DRAFT

BACA GRANDE WATER AND SANITATION DISTRICT

(Saguache County, Colorado)

FINANCIAL STATEMENTS

with Independent Auditor's Report

DECEMBER 31, 2024

BOARD OF DIRECTORS

President Vivia Lawson
Vice President Rick Hart
Treasurer Mike Smith
Secretary David Karas
Director Michael Plotnick

Diego Martinez – District Manager

BACA GRANDE WATER AND SANITATION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Baca Grande Water and Sanitation District
Saguache County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Baca Grande Water and Sanitation District (the District) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Fiscal Focus Partners, LLC

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Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages ii through v and the pension schedules on pages 46 and 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Arvada, Colorado
July 29, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

BACA GRANDE WATER AND SANITATION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) is presented to provide an overview of the financial activities and conditions for the fiscal year ended on December 31, 2024. The MD&A contains information currently known to management as of the date of the auditors' report. The MD&A should be read in conjunction with the District's financial statement that accompanies this report.

FINANCIAL HIGHLIGHTS

- Total Assets equaled: $12,776,620 for 2024.
- Deferred Outflows of Resources were $371,975.
- Cash and Cash Equivalents as of December 31, 2024 were $3,907,642.
- Total Liabilities for 2024 equaled $5,989,761.
- Deferred Inflows of Resources were $1,239,374.
- Net Position for 2024 totaled $5,919,460.
- Governmental change in Net Position from 2023 to 2024 was an increase of $402,290.
- Business-type change in Net Position from 2023 to 2024 was an increase of $803,796.

FINANCIAL STATEMENTS

The financial statements consist of three parts - management discussion and analysis, the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the district:

- The first two are government-wide statements that provide both long-term and short-term information about the District's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the District government, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of supplemental information that further explains and supports the information in the financial statements.

Government-wide Statements — The government-wide statements consist of the Statement of Net Position and the Statement of Activities. These statements report information about the District as a whole and include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. The District's net position, the difference between assets and liabilities, is one way to measure the District's financial status, or financial position. Over time increases or decreases in the District's net position is one indicator whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the District's property tax base (Assessed Valuation) are needed to assess the overall strength of the District.

Fund Financial Statements — The fund financial statements provide more detailed information about the District's funds, focusing on its most significant funds, not the District as a whole. The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Fund — The activity of the District's General fund is reported as a governmental fund, which focuses on how money flows into and out of the General fund. This fund is reported using the modified accrual accounting method, which measures cash and all of the other financial assets that can readily be converted to cash. The governmental fund statement provides a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs.

Proprietary (Enterprise) Fund — The activity of the District Enterprise fund is to report the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's Enterprise fund is the same as the business-type activities reported in the governmental-wide statements but provides more detailed and additional information, such as cash flows.

District Specific — The Baca Grande Water and Sanitation District utilizes two separate financial categories of activities; one for the general district functions and one for the enterprise, or business-type functions. Each of these, in turn, is segregated into operational and capital functions. Together, these comprise the overall government-wide statements. The Governmental, or General, category covers the administrative functions.. The Proprietary, or Business-type, category involves the public provision of water and sewer operations, debt service and capital projects functions. The Governmental functions are funded by property taxes. The Proprietary functions are funded by water and sewer user charges, tap fees, availability of service fees, property taxes for bond financing when required for capital projects.

FINANCIAL POSITION & RESULTS FROM OPERATIONS

NET POSITION

	2024			2023		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
ASSETS						
Other	$ 2,553,471	$ 2,819,800	$ 5,373,271	$ 2,118,322	$ 2,207,263	$ 4,325,585
Capital	-	7,403,349	7,403,349	-	7,580,518	7,580,518
Total assets	$ 2,553,471	$ 10,223,149	$ 12,776,620	$ 2,118,322	$ 9,787,781	$ 11,906,103
DEFERRED OUTFLOWS OF RESOURCES	$ -	$ 371,975	$ 371,975	$ -	$ 371,975	$ 371,975

	2024			2023		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
LIABILITIES						
Current	$ 42,783	$ 48,441	$ 91,224	$ 11,825	$ 160,840	$ 172,665
Long-term	-	5,898,537	5,898,537	-	6,149,794	6,149,794
Total Liabilities	$ 42,783	$ 5,946,978	$ 5,989,761	$ 11,825	$ 6,310,634	$ 6,322,459
DEFERRED INFLOWS OF RESOURCES	$ 774,042	$ 465,332	$ 1,239,374	$ 772,141	$ 470,104	$ 1,242,245
NET POSITION						
Net investment in capital assets	$ -	$ 2,133,245	$ 2,133,245	$ -	$ 2,059,157	$ 2,059,157
Restricted position	30,225	232,316	262,541	20,230	266,885	287,115
Unrestricted position	1,706,421	1,817,253	3,523,674	1,314,126	1,052,976	2,367,102
Total Net Position	$ 1,736,646	$ 4,182,814	$ 5,919,460	$ 1,334,356	$ 3,379,018	$ 4,713,374

The table below shows the change in net position for the years ended December 31, 2024 and 2023.

PROGRAM REVENUE BY SOURCE

	2024			2023		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Charges of services						
User charges (rates)	$ -	$ 1,593,469	$ 1,593,469	$ -	$ 1,686,246	$ 1,686,246
Capital contributions						
Water & sewer tap fees	-	40,000	40,000	-	40,000	40,000
Operating grants	-	137,710	137,710	-	31,758	31,758
Tax revenue	919,192	388,021	1,307,213	613,155	272,555	885,710
Interest income	87,643	68,985	156,628	59,732	32,523	92,255
Other	643	42,852	43,495	1,461	14,830	16,291
Total revenue	1,007,478	2,271,037	3,278,515	674,348	2,077,912	2,752,260

PROGRAM EXPENSES

	2024			2023		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
FUNCTIONAL						
General government	465,188	-	465,188	409,605	-	409,605
Debt service	-	167,553	167,553	-	172,074	172,074
Water and Sewer	-	1,439,688	1,439,688	-	1,576,844	1,576,844
Total expenditures	465,188	1,607,241	2,072,429	409,605	1,748,918	2,158,523
Transfers	(140,000)	140,000	-	-	-	-
Change in net position	402,290	803,796	1,206,086	264,743	328,994	593,737
Net position- beginning of year	1,334,356	3,379,018	4,713,374	1,069,613	3,050,024	4,119,637
Net position- end of year	$ 1,736,646	$ 4,182,814	$ 5,919,460	$ 1,334,356	$ 3,379,018	$ 4,713,374

Both Governmental and Proprietary (Business Type) Activities exhibited a positive change in net position in both 2023 and 2024 primarily attributable to monitoring appropriate expenditures in conjunction with increasing fees and property tax revenue.

