SAN LUIS VALLEY
WATER CONSERVANCY DISTRICT

FINANCIAL STATEMENTS

December 31, 2025

Wall,
Smith,
Bateman Inc.
Certified Public Accountants

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
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INDEPENDENT AUDITORS' REPORT

Wall,
Smith,
Bateman Inc.

To the Board of Directors
San Luis Valley Water Conservancy District
Alamosa, Colorado

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the San Luis Valley Water Conservancy District (the District), as of and for the year ended December 31, 2025, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of December 31, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the General Fund and major special revenue fund budgetary comparison information, pension and other post-employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Enterprise Fund budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 Enterprise Fund budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

June 17, 2026

SAN LUIS VALLEY
WATER CONSERVANCY DISTRICT

BASIC FINANCIAL STATEMENTS

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	TOTAL
ASSETS			
Cash and Cash Equivalents	$ 642,455	$ 1,906,678	$ 2,549,133
Cash Reserved for CWCB Loan	-	53,682	53,682
Accounts Receivable	-	112,631	112,631
Due from Other Governments	209,443	56,549	265,992
Property Taxes Receivable	212,983	-	212,983
Accrued Interest Receivable	-	2,895	2,895
Inventory			
Water Rights	-	2,347,871	2,347,871
Water Rights in Process	-	309,782	309,782
Prepaid Expense	19,629	-	19,629
Long-term Assets			
Capital Assets not Being Depreciated	-	29,236	29,236
Capital Assets, Net of Accumulated Depreciation	-	1,129,146	1,129,146
TOTAL ASSETS	1,084,510	5,948,470	7,032,980
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	8,862	40,574	49,436
OPEB	532	2,508	3,040
TOTAL DEFERRED OUTFLOWS OF RESOURCES	9,394	43,082	52,476
LIABILITIES			
Accounts Payable	76,820	117,132	193,952
Unearned Grant Revenue	319,742	-	319,742
Deferred Revenue	-	-	-
Long-term Liabilities			
Note Payable Due Within One Year	-	31,182	31,182
Note Payable Due in More than One Year	-	868,815	868,815
Net Pension Liability	13,320	102,462	115,782
Net OPEB Liability	1,780	5,393	7,173
TOTAL LIABILITIES	411,662	1,124,984	1,536,646
DEFERRED INFLOWS OF RESOURCES			
Pensions	931	2,178	3,109
OPEB	924	4,059	4,983
Unavailable Revenue - Property Taxes	212,983	-	212,983
TOTAL DEFERRED INFLOWS OF RESOURCES	214,838	6,237	221,075
NET POSITION			
Net Investment in Capital Assets	-	1,158,382	1,158,382
Restricted for:			
TABOR	8,246	-	8,246
Debt Service	-	53,682	53,682
Unrestricted	459,158	3,648,267	4,107,425
TOTAL NET POSITION	$ 467,404	$ 4,860,331	$ 5,327,735

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position — Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants & Contributions**	**Capital Grants & Contributions**	**Governmental Activities**	**Business-Type Activities**	**TOTAL**
Primary Government							
Governmental Activities							
General Government	$ 207,695	$ 8,400	$ -	$ -	$ (199,295)	$ -	$ (199,295)
Colorado Rio Grande Restoration Foundation Fund	1,904,924	-	1,884,695	-	(20,229)	-	(20,229)
Total Governmental Activities	2,112,619	8,400	1,884,695	-	(219,524)	-	(219,524)
Business-Type Activities							
Water	593,323	653,936	151,540	-	-	212,153	212,153
Total Business-Type Activities	593,323	653,936	151,540	-	-	212,153	212,153
Total Primary Government	$ 2,705,942	$ 662,336	$ 2,036,235	$ -	(219,524)	212,153	(7,371)
General Revenues							
Taxes							
General Property Taxes - Net					198,383	-	198,383
Specific Ownership Taxes					27,837	-	27,837
Other Taxes					(120)	-	(120)
Interest Income					2,573	33,327	35,900
Miscellaneous					-	-	-
Total General Revenues					228,673	33,327	262,000
Transfers					(50,000)	50,000	-
Change in Net Position					(40,851)	295,480	254,629
Net Position - Beginning of Year					508,255	4,564,851	5,073,106
Net Position - End of Year					$ 467,404	$ 4,860,331	$ 5,327,735

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2025

	GENERAL FUND	COLORADO RIO GRANDE RESTORATION FOUNDATION FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	$ 229,727	$ 412,728	$ 642,455
Property Taxes Receivable	212,983	-	212,983
Due From Other Governments	79,721	129,722	209,443
Due From Other Funds	-	-	-
Leases Receivable	-	-	-
Prepaid Expense	19,629	-	19,629
TOTAL ASSETS	$ 542,060	$ 542,450	$ 1,084,510
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Accounts Payable	$ 20,439	$ 56,381	$ 76,820
Unearned Grant Revenue	-	319,742	319,742
TOTAL LIABILITIES	20,439	376,123	396,562
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	212,983	-	212,983
Unavailable Revenue - Leases	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	212,983	-	212,983
FUND BALANCE			
Nonspendable:	19,629	-	19,629
Restricted:			
TABOR	8,246	-	8,246
Assigned:			
Special Revenue Fund	-	166,327	166,327
Unassigned	280,763	-	280,763
TOTAL FUND BALANCE	308,638	166,327	474,965
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 542,060	$ 542,450	$ 1,084,510

