual (Restated)
Revenues:				
Service charges	795,000	798,090	3,090	780,737
Water and sewer tap fees	160,000	912,000	752,000	176,000
Inspection fees	450	4,165	3,715	495
Document preparation fees	500	720	220	510
Property taxes	783,157	818,441	35,284	500,246
Specific ownership taxes	25,000	37,544	12,544	32,097
Grant revenue	-	372,367	372,367	-
Contributions from other governments	-	79,681	79,681	20,122
Investment income	200,000	313,038	113,038	252,565
Interest income from JFOC	-	16,096	16,096	15,475
Miscellaneous	2,500	2,645	145	2,800
Total Revenues	1,966,607	3,354,787	1,388,180	1,781,047
Expenditures:				
Water and Sewer Service:				
Accounting and auditing	28,000	29,200	(1,200)	28,099
Advertising	700	395	305	395
Automobile	10,000	9,182	818	6,587
Board expenses	13,200	10,790	2,410	11,100
Education and travel	5,000	2,091	2,909	150
Election expense	-	-	-	34
General operating expenses - Fraser	405,000	392,436	12,564	233,867
Insurance	32,000	33,518	(1,518)	29,810
Legal	18,000	11,962	6,038	24,109
Licenses and fees	1,000	778	222	395
Miscellaneous	9,000	12,466	(3,466)	10,382
Office expense	14,250	14,444	(194)	10,981
Water and sewer engineer	10,000	17,393	(7,393)	2,456
Repairs and maintenance	106,500	179,139	(72,639)	161,693
Salaries	332,500	365,175	(32,675)	319,067
Employee benefits	147,000	153,594	(6,594)	138,369
Payroll tax expense	7,500	7,391	109	5,409
Telephone	10,500	10,651	(151)	10,680
Treasurer's fees	30,000	40,979	(10,979)	25,034
Utilities	52,000	49,610	2,390	48,479
Water testing	5,000	973	4,027	2,913
Capital Outlay:				
Capital outlay	2,758,600	2,083,658	674,942	400,706
Total Expenditures	3,995,750	3,425,825	569,925	1,470,715
Excess (Deficiency) of Revenues Over Expenditures	(2,029,143)	(71,038)	1,958,105	310,332
Reconciliation to GAAP Basis:				
Capital outlay		2,083,658		400,706
Depreciation expense		(360,872)		(382,587)
Unrealized gain (loss)		36,955		83,547
Net GAAP Basis Adjustments		1,759,741		101,666
Change in Net Position		1,688,703		411,998

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