ANALYSIS OF POSITION

The overall financial position of the District continued to improve during 2024, as the District continued to monitor expenditures while experiencing an increase in revenue, primarily in service fees and property taxes linked to a higher assessed valuation.

Both Funds recorded revenue over and above budgeted amounts in interest income due to rising interest rates and larger investment balances.

Capital assets for the Business-type Activities decreased in 2024 due to depreciation exceeding capital outlay by $177,169. In 2024, district staff focused on comprehensive project planning and pursuing grant opportunities to support several future essential capital projects.

CAPITAL ASSETS:

CAPITAL ASSETS

	2024			2023		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Capital assets	$ -	$ 20,226,077	$ 20,226,077	$ -	$ 19,892,821	$ 19,892,821
Accumulated depreciation	-	(12,822,728)	(12,822,728)	-	(12,312,303)	(12,312,303)
Total capital assets, net	$ -	$ 7,403,349	$ 7,403,349	$ -	$ 7,580,518	$ 7,580,518

Long-term liabilities decreased during 2024 by $251,257 due to principal payments on both the CWR&PDA Loan and G.O. Bonds.

LONG-TERM DEBT:

LONG-TERM DEBT

	2024			2023		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
CWR&PDA Loan payable	$ -	$ 408,545	$ 408,545	$ -	$ 494,392	$ 494,392
G.O. bonds payable	-	4,615,000	4,615,000	-	4,765,000	4,765,000
Total capital assets, net	$ -	$ 5,023,545	$ 5,023,545	$ -	$ 5,259,392	$ 5,259,392

FUTURE TRENDS AND ECONOMIC FACTORS

The District has a multitude of projects on the horizon including evaluating and repairing infrastructure, water rights acquisition, water rate analysis and service expansion to other entities

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Baca Grande Water and Sanitation District's finances. Questions concerning any of the information provided in this report or any request for additional information should be addressed to:

Diego Martinez
District Manager
Baca Grande Water & Sanitation District
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BASIC FINANCIAL STATEMENTS

BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF NET POSITION
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,740,014	$ 1,905,087	$ 3,645,101
Cash and cash equivalents, restricted	30,225	232,316	262,541
Accounts receivable	-	307,441	307,441
Accounts receivable - County Treasurer	9,190	4,321	13,511
Property taxes receivable	774,042	355,641	1,129,683
Prepaid expenses	-	14,994	14,994
Capital assets not being depreciated	-	696,899	696,899
Capital assets, net of accumulated depreciation	-	6,706,450	6,706,450
Total assets	2,553,471	10,223,149	12,776,620
DEFERRED OUTFLOWS OF RESOURCES			
Bond insurance	-	34,510	34,510
Pension related deferred outflow	-	320,725	320,725
OPEB related deferred outflow	-	16,740	16,740
Total deferred outflows of resources	-	371,975	371,975
LIABILITIES			
Accounts payable	42,783	33,587	76,370
Accrued interest	-	14,854	14,854
Long-term liabilities			
Due within one year	-	257,983	257,983
Due in more than one year	-	5,012,121	5,012,121
Net OPEB liability	-	38,722	38,722
Net pension liability	-	589,711	589,711
Total liabilities	42,783	5,946,978	5,989,761
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	774,042	355,641	1,129,683
Deferred amount on refunding	-	90,330	90,330
Pension related deferred inflow	-	2,940	2,940
OPEB related deferred inflow	-	16,421	16,421
Total deferred inflows of resources	774,042	465,332	1,239,374
NET POSITION			
Net investment in capital assets	-	2,133,245	2,133,245
Restricted			
Loan operating reserve requirement	-	232,316	232,316
Emergency reserve (TABOR)	30,225	-	30,225
Unrestricted	1,706,421	1,817,253	3,523,674
Total net position	$ 1,736,646	$ 4,182,814	$ 5,919,460

These financial statements should be read only in connection with the accompanying notes to financial statements.

BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Total
Governmental activities:							
General government	$ 465,188	$ -	$ -	$ -	$ (465,188)	$ -	$ (465,188)
Total General government	$ 465,188	$ -	$ -	$ -	(465,188)	-	(465,188)
Business-type activities:							
Water and sanitation	$ 1,439,688	$ 1,593,469	$ 137,710	$ 40,000		331,491	331,491
Interest on long-term debt and related costs	167,552	-	-	-		(167,552)	(167,552)
Total Business-type	$ 1,607,240	$ 1,593,469	$ 137,710	$ 40,000		$ 163,939	$ 163,939
General revenue:							
Property taxes					756,835	348,684	1,105,519
Specific ownership taxes					111,778	39,336	151,114
Backfill taxes					50,579	-	50,579
Net investment income					87,643	68,985	156,628
Sale of asset					-	10,000	10,000
Other income					643	32,852	33,495
Transfers					(140,000)	140,000	-
Total general revenue					867,478	639,857	1,507,335
Change in net position					402,290	803,796	1,206,086
Net position - Beginning					1,334,356	3,379,018	4,713,374
Net position - Ending					$ 1,736,646	$ 4,182,814	$ 5,919,460

These financial statements should be read only in connection with
the accompanying notes to financial statements.

BACA GRANDE WATER AND SANITATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2024

	General
ASSETS	
Cash and investments	$ 1,740,014
Restricted cash and cash investments	30,225
Accounts receivable - County Treasurer	9,190
Property taxes receivable	774,042
Total assets	$ 2,553,471
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Accounts payable	$ 42,783
Total liabilities	42,783
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	774,042
TOTAL DEFERRED INFLOWS OF RESOURCES	774,042
FUND BALANCE	
Restricted:	
Emergency reserves	30,225
Unassigned	1,706,421
Total fund balance	1,736,646
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 2,553,471
Net position of governmental activities	$ 1,736,646

These financial statements should be read only in connection with the accompanying notes to financial statements.

BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
Year Ended December 31, 2024

	General
REVENUE	
Property taxes	$ 756,835
Specific ownership taxes	111,778
Backfill taxes	50,579
Interest income	87,643
Miscellaneous revenue	643
Total revenues	1,007,478
EXPENDITURES	
General government:	
Audit	11,300
Accounting	52,957
County Treasurer's fees	28,694
Directors' fees	6,673
Legal fees	43,645
Management	277,668
Administrative office - remodel/replacement	44,251
Total expenditures	465,188
EXCESS OF REVENUE OVER EXPENDITURES	542,290
OTHER FINANCING SOURCES (USES)	
Transfers to other funds	(140,000)
Total other financing sources (uses)	(140,000)
NET CHANGE IN FUND BALANCE	402,290
FUND BALANCE - BEGINNING OF YEAR	1,334,356
FUND BALANCE - END OF YEAR	$ 1,736,646
Change in net position of governmental activities	$ 402,290

These financial statements should be read only in connection with
the accompanying notes to financial statements.

BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2024

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Budget Positive (Negative)
REVENUE				
Property taxes	$ 846,696	$ 772,141	$ 756,835	$ (15,306)
Specific ownership taxes	90,000	90,000	111,778	21,778
Backfill taxes	-	-	50,579	50,579
Interest income	31,700	31,700	87,643	55,943
Miscellaneous revenue	-	-	643	643
Total Revenue	968,396	893,841	1,007,478	113,637
EXPENDITURES				
General government:				
Audit	12,000	12,000	11,300	700
Accounting	43,000	43,000	52,957	(9,957)
County Treasurer's fees	26,000	26,000	28,694	(2,694)
Directors' fees	12,000	12,000	6,673	5,327
Legal fees	65,000	65,000	43,645	21,355
Management	330,000	330,000	277,668	52,332
Capital - Administrative office remodel/replacement	380,000	380,000	44,251	335,749
Total Expenditures	868,000	868,000	465,188	402,812
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	100,396	25,841	542,290	516,449
OTHER FINANCING SOURCES (USES)				
Emergency reserve	(14,640)	(14,640)	-	14,640
Transfers to other funds	-	-	(140,000)	(140,000)
Total other financing sources (uses)	(14,640)	(14,640)	(140,000)	(125,360)
NET CHANGE IN FUND BALANCE	85,756	11,201	402,290	391,089
FUND BALANCE - BEGINNING OF YEAR	1,316,104	1,316,104	1,334,356	18,252
FUND BALANCE - END OF YEAR	$ 1,401,860	$ 1,327,305	$ 1,736,646	$ 409,341

These financial statements should be read only in connection with the accompanying notes to financial statements.

BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2024

	Water and Sewer Enterprise Fund
ASSETS	
Cash and investments	$ 1,905,087
Cash and investments - restricted	232,316
Accounts receivable, net of allowance for uncollectibles	307,441
Accounts receivable - County Treasurer	4,321
Property taxes receivable	355,641
Prepaid expenses	14,994
Capital assets not being depreciated	696,899
Capital assets, net of accumulated depreciation	6,706,450
Total assets	10,223,149
DEFERRED OUTFLOWS OF RESOURCES	
Bond insurance	34,510
Pension related deferred outflow	320,725
OPEB related deferred outflow	16,740
Total deferred outflows of resources	371,975
LIABILITIES AND NET POSITION	
Current Liabilities	
Accounts payable	33,587
Accrued interest payable	14,854
Non-current liabilities:	
Long-term debt:	
Due within one year	257,983
Due in more than one year	5,012,121
Net OPEB liability	38,722
Net pension liability	589,711
Total liabilities	5,946,978
DEFERRED INFLOWS OF RESOURCES	
Deferred taxes receivable	355,641
Deferred amount on refunding	90,330
Pension related deferred inflow	2,940
OPEB related deferred inflow	16,421
Total deferred inflows of resources	465,332
NET POSITION	
Net investment in capital assets	2,133,245
Restricted	
Loan operating reserve requirement	232,316
Unrestricted	1,817,253
Total net position	$ 4,182,814

These financial statements should be read only in connection with the accompanying notes to financial statements.

BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
Year Ended December 31, 2024

	Water and Sewer Enterprise Fund
OPERATING REVENUE	
Water and sewer fees	$ 1,294,023
Availability of service fees	265,600
Miscellaneous revenue	33,846
Total operating revenue	1,593,469
OPERATING EXPENSES	
Depreciation	510,425
Insurance	41,472
Office expense	29,372
Operating expenses	23,158
Professional fees	24,081
Repair and maintenance	184,613
Salaries and benefits	430,311
Small tools and supplies	1,834
Testing	18,112
Utilities	100,068
Utility billing	21,708
Vehicle operations	24,059
Line extension	10,000
Water costs	20,475
Total operating expenses	1,439,688
OPERATING INCOME (LOSS)	153,781
NONOPERATING REVENUE (EXPENSE)	
Property and specific ownership taxes	388,020
Payment in lieu of taxes	32,852
Grant income	137,710
Sale of asset	10,000
Interest income	68,985
Interest and fiscal charges	(167,552)
Total nonoperating revenue (expense), net	470,015
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	623,796
CAPITAL CONTRIBUTIONS - TAP FEES	40,000
TRANSFERS IN	140,000
CHANGE IN NET POSITION	803,796
NET POSITION - BEGINNING OF YEAR	3,379,018
NET POSITION - END OF YEAR	$ 4,182,814

These financial statements should be read only in connection with the accompanying notes to financial statements.

BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended December 31, 2024

	Water and Sewer Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 1,606,463
Cash payments to suppliers for goods and services	(501,761)
Cash payments to employees for services	(430,311)
Net cash provided by operating activities	674,391
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Property and specific ownership taxes received	385,735
Tap fees received	40,000
Payment in lieu of taxes	32,852
Purchases of capital assets	(333,256)
Principal paid on debt	(235,847)
Sale of asset	10,000
Grant income	15,532
Interest and fiscal charges paid on debt	(189,369)
Net cash used in capital and related financing activities	(274,353)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	68,985
Net cash provided by investing activities	68,985
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	140,000
Net cash provided by noncapital financing activities	140,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	609,023
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,528,380
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,137,403

Continued

These financial statements should be read only in connection with
the accompanying notes to financial statements.

BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended December 31, 2024
(continued)

RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$	153,781
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation		510,425
Effects of changes in operating assets and liabilities:		
Accounts receivable		12,994
Prepaid expense/accrued expense		(13,349)
Accounts payable		10,540
Total adjustments		520,610
Net cash provided by operating activities	$	674,391

These financial statements should be read only in connection with the accompanying notes to financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

BACA GRANDE WATER AND SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

1. DEFINITION OF REPORTING ENTITY

Baca Grande Water and Sanitation District (the "District") is a quasi-municipal political subdivision of the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Saguache County, Colorado. The District was established on January 21, 1972 to provide water and sewer services within and outside of its boundaries.

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). A summary of the significant accounting policies used in the preparation of these financial statements follows.