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
For the Year Ended December 31, 2025

Total governmental fund balances	$	474,965
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred results and contributions to pension and OPEB plans made after the measurement date are not recorded as expenditures in the governmental funds but must be deferred in the statement of net position.		9,394
Net pension and OPEB liabilities are not due and payable in the current period and are not reported in the funds.		(15,100)
Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time. These are not reported in the funds.		(1,855)
Net position of governmental activities	$	467,404

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2025

	GENERAL FUND	COLORADO RIO GRANDE RESTORATION FOUNDATION FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes			
Current Property Taxes, Net	$ 198,383	$ -	$ 198,383
Specific Ownership Taxes	27,837	-	27,837
Delinquent Taxes and Interest	(120)	-	(120)
Total Taxes	226,100	-	226,100
Other Revenues			
Grant Revenues	-	1,805,360	1,805,360
Cash Contributions	-	79,335	79,335
Lease Income	8,400	-	8,400
Miscellaneous Income	-	-	-
Interest Income	1,899	674	2,573
Total Other Revenues	10,299	1,885,369	1,895,668
TOTAL REVENUES	236,399	1,885,369	2,121,768
EXPENDITURES			
Salaries and Fringe Benefits	21,740	224,336	246,076
Directors' Fees	13,400	-	13,400
Travel	22,901	10,317	33,218
Administration	27,156	16,261	43,417
Professional Services	37,025	37,949	74,974
Insurance	10,714	6,496	17,210
Public Relations	15,589	-	15,589
Other	-	-	-
Training/ Education	19,255	-	19,255
Cooperative Projects	13,000	-	13,000
Equipment	8,106	-	8,106
Special Projects	19,781	-	19,781
Water Conservation Projects	-	1,609,565	1,609,565
TOTAL EXPENDITURES	208,667	1,904,924	2,113,591
Excess (deficiency) of revenues over expenditures	27,732	(19,555)	8,177
OTHER FINANCING SOURCES (USES)			
Transfers to Other Funds	(71,522)	-	(71,522)
Transfers from Other Funds	-	21,522	21,522
TOTAL OTHER FINANCING SOURCES (USES)	(71,522)	21,522	(50,000)
Net Change in Fund Balance	(43,790)	1,967	(41,823)
Fund Balance, Beginning of Year	352,428	164,360	516,788
Fund Balance, End of Year	$ 308,638	$ 166,327	$ 474,965

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Net change in fund balances - total governmental funds	$	(41,823)
Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension and OPEB expenditures.		972
Change in net position of governmental activities	$	(40,851)

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
PROPRIETARY FUND
STATEMENT OF NET POSITION
December 31, 2025

ASSETS		
Current Assets		
Cash and Cash Equivalents	$	1,906,678
Cash Reserved for CWCB Loan		53,682
Accounts Receivable		112,631
Due from Other Governments		56,549
Accrued Interest		2,895
Prepaid Expense		-
Inventory: Water Rights		2,347,871
Total Current Assets		4,480,306
Noncurrent Assets		
Inventory: Water Rights in Process		309,782
Capital Assets not Being Depreciated		29,236
Capital Assets, Net of Accumulated Depreciation		1,129,146
Total Noncurrent Assets		1,468,164
TOTAL ASSETS		5,948,470
DEFERRED OUTFLOWS OF RESOURCES		
Pensions		40,574
OPEB		2,508
TOTAL DEFERRED OUTFLOWS OF RESOURCES		43,082
LIABILITIES		
Current Liabilities		
Accounts Payable		117,132
Unearned Revenue		-
Current Portion Note Payable - CWCB		31,182
Total Current Liabilities		148,314
Long Term Liabilities		
Note Payable - CWCB		868,815
Net Pension Liability		102,462
Net OPEB Liability		5,393
Total Long Term Liabilities		976,670
TOTAL LIABILITIES		1,124,984
DEFERRED INFLOWS OF RESOURCES		
Pension		2,178
OPEB		4,059
TOTAL DEFERRED INFLOWS OF RESOURCES		6,237
NET POSITION		
Net Investment in Capital Assets		1,158,382
Restricted for Debt Service		53,682
Unrestricted		3,648,267
TOTAL NET POSITION	$	4,860,331

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Year Ended December 31, 2025