The District has no component units for which either discrete or blended presentation is required. The inclusion or exclusion of component units is based on a determination of the elected officials' financial accountability to their constituents, and whether the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government (including its blended component units, which are in substance, part of the primary government) and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to fiscal dependency, imposition of will, legal standing, and the primary recipient of services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements — The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between *governmental* and *business-type* activities of the District. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities are financed to a significant extent by fees and charges.

The statement of net position reports all financial and capital resources of the District. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the

funds have been reversed for the statement of activities. *Program revenues* include 1) fees and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

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, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been 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 to be available when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The District considers property taxes as available if they are collected within 30 days after year-end. Property taxes are recognized as revenue in the fiscal period for which they are levied, providing the available criteria are met.

Those revenues susceptible to accrual are property taxes, interest revenue and charges for services. Specific ownership taxes collected and held by the county at year-end on behalf of the District are also recognized as revenue.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District reports the following major governmental fund:

General Fund – The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, the District reports the following major proprietary fund:

Water and Sewer Enterprise Fund – The enterprise fund is used to account for those operations financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The District has one enterprise fund- the Water and Sewer Enterprise Fund. The intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as programs revenues. Likewise, general revenues include all taxes.

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

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

Pooled Cash and Investments – The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Receivables — All receivables are reported net of allowance for uncollectible accounts of $30,240 at December 31, 2024.

Prepaid Expenses — 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.

Due To and From Other Funds — Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. In the fund financial statements, these receivables and payable are classified as "due from other funds" or "due to other funds". In the government-wide financial statements, all internal balances have been substantially eliminated.

Restricted Cash and Investments — The use of certain cash and investments of the District is restricted. These cash and investment items are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by debt agreements.

Investments – Investments are stated at fair value. Fair value is the amount the District can reasonably expect to receive to sell an investment in an orderly transaction between market participants.

Amortization of Bond Issue Premium – In the government-wide financial statements and proprietary fund types in the fund financial statements, bond premiums are reported as a component of noncurrent liabilities. Bond premiums are amortized over the life of the bonds using the straight line method which approximates the effective interest method. Accumulated amortization of bond premium totaled $158,521 at December 31, 2024.

Cost of Bond Refunding – In the government-wide financial statements and proprietary fund types in the fund financial statements, the deferred amount on bond refundings is being amortized over the life of the refunded bonds. The amortization amount is a component unit of interest expense and the unamortized deferred cost of $90,330 at December 31, 2024, is reflected as deferred inflows of financial resources.

Capital Assets — Capital assets, which include property, water plant, sewage treatment plant and collection systems, related improvements and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as those assets with an initial, individual cost of $5,000 or greater and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Assets are depreciated using the straight-line method over the following estimated useful lives:

Water plant and distribution systems	20-40 years
Sewage treatment plant and collection systems	20-40 years
Equipment	5-15 years

When depreciable property is acquired, depreciation is included in expense for the year of acquisition for the number of months during the year the asset was in service. When depreciable property is retired or otherwise disposed of, depreciation is included in expense for the number of months in service during the year of retirement and the related costs and accumulated depreciation are removed from the accounts with any gain or loss reflected in the statement of revenue, expenses and changes in fund net position.

Construction commitments-The District had no construction commitments at December 31, 2024.

Compensated absences— District employees earn paid time off at the rate of 160 to 200 hours per year, based on length of service, which is to be used for vacations, medical leave or personal time off. Employees are allowed to accrue up to 80 hours of unused paid time off at the end of each calendar year. Compensated absences are recorded as current salary cost when paid.

Contributed Capital – Tap fees are generally recorded as capital contributions when received.

Long-Term Liabilities — In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity — The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

Non-spendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted -This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Statement of Cash Flows — For purposes of the Statement of Cash Flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, government pools, and short-term investments with original maturities of three months or less from the date of acquisition, including restricted cash and cash equivalents.

Estimates — The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Changes in Pension Benefit Terms and Actuarial Assumptions –There were no changes in terms or assumptions for the December 31, 2024 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2021 measurement period are as follows:

- The projected benefit payments reflect the lowered annual increase cap from 1.25% to 1%, resulting from the 2020 AAP assessment, effective July 1, 2022.

- Assumptions on employer and employee contributions were updated to include the additional 0.50% resulting from the 2020 AAP assessment, effective July 1, 2022.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.

- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.

- Salary scale assumptions were revised to align with the 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 Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.

- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.

- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:

    - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

    - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

Changes in assumptions or other input effective for the December 31, 2019 measurement period are as follows:

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

Changes in assumptions or other inputs effective for the December 31, 2018 measurement period are as follows:

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%

Changes in assumptions or other inputs effective for the December 31, 2017 measurement period are as follows:

- The discount rate was lowered from 5.26% to 4.72%.

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- The investment return assumption was lowered from 7.50% to 7.25%.

- The price inflation assumption was lowered from 2.80% to 2.40%.

- The real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.

- The wage inflation assumption was lowered from 3.90% to 3.50%.

- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.

- The discount rate was lowered from 7.50% to 5.26%.

There were no changes in terms or assumptions for the December 31, 2015 measurement period for pension compared to the prior year.

There were no changes in terms or assumptions for the December 31, 2014 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2013 measurement period are as follows:

- The investment return assumption was lowered from 8.00% to 7.50%

- The price inflation assumption was lowered from 3.50% to 2.80%

- The wage inflation assumption was lowered from 4.25% to 3.90%

Subsequent Events — The District has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date of issuance of the financial statements.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Information — The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In the fall, the District Manager submits to the Board of Directors, a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted by the District to obtain taxpayer comments.

3. Prior to December 15, the budget is legally approved.

4. Any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

5. Formal budgetary integration is employed as a management control device during the year for the governmental and proprietary funds.

6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).

7. The budget for the Water and Sewer Enterprise Fund is prepared on a basis of accounting other than generally accepted accounting principles, which is normal for proprietary funds. The primary differences are that bond proceeds are treated as a budget source, capital expenditures and principal payments are treated as a budget use, and accrued unpaid interest and the amortization and depreciation expense are not budgeted.

8. Budgeted amounts are as originally adopted or amended.

9. All annual appropriations lapse at the end of the year.

Changes in OPEB Benefit Terms and Actuarial Assumptions - Changes in assumptions or other input effective for the December 31, 2022 measurement period are as follows:

- Per capital health costs were developed by plan option based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend.

- Health care cost trend rates were revised to reflect an expectation of future increases in rates of inflation.

There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.

- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.

- Salary scale assumptions were revised to align with the 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 Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.

- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.

- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:

    - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

    - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:

    - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.

    - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

There were no changes in assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB.

There were no changes in assumptions or other inputs effective for the December 31, 2018 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB.