OPERATING REVENUES	
Sale of Water (net of cost of water $24,262)	$ 189,630
Grant Revenue	151,540
Administration Revenue	24,438
Annual Assessments	439,868
Other	-
TOTAL OPERATING REVENUES	805,476
OPERATING EXPENSES	
Salary and Fringe Benefits	182,334
Reservoir Storage Rent	74,922
Professional Services	35,373
Project Maintenance	46,825
Recharge Project / Conveyance Fee	43,621
Water Conservation Projects	151,540
Depreciation Expense	31,689
Other	3,759
TOTAL OPERATING EXPENSES	570,063
Operating Income (Loss)	235,413
NONOPERATING REVENUES (EXPENSES)	
Interest Income	33,327
Interest Expense	(23,260)
TOTAL NONOPERATING REVENUES (EXPENSES)	10,067
Income (Loss) Before Operating Transfers	245,480
Transfers from Other Fund	50,000
Change in Net Position	295,480
Net Position, Beginning of Year	4,564,851
Net Position, End of Year	$ 4,860,331

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from sale of water	$	108,177
Cash received from annual assessments		439,868
Cash received from administrative revenue		24,438
Cash received from other sources		151,540
Cash paid for cost of water sold		(355,748)
Cash paid for salaries and fringe benefits		(187,168)
Cash paid for reservoir storage rent		(74,922)
Cash paid for professional services		(33,488)
Cash paid for project maintenance		(46,825)
Cash paid for recharge project		(16,965)
Cash paid for water conservation projects		(212,990)
Cash paid for other expenses		(30,415)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		(234,498)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received from Other Funds		50,000
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES		50,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest payment		(23,260)
Principal payment		(30,421)
Acquisition of Capital Assets		(79,820)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES		(133,501)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income		32,302
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		32,302
Net Increase (Decrease) in Cash and Cash Equivalents		(285,697)
Cash and Cash Equivalents, Beginning of Year		2,246,057
Cash and Cash Equivalents, End of Year	$	1,960,360
Reconciliation to the Statement of Net Position		
Cash and Cash Equivalents	$	1,906,678
Cash Reserved for CWCB Loan		53,682
Total Cash on the Statement of Net Position	$	1,960,360
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities		
Operating Income (Loss)	$	235,413
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense		31,689
Pension and Other Postemployment Benefit Expense		(5,139)
(Increase) Decrease in Accounts Receivable		(81,453)
(Increase) Decrease in Due from Other Governments		(56,549)
(Increase) Decrease in Prepaid Expense		1,645
(Increase) Decrease in Water Rights		(355,748)
Increase (Decrease) in Accounts Payable		(4,356)
Increase (Decrease) in Deferred Revenue		-
Net Cash Provided (Used) by Operating Activities	$	(234,498)

The accompanying notes are an integral part of this financial statement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the San Luis Valley Water Conservancy District (the District) reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards.* The District's significant accounting policies are described below.

REPORTING ENTITY

Primary Governments

The San Luis Valley Water Conservancy District was formed in accordance with Colorado Statute 148-1-1 on November 14, 1949. The District is governed by a Board of Directors who are appointed by the 12th Judicial District Judge.

Component Units

The District's combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District
- The organization is financially accountable to the District
- The organization receives or holds funds that are for the benefit of the District; and the District has access to a majority of the funds held; and the funds that are accessible are also significant to the District

Based on the aforementioned criteria, the Colorado Rio Grande Restoration Foundation, a separate legal entity, was blended in the financial statements as a special revenue fund. There are no other component units included in the financial statements of the District, since no others were discovered to fall within the oversight responsibility based on the preceding criteria.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the District. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and

- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

- Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds and proprietary funds. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

- The ***General Fund*** is the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

- The ***Colorado Rio Grande Restoration Foundation Fund*** accounts for the revenues and expenditures for the restoration, improvement, preservation, and protection of the Rio Grande River, its riparian areas, related plant and animal life, and other natural resources, to the benefit of users of the Rio Grande and its communities.

Proprietary fund financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and cash flows. The District's only proprietary fund is the Enterprise Fund, used to account for the District's water rights, water sales, and water purchases. Revenues are derived from the District's water sales and annual assessments. Expenses include the cost of water sold, water storage fees, and professional services.

The proprietary fund is accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.

- Current-year contributions, administrative expenses, and premium payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between governmental activities and business-type activities, which are presented as internal balances and eliminated in the total primary government column.

ASSETS, LIABILITIES, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash

The District's cash and cash equivalents are considered to be cash in bank, certificates of deposit and liquid investments with an initial maturity of three months or less.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The District's property taxes are collected by the County Treasurer who remits monthly receipts to the District. Property tax revenue is recognized when received by the County Treasurer.

Uncollected property taxes that became an enforceable lien January 1, 2026 have been recorded in the financial statements as an asset and a corresponding unavailable revenue.

Inventories

Purchased inventories are stated at cost and consist of water rights and augmentation plans owned by the District.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital Assets, which include a building, furniture, and equipment, are reported in the business-type activity column in the financial statements. The District defines capital assets as assets with an initial, individual cost of more than $5,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the estimated useful lives of 5-20 years.

Unearned Grant Revenue

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

In addition to liabilities, the statement of net position and the balance sheet report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Certain amounts related to pensions must be deferred.

Pensions

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA").The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net Investment in capital assets* - consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.

- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported by classification based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance* - amounts that cannot be spent because they are not in spendable form, such as inventory and prepaid expenditures.

- *Restricted Fund Balance* - amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

- *Committed Fund Balance* - amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of Directors, the highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

- *Assigned Fund Balance* - amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Directors or by an official or body to which the governing body delegates the authority.

- *Unassigned Fund Balance* - amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment actions.

Encumbrances

The District does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Leases

Leases are defined by the general government as the right to use an underlying asset. As a lessor, the District recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and the deferred inflow of resources at the beginning of the lease term. Periodic amortization of the discount on the receivable is reported as interest revenue for that period. Deferred inflows of resources are recognized as lease income based on the interest method.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The San Luis Valley Water Conservancy District follows the procedures outlined in the Financial Management Manual – A Guide for Colorado Local Governments – when preparing annual budgets for each fund. Budget procedures include:

1) Preparation of budget documents by administrative staff shall be submitted to the Board no later than October 15th of each year.

2) Publication of a notice stating that the budget is available for public inspection.

3) Discussion of the budget in a meeting open to the public.

4) Adoption of the budget in a public meeting by appropriate resolution.

Formal budgetary integration is employed as a management control device for all funds of the District. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget, if applicable.

Stewardship

The Colorado Rio Grande Restoration Foundation is a 501(c)(3) nonprofit; therefore, no budget was adopted during 2025.

NOTE 3 CASH AND DEPOSITS

A summary of Cash and Deposits for the District are as follows:

Cash in Banks and on Hand	$ 2,602,815
Total cash and deposits on the statement of net position	$ 2,602,815

Colorado State Statutes govern the District's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

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 does not have a deposit policy for custodial credit risk. As of year-end, $1,314,119 of the District's deposits totaling $2,636,073 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

NOTE 4 PROPERTY TAXES RECEIVABLE

At December 31, 2025, the District had an estimated property tax receivable in the General Fund of approximately $212,983.

NOTE 5 ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2025, consisted of the following:

Enterprise Fund - Assessments Receivable	$ 183,537
Less: Allowance for Doubtful Accounts	(70,906)
Total Accounts Receivable	$ 112,631

NOTE 6 DUE FROM OTHER GOVERNMENTS

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

As of December 31, 2025, the District had $265,992 due from federal, state, or local governments, reflected as due from other governments in the accompanying basic financial statements.

NOTE 7 INTERFUND TRANSFERS

Interfund Transfers

Interfund transfers for the year ended December 31, 2025, were as follows:

Transfer Out	Transfer In	Amount
General Fund	Colorado Rio Grande Restoration Foundation Fund	$ 21,522
General Fund	Enterprise Fund	50,000
		$ 71,522

These transfers were made to support the Colorado Rio Grande Restoration Foundation Fund and the Enterprise Fund.

NOTE 8 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Business-Type Activities				
Capital assets not being depreciated				
Land	$ -	$ -	$ -	$ -
Rock Creek Recharge Pond	29,236	-	-	29,236
Construction in Progress	54,722	-	54,722	-
Total capital assets not being depreciated	83,958	-	54,722	29,236
Capital assets being depreciated				
Reservoir	901,954	-	-	901,954
Building	386,123	-	-	386,123
Infrastructure	-	134,542	-	134,542
Furniture and Equipment	28,799	-	-	28,799
Total capital assets being depreciated	1,316,876	134,542	-	1,451,418
Less accumulated depreciation for:				
Reservoir	27,060	12,380	-	39,440
Building	234,722	19,309	-	254,031
Furniture and Equipment	28,801	-	-	28,801
Total accumulated depreciation	290,583	31,689	-	322,272
Total Capital Assets being depreciated, net	1,026,293	102,853	-	1,129,146
Business-Type Activities Capital Assets, Net	$ 1,110,251	$ 102,853	$ -	$ 1,158,382

NOTE 9 LONG-TERM LIABILITIES

Changes in Long-Term Debt

During the year ending December 31, 2017, the Colorado Water Conservation Board loaned the District $1,123,574, including a loan origination fee of 1%, or $11,124, at an interest rate of 2.50% per annum for a repayment term of 30 years, in annual installments of $53,682 per year, of which $23,260 was attributable to interest in fiscal year 2025. Final payment is due May 1, 2047. This loan was used to acquire water rights for the District's augmentation program. The loan is secured with all water activity enterprise revenue pledged to repay the loan. The District is required to maintain a reserve equal to the annual payment of $53,682. As of December 31, 2025, the District was in compliance with this requirement.