4. DEPOSITS AND INVESTMENTS

The District's deposits and investments consist of the following at December 31, 2024:

	Deposits	Colotrust	Total
Cash and cash equivalents	$ 748,785	$ 2,896,316	$ 3,645,101
Restricted cash and cash equivalents	30,225	232,316	262,541
Total	$ 779,010	$ 3,128,632	$ 3,907,642

Reconciliation of cash and cash equivalents to the government-wide financial statements at December 31, 2024:

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 1,740,014	$ 1,905,087	$ 3,645,101
Restricted cash and cash equivalents	30,225	232,316	262,541
Total	$ 1,770,239	$ 2,137,403	$ 3,907,642

Deposits — The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2024, the carrying amount of the District's deposits including money markets were $779,010, the bank balances were $766,261. $300,000 of the District’s bank balances were covered by FDIC insurance and the remaining balances fall under the provision of the Colorado Public Deposit Protection Act which are collateralized in single institution pools.

Investments — The District is authorized by Colorado statutes to invest in the following:

- Obligations of the United States and certain U.S. government agencies' securities
- Certain international agencies' securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Certain commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposits
- Certain money market fund
- Guaranteed investment contracts

Fair Value Measurements – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest level to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest level to unobservable inputs (level) as follows:

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 - Observable inputs other than quoted market prices.

Level 3 - Valuation derived from valuation techniques in which significant inputs are observable.

Investments that are valued using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

	December 31, 2024
Investments measured at NAV:	
COLOTRUST Plus	$3,128,632
Total investments measured at NAV	$3,128,632

Fixed income securities classified in Level 2 of the fair value hierarchy are valued primarily using quoted prices in inactive markets, as well as other pricing methods using observable inputs.

Investments Measured at NAV:

Colorado Government Liquid Asset Trust (COLOTRUST) is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes by state statutes. A twelve-member Board of Trustees, elected by the fund participants, is responsible for overseeing the management of COLOTRUST, including establishing operating standards and policies. The District's investments are in COLOTRUST Plus. COLOTRUST Plus operates similarly to a money market fund and each share is equal in value to $1.00. Designated custodial banks provide safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. All securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes. COLOTRUST reports all investments as level 2 investments while the District's investment in COLOTRUST Plus is reported at NAV. The separate audited financial statements of COLOTRUST are available on their website at www.colotrust.com. The District has no unfunded commitments or redemption restrictions on their investments in COLOTRUST Plus.

Investments with maturities of less than 90 days are classified as cash and cash equivalents on the financial statements.

The District's investments are subject to interest rate risk and credit risk as described below:

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Credit Risk. State law limits investments to those described above. The District does not have an investment policy that would further limit its investment choices. As of December 31, 2024 the District's COLOTRUST Plus investment is rated AAAm by Standard & Poor's.

Restricted cash and investments

In accordance with the terms of the CWRPDA Loans (see Note 6) the District is required to maintain an operating reserve equal to three months of operation and maintenance expenses, excluding depreciation of the water and sewer systems, as set forth in the annual budget for the current fiscal year. As of December 31, 2024, the required operating reserve was $232,316, which met the requirement of the loan covenants. The District restricted $30,225 in compliance with State requirements for emergency reserves (Note 12). At December 31, 2024, the total amount restricted was $262,541.

5. CAPITAL ASSETS

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

	Balance at December 31, 2023	Additions	Disposals/ Reclassifications/ Retirements	Balance at December 31, 2024
Business-type activities:				
Capital assets, not being depreciated:				
Land, water rights, master plan	$ 240,134	$ 2,625	$ -	$ 242,759
Construction in process	244,847	209,293	-	454,140
Total capital assets, not being depreciated	484,981	211,918	-	696,899
Capital assets, being depreciated:				
Water plant and distribution system	8,820,296	10,898	-	8,831,194
Sewer plant and collection system	9,952,587	-	-	9,952,587
Machinery and equipment	634,957	110,440	-	745,397
Total capital assets being depreciated	19,407,840	121,338	-	19,529,178
Less accumulated depreciation for:				
Water plant and distribution system	5,921,765	202,471	-	6,124,236
Sewer plant and collection system	5,946,150	248,546	-	6,194,696
Machinery and equipment	444,388	59,408	-	503,796
Total accumulated depreciation	12,312,303	510,425	-	12,822,728
Total capital assets being depreciated, net	7,095,537	(389,087)	-	6,706,450
Total capital assets, net	$ 7,580,518	$ (177,169)	$ -	$ 7,403,349

Depreciation expense of $510,425 for the year ended December 31, 2024 was charged to the enterprise fund operations.

6. LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2024:

Business-Type Activities:	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Amounts Due Within One Year
General Obligation Bonds:					
2017 Bonds	$ 4,765,000	$ -	$ 150,000	$ 4,615,000	$ 155,000
Bond Issuance Premium	261,969	-	15,410	246,559	15,410
Total Bonds Payable	$ 5,026,969	$ -	$ 165,410	$ 4,861,559	$ 170,410
Direct Borrowing and Direct Placements:					
2009 CWR&PDA Loan	$ 494,392	$ -	$ 85,847	$ 408,545	$ 87,573
	$ 5,521,361	$ -	$ 251,257	$ 5,270,104	$ 257,983

Bonds payable

$5,305,000 General Obligation Refunding Bonds, Series 2017, dated December 29, 2017.

The District issued $5,305,000 in general obligation refunding bonds for the purpose of advance refunding the outstanding General Obligation refunding bonds issued in 2010. The 2010 Bonds consisted of a partial refund due to the balance of the 2010 Bonds that were non-callable. The unrefunded balance of the 2010 bonds was $250,000. In 2020, the 2010 Bonds were paid in full. Proceeds from the sale of the 2017 bonds were also used to provide funds to pay future bond interest and to pay the costs of issuance of the bonds.

The bonds interest rate ranges from 3% to 4% and are payable semiannually on each June 1 and December 1, commencing June 1, 2018.

The bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2027, and on any date thereafter, without redemption premium.

The bonds and interest are insured as to repayment by the District.

Loans payable

$1,483,750 Loan Agreement, Colorado Water Resources and Power Development Authority (CWRPDA), dated August 19, 2009

On August 19, 2009, the District entered into a loan agreement with CWRPDA for a maximum principal amount of $1,483,750. The loan proceeds were used for distribution system improvements, water main and meter replacements, and well improvements.

Payments of principal and interest are made semi-annually on June 1 and December 1, beginning December 1, 2010 through June 1, 2029. The loan bears interest at the rate of 2.0% per annum. The District has the option to repay the loan, in whole or in part, without penalty upon prior written notice of not less than 30 days to CWRPDA.