The following summarizes the District's long-term liabilities for the year ended December 31, 2025:

	Balance 12/31/2024	Additions	Payments	Balance 12/31/2025	Principal Due Within One Year
Business-Type Activities					
Colorado Water Conservation Board	$ 930,418	$ -	$ 30,421	$ 899,997	$ 31,182

The annual debt service for the loan is as follows:

	Principal	Interest	Total
2026	$ 31,182	$ 22,500	$ 53,682
2027	31,961	21,721	53,682
2028	32,760	20,922	53,682
2029	33,579	20,103	53,682
2030	34,419	19,263	53,682
2031-2035	185,439	82,970	268,409
2036-2040	209,808	58,601	268,409
2041-2045	237,381	31,028	268,409
2046-2047	103,468	3,896	107,364
Total	$ 899,997	$ 281,004	$ 1,181,001

NOTE 10 DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund (LGDTF) - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits provided as of December 31, 2024. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. §24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determine increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. §24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of December 31, 2025. Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq*. and C.R.S. § 24-51-413. Employee contribution rates for the period January 1, 2025 through December 31, 2025 are summarized in the table below:

	January 1, 2025 Through December 31, 2025
Employee Contribution (all employees except State Troopers)	9.00%

** Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees are summarized in the table below:

	January 1, 2025 through December 31, 2025
Employer Contribution Rate	11.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-1.02%
Amount Apportioned to the LGDTF	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.11%
Total Employer Contribution Rate to LGDTF	13.79%

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were $26,386, for the year ended December 31, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for the LGDTF was measured as of December 31, 2024, and the total pension liability (asset) (TPL) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The District's proportion of the net pension liability (asset) was based on the District's contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers.

At December 31, 2025, the District reported a liability (asset) of $115,782 for its proportionate share of the net pension liability (asset).

At December 31, 2024, the District's proportion was 0.0189%, which was a decrease of 0.001 from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized pension expense of ($3,570). At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 8,737	$ -
Changes of assumptions or other inputs	3,417	-
Net difference between projected and actual earnings on pension plan investments	10,896	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	3,109
Contributions subsequent to the measurement date	26,386	-
Total	$ 49,436	$ 3,109

$26,386 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
2026	$ 18,282
2027	27,403
2028	(18,442)
2029	(7,301)
2030	-
Thereafter	-
Total	$ 19,942

Actuarial assumptions. The TPL in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.20 – 11.30 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount Rate	7.25 percent
Post-retirement benefit increases:	
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (compounded annually)	1.00%
PERA Benefit Structure hired after 12/31/06[1]	Financed by the AIR

[1] Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

	Mortality Rate	Adjustments, as Applicable
Pre-Retirement	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubG-2010 Healthy Retiree	**Males**: 94% of the rates prior to age 80/ 90% of the rates age 80 and older **Females**: 87% of the rated prior to age 80/ 107% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The actuarial assumptions used in the December 31, 2023, valuations were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation:	3.40%-13.00%

Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

	Mortality Rate	Adjustments, as Applicable
Pre-Retirement	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubG-2010 Healthy Retiree	**Males**: 90% of the rates for all ages **Females**: 85% of the rated prior to age 85/ 105% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years and asset/liability studies performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long- term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, and again at the Board’s September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include the current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded for the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

Based on the above assumptions and methods, the LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 253,425	$ 115,783	$ 147

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 11 DEFINED BENEFITS OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

Plan description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $1,952 for the year ended December 31, 2025.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2025, the District reported a liability of $7,174 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District proportion was 0.0015 percent, which was a decrease of 0.0001 from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized OPEB expense of ($2,541). At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 1,582
Changes of assumptions or other inputs	82	2,293
Net difference between projected and actual earnings on OPEB plan investments	24	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	982	1,107
Contributions subsequent to the measurement date	1,952	-
Total	$ 3,040	$ 4,982

$1,952 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	
2026	$ (855)
2027	(419)
2028	(1,018)
2029	(759)
2030	(554)
Thereafter	(289)
Total	$ (3,894)

Actuarial assumptions. The total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% to 11.30%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.505 in 2034

MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors were then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$ 1,710	$ 1,420	$ 585	$ 486	$ 1,897	$ 1,575
70	$ 1,921	$ 1,589	$ 657	$ 538	$ 2,130	$ 1,763
75	$ 2,122	$ 1,670	$ 726	$ 571	$ 2,353	$ 1,853

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$ 6,536	$ 5,429	$ 4,241	$ 3,523	$ 7,063	$ 5,866
70	$ 7,341	$ 6,073	$ 4,764	$ 3,941	$ 7,933	$ 6,563
75	$ 8,110	$ 6,385	$ 5,262	$ 4,143	$ 8,763	$ 6,900

The 2024 Medicare Part A premium is $505 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

The PERA benefit structure health care cost trend rates that were used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	MAPD PPO #2	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

[1]Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

	Mortality Rate	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	**Males**: 94% of the rates prior to age 80/ 90% of the rates age 80 and older **Females**: 87% of the rated prior to age 80/ 107% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The following health care costs assumptions were updated and used in in the roll forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2024 plan year.

- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as a first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for the plan option.

- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation: 3.40%-13.00%

The following health care costs assumptions were used in the roll forward calculation for the HCTF:

- Salary scale assumptions were altered to better reflect actual experience.

- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

- Participation rates were reduced.

- MAPD premium costs are no longer age graded.

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	$ 1,824	$ 6,972
MAPD PPO #2	624	4,524
MAPD HMO (Kaiser)	2,040	7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

	Mortality Rate	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	**Males**: 90% of the rates for all ages **Females**: 85% of the rated prior to age 85/ 105% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

Actuarial assumptions pertaining to the per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors were considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate[1]	7.55%	8.55%	9.55%
Ultimate MAPD PPO #2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate[1]	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 6,981	$ 7,174	$ 7,393

[1]For the January 1, 2025, plan year.

Discount rate. The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- Estimated transfers into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

- Benefit payments and contributions were assumed to be made at the middle of the year.

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 8,792	$ 7,174	$ 5,779

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Grant Programs

The District participates in a number of federal and state programs. These programs are subject to program compliance audits by the grantors and their representatives. The amount of expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts to be immaterial.

Water and Land Purchase

As of December 31, 2025, the District has entered into a contract to purchase land and water rights for a total of $816,000. The purchase was finalized on April 20, 2026.

NOTE 13 TABOR EMERGENCY RESERVE

Colorado voters passed an amendment to the State constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. In 2025 the District collected revenues in excess of the growth limitation, resulting in a temporary mill levy reduction in the following year.

The amendment also requires that Emergency Reserves be established. These reserves must be at least three percent of the fiscal year's spending. This Emergency Reserve has been presented as a restricted fund balance in the General Fund balance sheet and a restricted net position in the government-wide statement of net position. The entity is not allowed to use the Emergency Reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 14 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. There have been no claims from these risks for the current year or the three prior years.

SAN LUIS VALLEY
WATER CONSERVANCY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Taxes				
Current Property Taxes, Net	$ 198,365	$ 198,365	$ 198,383	$ 18
Specific Ownership Taxes	29,000	29,000	27,837	(1,163)
Delinquent Taxes and Interest	300	300	(120)	(420)
Total Taxes	227,665	227,665	226,100	(1,565)
Other Revenues				
Lease Income	7,800	7,800	8,400	600
Miscellaneous	-	-	-	-
Interest Income	2,400	2,400	1,899	(501)
TOTAL REVENUES	237,865	237,865	236,399	(1,466)
EXPENDITURES				
Salaries and Fringe Benefits	21,724	21,724	21,740	(16)
Directors' Fees	13,500	13,500	13,400	100
Travel	28,000	28,000	22,901	5,099
Administration	30,805	30,805	27,156	3,649
Professional Services	37,490	37,490	37,025	465
Public Relations	10,000	10,000	15,589	(5,589)
Insurance	12,000	12,000	10,714	1,286
Other	-	-	-	-
Training/ Education	20,200	20,200	19,255	945
Cooperative Projects	16,000	16,000	13,000	3,000
Equipment	11,000	11,000	8,106	2,894
Special Projects	20,000	20,000	19,781	219
TOTAL EXPENDITURES	220,719	220,719	208,667	12,052
Excess (deficiency) of revenues over expenditures	17,146	17,146	27,732	10,586
OTHER FINANCING SOURCES (USES)				
Transfer to Other Funds	(71,695)	(71,695)	(71,522)	173
TOTAL OTHER FINANCING SOURCES (USES)	(71,695)	(71,695)	(71,522)	173
Net Change in Fund Balance	(54,549)	(54,549)	(43,790)	10,759
Fund Balance, Beginning of Year	355,764	355,764	352,428	(3,336)
Fund Balance, End of Year	$ 301,215	$ 301,215	$ 308,638	$ 7,423

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COLORADO RIO GRANDE RESTORATION FOUNDATION FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Grant Revenues	$ -	$ -	$ 1,805,360	$ 1,805,360
Cash Contributions	-	-	79,335	79,335
Interest Income	-	-	674	674
TOTAL REVENUES	-	-	1,885,369	1,885,369
EXPENDITURES				
Salary and Fringe Benefits	-	-	224,336	(224,336)
Travel	-	-	10,317	(10,317)
Administration	-	-	16,261	(16,261)
Professional Services	-	-	37,949	(37,949)
Insurance	-	-	6,496	(6,496)
Water Conservation Projects	-	-	1,609,565	(1,609,565)
TOTAL EXPENDITURES	-	-	1,904,924	(1,904,924)
Excess (deficiency) of revenues over expenditures	-	-	(19,555)	(19,555)
OTHER FINANCING SOURCES (USES)				
Transfer From Other Funds	-	-	21,522	21,522
TOTAL OTHER FINANCING SOURCES (USES)	-	-	21,522	21,522
Net Change in Fund Balance	-	-	1,967	1,967
Fund Balance, Beginning of Year	-	-	164,360	164,360
Fund Balance, End of Year	$ -	$ -	$ 166,327	$ 166,327

Notes to Required Supplementary Information

The component unit is a non-profit organization.
No budget is prepared for this organization.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