The 2009 loan agreement contains a restrictive covenant which requires the District to maintain a three-month operating reserve (see Note 4). At December 31, 2024, the District restricted $232,316 of fund balance in compliance with this covenant.

Remedies under the loan agreement, in the event of default of any covenant, includes legally available remedies as the lender may deem necessary or appropriate.

Debt Maturities

Debt maturities for the next five years and to maturity are as follows:

	Business Type Activities	
Year	Principal	Interest
2025	$ 242,573	$ 180,728
2026	254,333	174,318
2027	306,129	167,572
2028	317,960	159,290
2029	282,550	148,422
2030- 2034	1,385,000	587,350
2035 - 2039	1,805,000	309,600
2040	430,000	17,200
Total	$ 5,023,545	$ 1,744,480

Refunding

On December 29, 2017, the District partially refunded the Series 2010 General Obligation Bonds with the issuance of $5,305,000 of General Obligation Refunding Bonds, Series 2017 (with an average interest rate of 3.76%).

The District refunded the financial obligations to reduce its total debt service payments over the next 23 years by almost $670,521 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $485,744. The 2010 Bonds had a non-callable balance of $250,000 at the time of issuance.

In the government-wide statements, the District incurred a cost on bond refunding in the amount of $129,852, which has been deferred and is being amortized over the life of the 2017 bonds. At December 31, 2024, the remaining amount to be deferred was $90,330.

Debt authorization

On November 4, 2008 and May 4, 2010, a majority of qualified electors of the District authorized the issuance of indebtedness in amounts not to exceed $6,000,000 and $6,000,000, respectively, at interest rates not to exceed 8.5% per annum. The 2010 authorization was for the purpose of refunding previously issued bonds. At December 31, 2024, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes.

Purpose	Authorized in 2008 and 2010	Used by 2009 Bonds and Note	Used by 2010 and 2017 Bonds	Authorized But Unissued
Water Supply	$ 3,000,000	$ 2,039,234	$ 960,000	$ 766
Sanitary Sewer	3,000,000	2,549,516	450,000	484
Refunding	6,000,000	-	6,000,000	-
Total	$ 12,000,000	$ 4,588,750	$ 7,410,000	$ 1,250

7. NET POSITION

The District has net position consisting of three components: net investment in capital assets; restricted; and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, loans, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. As of December 31, 2024, the District had net investment in capital assets as follows:

Net investment in capital assets:	
Capital assets, not being depreciated	$ 696,899
Capital assets, being depreciated, net	6.706,450
Long-term liabilities due within one year	(257,983)
Long-term liabilities due in more than one year	(5,012,121)
Total net investment in capital assets	$ 2,133,245

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, net grantors, contributors, or laws or regulations of other governments or imposed by law through the constitutional provisions or enabling legislation. The purposes for the restrictions of net position are described in Note 4. As of December 31, 2024, the District had restricted net position as follows:

Restricted:	
Loan operating reserve requirement	$ 232,316
Emergency reserve (TABOR)	30,225
Total restricted net position	$ 262,541

As of December 31, 2024, the District had unrestricted net position of $3,523,674.

8. DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The District participates in the Local Government Division Trust Fund ("LGDTF"), a cost-sharing multiple employer defined benefit pension fund 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.

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the 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 ("CRS"), 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/investments/pera-financial-reports.

Benefits provided as of December 31, 2022. 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 in C.R.S ss 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 percent 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 1.00% 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 determined 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.

Contribution provisions as of December 31, 2023. Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S.ss 24-51-401, *et seq*. and ss 24-51-413. Employee contribution rates for the period January 1, 2023 through December 31, 2023 were 9%

The employer contribution requirements are summarized in the table below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023
Employer Contribution Rate 1	10.50%	11.00%	11.00%	11.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. ss 24-51-208(1)(f)-1	(1.02)%	(1.02)%	(1.02)%	(1.02)%
Amount Apportioned to the LGDTF-1	9.48%	9.98%	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. ss 24-51-411-1	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. ss 24-51-411-1	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S.ss 24-51-415	0.03%	0.03%	0.06%	0.06%
Total Employer Contribution Rate to the LGDTF-1	**13.21%**	**13.71%**	**13.74%**	**13.74%**

1. *Contribution rates for the LGDTF are expressed as a percentage of salary as defined in CRS ss 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 $72,414 for the year ended December 31, 2024.

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

The net pension liability for the LGDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The District's proportion of the net pension liability was based on District contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers.

At December 31, 2024, the District reported a liability of $589,711 for its proportionate share of the net pension liability.

At December 31, 2024, the District's proportion was 0.0588%, which was a increase of 0.001% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2024, the District recognized pension expense of $63,041. At December 31, 2024, 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	$ -	$ 2,940
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	238,983	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,328	-
Contributions subsequent to the measurement date	$ 72,414	$ 2,940
Total	$ 320,725	$ 2,940

$72,414 was 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, 2025. 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 June 30,	Amount
2024	$ (17,990)
2025	35,938
2026	88,125
2027	139,298
2028	-
Thereafter	-

Actuarial assumptions. The TPL in the December 31, 2021 actuarial valuation was determined using the following 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 - 11.30%
Long-term investment Rate of Return, Net of Pension Plan Investment Expenses, including Price Inflation	7.25%
Discount rate	7.25%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to January 1, 2007; and DPS Benefit Structure (Automatic)	1.00% Compounded Annually
PERA Benefit Structure hired after December 31, 2006; (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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.

The TPL for the LGDTF, 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 Department (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.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

*__Males__: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.

*__Females__: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon 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

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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 by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing 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, to be effective January 1, 2020. 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	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives - 1	6.00%	4.70%
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 TPL 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 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 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 the 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 from the initial FNP, 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 FNP 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.

Based on the above assumptions and methods, the LGDTF's FNP was projected to be available to make all projected future benefit payment 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 TPL. 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-pont 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	$989,976	$589,711	$254,623

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

9. DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB. 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 benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan Description
Eligible employees of the District are provided with OPEB through the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment 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, and 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 from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four divisions (State Division, School Division, Local Government Division and Judicial Division Trust Funds), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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 and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in PERACare is voluntary and is available to benefit recipients and their eligible dependents, 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 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 percent 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 District were $5,376 for the year ended December 31, 2023.