PERA LGDTF PENSION PLAN

For the Years Ended December 31,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.01887%	0.02016%	0.02042%	0.02116%	0.01871%	0.01849%	0.01861%	0.01800%	0.01901%	0.02738%
District's proportionate share of the net pension liability (asset)	$ 115,783	$ 148,006	$ 204,695	$ (18,142)	$ 97,484	$ 135,252	$ 233,967	$ 200,437	$ 256,720	$ 301,585
District's covered payroll	$ 191,341	$ 181,073	$ 177,137	$ 166,991	$ 157,453	$ 131,920	$ 127,346	$ 122,061	$ 113,562	$ 115,232
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	61%	82%	116%	-11%	62%	103%	184%	164%	226%	262%
Plan fiduciary net position as a percentage of the total pension liability	90.5%	88.0%	83.0%	101.5%	90.9%	86.3%	76.0%	79.4%	73.6%	76.9%

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA LGDTF PENSION PLAN
For the Years Ended December 31,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 26,386	$ 24,916	$ 24,337	$ 22,501	$ 20,784	$ 17,076	$ 16,148	$ 15,477	$ 14,400	$ 14,611
Contributions in relation to the contractually required contribution	(26,386)	(24,916)	(24,337)	(22,501)	(20,784)	(17,076)	(16,148)	(15,477)	(14,400)	(14,611)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 191,341	$ 181,073	$ 177,137	$ 166,991	$ 157,453	$ 131,920	$ 127,346	$ 122,061	$ 113,562	$ 115,232
Contributions as a percentage of covered payroll	13.79%	13.76%	13.74%	13.47%	13.20%	12.94%	12.68%	12.68%	12.68%	12.68%

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
COLORADO PERA HEALTH CARE TRUST FUND
For the Years Ended December 31,

	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.00150%	0.00160%	0.00165%	0.00164%	0.00143%	0.00142%	0.00144%	0.00140%	0.14600%
District's proportionate share of the net OPEB liability	$ 7,174	$ 11,441	$ 13,436	$ 14,185	$ 13,555	$ 15,919	$ 19,635	$ 18,179	$ 18,921
District's covered payroll	$ 191,341	$ 181,073	$ 177,137	$ 166,991	$ 157,453	$ 131,920	$ 127,346	$ 122,061	$ 113,562
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	4%	6%	8%	8%	9%	12%	15%	15%	17%
Plan fiduciary net position as a percentage of the total OPEB liability	59.8%	46.2%	38.6%	39.4%	32.8%	24.5%	17.0%	17.5%	16.7%

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
COLORADO PERA HEALTH CARE TRUST FUND
For the Years Ended December 31,

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 1,952	$ 1,847	$ 1,807	$ 1,703	$ 1,606	$ 1,346	$ 1,299	$ 1,245	$ 1,158
Contributions in relation to the contractually required contribution	(1,952)	(1,847)	(1,807)	(1,703)	(1,606)	(1,346)	(1,299)	(1,245)	(1,158)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 191,341	$ 181,073	$ 177,137	$ 166,991	$ 157,453	$ 131,920	$ 127,346	$ 122,061	$ 113,562
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years which information is available.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2025

<u>NOTE 1 NET PENSION LIABILITY</u>

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2024

- As of the December 31, 2024, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were $0.486 and $0.020 million, respectively.

2023

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023 and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were $24.967 million and $1.033 million, respectively.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, form a “12-pay” method to a “non-12-pay” method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

2022

- The TPL for the Local Government Division, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

2021

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022:
  - Member contribution rates increase by 0.50%.
  - Employer contribution rates increase by 0.50%.
  - Annual increase (AI) cap is lowered from 1.25% per year to 1.00% per year.

2020

- SB 18-200 and SB 20-057, enacted in 2018 and 2020, respectively expanded the definition of “State Trooper” under Colorado law as follows:
  - Beginning July 1, 2020, new or existing employees of the Division of Fire Prevention and Control in the Department of Public Safety classified as firefighter I through firefighter VII;
  - New members hired on or after January 1, 2020, as a county sheriff, undersheriff, deputy sheriff, noncertified deputy sheriff, or detention officer by a Local Government Division employer; and
  - New members hired on or after January 1, 2020, as a corrections officer classified as I through IV by a State Division employer.

2019

- SB 18-200 was enacted on June 4, 2018, which included the adoption of the AAP. The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
    - Member contribution rates increase by 0.50%.
    - Employer contribution rates increase by 0.50%.
    - AI cap is lowered form 1.50% per year to 1.25% per year.
- HB 19-1217, enacted May 20, 2019, repealed the member contribution increases scheduled for the Local Government Division pursuant to SB 18-200.

2018

- The following changes were made to the plan provisions as part of SB 18-200:
    - Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020, and an additional 0.50% effective July 1, 2021.
    - Employer contribution rates increase by 0.25% effective July 1, 2019, for State, School, Judicial, and DPS Divisions.
    - An annual direct distribution of $225,000 from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
    - AI cap is lowered from 2.00% per year to 1.50% per year.
    - Initial AI waiting period is extended form one year after retirement to three years after retirement. AI payments are suspended for 2018 and 2019.
    - The number of years used in the highest average salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the State, School, Local Government, and DPS Divisions and increases from one to three years for the Judicial Division.

2017

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division on December 2, 2017. For the purpose of the December 31, 2017, measurement date, liabilities were determined assuring no additional benefit accruals for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of $1,159 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of $1,063 and $96 million, respectively.

2016

- There were no changes made to the plan provisions.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2024

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

2023

- There were no changes made to the actuarial methods or assumptions.

2022

- There were no changes made to the actuarial methods or assumptions.

2021

- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%.

2020

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses form 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State and Local Government Divisions (members other than Safety Officers) was changed to the PubG-2010 Employer Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State and Local Government Divisions (members other than Safety Officers) was changed to the PubG-2010 Healthy Retiree Table, adjusted as follows:
    - Males: 94% of the rates prior to age 80 and 90% of the rates for the ages 80 and older, with generational projection using scale MP-2019.
    - Females: 875 of the rates prior to age 80 and 107% of the rated for ages 80 and older, with generational projection using scale MP-2019.
- The disabled morality assumption for the Division Trust Funds (members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rated for all ages with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a benefit-weighted basis.

2019

- The assumption used to value the AI cap benefit provision was changed from 1.50% to 1.25%.

2018

- There were no changes made to the actuarial methods or assumptions.

2017

- There were no changes made to the actuarial methods or assumptions.

2016

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 3.90% to 3.50%.
- The post-retirement mortality assumption for healthy lives for the State and Local Government Divisions was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments of a 73% factor applied to ages below 80 and a 108% factor applied to age 80 and above, projected to 2018, for males, and a 78%

factor applied to ages below 80 and a 109% factor applied to at 80 and above, projected to 2020, for females.

- For disabled retirees, the mortality assumption was changed to reflect 905 of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active member was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35% to 0.40%.
- The SEIR for the Local Government Division was lowered from 7.50% to 7.25%, reflecting the change in the long-term expected rate of return.

Subsequent Events

SB 25-310, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling $500 million (actual dollars) on or after July 1, 2025, and before October 1, 2025. These dollars are to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an AAP assessment ratio below the 98% benchmark.

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS LIABILITY

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2024

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

2023

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24,000 payment received on December 4, 2023 and a $2,000 receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1,033 and $24,967, respectively.

2022

- The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

2021 – no changes

2020 – no changes

2019 – no changes

2018 – no changes

2017

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division, thereby ending participation in the HCTF on December 2, 2017. For the purpose of disclosure as of the December 31, 2017, measurement date, liabilities were determined assuming no additional service accruals impacting possible future premium subsidies for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of $1,159 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of $1,063 and $96, respectively.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2024

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

2023 – no changes

2022

- The timing of the retirement decrement was adjusted to middle-of-year.

2021 – no changes

2020

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses

from 4.85% per year, net of investment expenses.

- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption was changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
  - Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
  - Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
  - Females: 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a head-count weighted basis.

2019 – no changes

2018 – no changes

2017 – no changes

SAN LUIS VALLEY
WATER CONSERVANCY DISTRICT

SUPPLEMENTARY INFORMATION

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON GAAP)
ENTERPRISE FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
OPERATING REVENUES				
Sale of Water	$ 133,500	$ 133,500	$ 189,630	$ 56,130
Grant Revenue	251,200	251,200	151,540	(99,660)
Administration Revenue	31,400	31,400	24,438	(6,962)
Annual Assessments	452,000	452,000	439,868	(12,132)
Other	-	-	-	-
TOTAL OPERATING REVENUES	868,100	868,100	805,476	(62,624)
OPERATING EXPENSES				
Salary and Fringe Benefits	184,675	184,675	182,334	2,341
Reservoir Storage Rent	60,000	60,000	74,922	(14,922)
Professional Services	122,000	122,000	35,373	86,627
Project Maintenance	100,000	100,000	46,825	53,175
Recharge Project / Conveyance Fee	55,000	55,000	43,621	11,379
Water Conservation Projects	251,200	251,200	151,540	99,660
Other	2,001	2,001	3,759	(1,758)
TOTAL OPERATING EXPENSES	774,876	774,876	538,374	236,502
Operating Income (Loss)	93,224	93,224	267,102	173,878
NONOPERATING REVENUES (EXPENSES)				
Interest Income	19,000	19,000	33,327	14,327
Debt Payment	(53,682)	(53,682)	(52,209)	1,473
TOTAL NONOPERATING REVENUES (EXPENSE	(34,682)	(34,682)	(18,882)	15,800
Income (Loss)- Before Operating Transfers	58,542	58,542	248,220	189,678
Transfers from Other Fund	50,000	50,000	50,000	-
Net Income (Loss) - Budget Basis	108,542	108,542	298,220	$ 189,678
Add: Principal Payment on Debt			28,949	
Less: Depreciation Expense			(31,689)	
Net Income (Loss)			295,480	
Net Position, Beginning of Year	4,482,823	4,482,823	4,564,851	
Net Position, End of Year	$ 4,591,365	$ 4,591,365	$ 4,860,331	