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

At December 31, 2024, the District reported a liability of $38,722 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the TOL to December 31, 2022. The District proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the District's proportion was 0.00474% which was an increase of 0.00025% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2024, the District recognized OPEB expense of $1,694. At December 31, 2024, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 5	$ 9,364
Changes in assumptions	622	4,274
Net difference between projected and actual earnings on OPEB Plan investments	2,365	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	8,372	2,783
Contributions subsequent to the measurement date	5,376	-
Total	$ 16,740	$ 16,421

$5,376 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended December 31, 2025. 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 June 30,	Amount
2024	$ (2,077)
2025	(2,773)
2026	(1,007)
2027	1,257
2028	(339)
Thereafter	(118)

Actuarial assumptions

The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Local Government Division
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% - 11.30%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	6.50% in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A Premiums	3.75% for 2023 gradually increasing t 4.50% in 2029

The TOL 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 Department (TriCounty 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.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 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 are 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)
65-69	3.00%	1.50%
70	2.90%	1.60%
71	1.60%	1.40%
72	1.40%	1.50%
73	1.50%	1.60%
74	1.50%	1.50%
75	1.50%	1.40%
76	1.50%	1.50%
77	1.50%	1.50%
78	1.50%	1.60%
79	1.50%	1.50%
80	1.40%	1.50%
81 and older	0.00%	0.00%

	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
Sample	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Age	Male	Female	Male	Female	Male	Female
65	$1,704	$1,450	$583	$496	$1,923	$1,634
70	$1,976	$1,561	$676	$534	$2,229	$1,761
75	$2,128	$1,681	$728	$575	$2,401	$1,896

	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
Sample	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Age	Male	Female	Male	Female	Male	Female
65	$6,514	$5,542	$4,227	$3,596	$6,752	$5,739
70	$7,553	$5,966	$4,901	$3,872	$7,826	$6,185
75	$8,134	$6,425	$5,278	$4,169	$8,433	$6,657

The 2022 Medicare Part A premium is $499 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. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.

- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon 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.

Disabled mortality assumptions for members were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

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

- Per capita health care costs in effect as of the December 31, 2021, 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 2022 plan year.

- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.

- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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.

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	54.00 %	5.60 %
Fixed Income	23.00	1.30
Private Equity	8.50	7.10
Real Estate	8.50	4.40
Alternatives	6.00	4.70
Total	100.00	

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%.

Sensitivity of the (Entity)'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	5.25%	6.25%	7.25%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	$ 37,626	$ 38,722	$ 39,915

Discount rate

The discount rate used to measure the TOL 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:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, 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 of dollars 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.

Based on the above assumptions and methods, the HCTF'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 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 one-percentage-point lower (6.25%) or one-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	$ 44,890	$ 38,722	$ 33,446

OPEB plan fiduciary net position: Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

10. INTERFUND AND OPERATING TRANSFERS

During 2024, there was a $140,000 transfer from the General Fund to the Enterprise Fund to fund capital outlay.

11. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for these risks of loss, including worker's compensation and employee health and accident insurance.

The District was a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2024. The Pool is an organization created by an intergovernmental agreement to provide property, liability, public official's liability, boiler and machinery and workers compensation coverage to its members. Settlements have not exceeded coverage during the past three fiscal years.

12. AMENDMENT TO COLORADO CONSTITUTION

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

Enterprises, defined as government-owned businesses authorize to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's Board of Directors has adopted a resolution establishing an enterprise to operate its water and sanitation activities. The District's management believes its water and sanitation operations qualify for this exclusion.

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.

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

The District believes, after consultation with legal counsel, it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of

the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise will require judicial interpretation.

On November 3, 1998, the voters approved a ballot which stated that the District is authorized to collect, retain and expend all revenues including grants and other funds collected during 1998 and each subsequent year from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution, effective January 1, 1998, provided, however that no property tax mill levy be increased at any time nor shall any new tax be imposed without prior approval of the voters. On November 4, 2008, the District electors approved a ballot question regarding a tax increase to pay for District operations, maintenance and other expenses.

REQUIRED SUPPLEMENTAL INFORMATION

BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Years Ended December 31,

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan Measurement Date	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
District's proportion of the Net Pension Liability (Asset)	0.058820000%	0.057757644%	0.052034846%	0.056903396%	0.055353211%	0.049548237%	0.049697251%	0.048496241%	0.057874904%	0.053415447%
District's proportionate share of the Net Pension Liability (Asset)	$ 589,711	$ (49,520)	$ 271,168	$ 416,186	$ 695,908	$ 551,685	$ 671,082	$ 534,225	$ 518,738	$ 439,567
State's Proportionate Share of the Net Pension Liability associated with the District	-	-	-	8,085,058	9,105,515	-	-	-	-	-
Total	$ 589,711	$ (49,520)	$ 271,168	$ 8,501,244	$ 9,801,423	$ 551,685	$ 671,082	$ 534,225	$ 518,738	$ 439,567
District's covered payroll	$ 481,258	$ 429,767	$ 364,426	$ 391,850	$ 363,058	$ 312,571	$ 301,230	$ 301,229	$ 317,241	$ 281,377
District's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	122.5%	-11.5%	74.4%	106.2%	191.7%	176.5%	222.8%	177.3%	163.5%	156.2%
Plan fiduciary net position as a percentage of the total pension liability	83.0%	101.5%	90.9%	86.3%	76.0%	79.4%	73.6%	76.9%	80.7%	80.7%

*The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2014 was not available.
**HB 20-1379 suspended the direct distribution scheduled for July 1, 2020 in fiscal year 2021.

BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF THE DISTRICT PENSION CONTRIBUTIONS

Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
DISTRICT CONTRIBUTIONS										
Contractually Required Contribution	$ 72,414	$ 64,823	$ 56,729	$ 47,499	$ 49,688	$ 46,036	$ 39,634	$ 38,196	$ 40,212	$ 36,135
Contributions in Relation to the Contractually Required Contribution	$ 72,414	$ 64,823	$ 56,729	$ 47,499	$ 49,688	$ 46,036	$ 39,634	$ 38,196	$ 40,212	$ 36,135
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 527,033	$ 481,258	$ 429,767	$ 364,426	$ 391,850	$ 363,058	$ 312,571	$ 301,230	$ 317,241	$ 284,976
Contributions as a Percentage of Covered Payroll	13.7%	13.5%	13.2%	13.0%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%

BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017
Plan Measurement Date	December 31,2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
District's proportion of the net OPEB liability	0.0047426000%	0.0044899181%	0.0039408275%	0.0043581174%	0.0042926535%	0.0038501306%	0.0038149637%
District's proportionate share of the net OPEB liability	$ 38,722	$ 38,717	$ 37,447	$ 48,985	$ 58,403	$ 50,036	$ 49,462
District's covered payroll	481,258	429,767	364,426	391,850	363,058	312,571	301,230
District's proportionate share of the net OPEB liability as a percentage of its covered	8.00%	9.01%	10.28%	12.50%	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	38.60%	38.57%	32.78%	24.49%	17.03%	17.53%	16.72%

*The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 not available.

BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTION
Last Ten Fiscal Years

	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Contractually Required Contribution	$ 5,375	$ 4,909	$ 4,384	$ 3,717	$ 3,997	$ 3,703	$ 3,188	$ 3,073
Contributions in Relation to the Contractually Required Contribution	5,375	4,909	4,384	3,717	3,997	3,703	3,188	3,073
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	527,033	481,256	429,767	364,426	391,850	363,058	312,571	301,230
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.00%	1.00%	1.00%	1.00%

These schedules are presented to show information for 10 years. Until information for the full 10 year period is available, information will be presented for the years information is available.

SUPPLEMENTAL INFORMATION

BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN
NET POSITION (NON-GAAP BUDGETARY BASIS)
WATER AND SEWER ENTERPRISE FUND
For the Year Ended December 31, 2024

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUE				
Water and sewer fees	$ 1,182,750	$ 1,182,750	$ 1,294,023	$ 111,273
Availability of service fees	275,055	275,055	265,600	(9,455)
Property and specific ownership taxes	421,022	386,767	388,020	1,253
Tap fees	20,000	20,000	40,000	20,000
Payments in lieu of taxes	14,000	14,000	32,852	18,852
Grant income	133,640	133,640	137,710	4,070
Interest income	16,385	16,385	68,985	52,600
Miscellaneous income	39,800	39,800	33,846	(5,954)
Sale of asset	-	-	10,000	10,000
Total Revenue	2,102,652	2,068,397	2,271,036	192,639
EXPENDITURES				
Operations:				
Insurance	40,000	40,000	41,472	(1,472)
Office expense	35,180	35,180	29,372	5,808
Operating expenses	38,050	38,050	23,158	14,892
Professional fees	25,000	25,000	24,081	919
Repair and maintenance	249,000	281,000	184,613	96,387
Salaries and benefits	490,200	490,200	430,311	59,889
Small tools and supplies	6,500	6,500	1,834	4,666
Testing	9,000	9,000	18,112	(9,112)
Utilities	114,300	114,300	100,068	14,232
Utility billing	20,000	20,000	21,708	(1,708)
Vehicle operations	50,000	50,000	24,059	25,941
Line extension	22,000	22,000	10,000	12,000
Water costs	30,000	30,000	20,475	9,525
Total Operations Expenditures	1,129,230	1,161,230	929,263	231,967
Debt service:				
Principal	235,847	235,847	235,847	-
Interest	186,953	186,953	186,192	761
Trustee, fiscal and paying agent fees	600	600	400	200
Capital outlay	463,640	463,640	333,257	130,383
Total Expenditures	2,016,270	2,048,270	1,684,959	363,311
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	86,382	20,127	586,077	555,950
OTHER FINANCING SOURCES (USES)				
Transfer from (to) other funds	-	-	140,000	140,000
Total other financing sources	-	-	140,000	140,000
EXCESS OF REVENUE OVER (UNDER) EXPENSES	86,382	20,127	726,077	695,950
FUNDS AVAILABLE - BEGINNING OF YEAR	1,662,554	1,662,554	2,105,423	442,869
FUNDS AVAILABLE - END OF YEAR	$ 1,748,936	$ 1,682,681	$ 2,831,500	$ 1,138,819

BACA GRANDE WATER AND SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUE, EXPENSES AND CHANGES IN NET POSITION - ENTERPRISE FUND
Year Ended December 31, 2024

Revenue (budgetary basis)	$	2,411,036
Revenue per Statement of Revenues, Expenses and Changes in Fund Net Position		2,411,036
Expenditures (budgetary basis)		1,684,959
Expenditures included in statement of revenues, expenses and changes in net position, but not included with expenditures on a budgetary basis:		
Depreciation		510,425
Expenditures included under budgetary basis, but not included in statement of revenues, expenses and changes in net position		
Capital outlay		(333,256)
Debt paid		(235,847)
Amortization included in interest expense		(19,041)
Operating and non-operating expenses per statement of revenues, expenses and changes in net position		1,607,240
Change in net position per statement of revenue, expenses and changes in net position	$	803,796

BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2024

Year Ended	$5,305,000 General Obligation Bonds, Series 2017 Principal Due on December 1 Interest Rate of 3% to 4% Payable on June 1 and December 1			$1,483,750 Colorado Water Resources and Power Development Authority Loan Principal and Interest Interest Rate of 2.00% Due June 1 and December 1		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2025	$ 155,000	$ 173,000	$ 328,000	$ 87,573	$ 7,728	$ 95,301
2026	165,000	168,350	333,350	89,333	5,968	95,301
2027	215,000	163,400	378,400	91,129	4,172	95,301
2028	225,000	156,950	381,950	92,960	2,340	95,300
2029	235,000	147,950	382,950	47,550	472	48,022
2030	250,000	138,550	388,550	-	-	-
2031	265,000	128,550	393,550	-	-	-
2032	275,000	117,950	392,950	-	-	-
2033	290,000	106,950	396,950	-	-	-
2034	305,000	95,350	400,350	-	-	-
2035	320,000	86,200	406,200	-	-	-
2036	330,000	76,600	406,600	-	-	-
2037	345,000	63,400	408,400	-	-	-
2038	395,000	49,600	444,600	-	-	-
2039	415,000	33,800	448,800	-	-	-
2040	430,000	17,200	447,200	-	-	-
	$ 4,615,000	$ 1,723,800	$ 6,338,800	$ 408,545	$ 20,680	$ 429,225

(continued)

BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2024
(continued)

Year Ended December 31,	Total		
	Principal	Interest	Total
2025	$ 242,573	$ 180,728	$ 423,301
2026	254,333	174,318	428,651
2027	306,129	167,572	473,701
2028	317,960	159,290	477,250
2029	282,550	148,422	430,972
2030	250,000	138,550	388,550
2031	265,000	128,550	393,550
2032	275,000	117,950	392,950
2033	290,000	106,950	396,950
2034	305,000	95,350	400,350
2035	320,000	86,200	406,200
2036	330,000	76,600	406,600
2037	345,000	63,400	408,400
2038	395,000	49,600	444,600
2039	415,000	33,800	448,800
2040	430,000	17,200	447,200
	$ 5,023,545	$ 1,744,480	$ 6,768,025

BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF ASSESSED VALUATION AND MILL LEVY CERTIFICATION

Years Ended December 31,

	2024* Certified	2023 Certified	2022 Certified	2021 Certified	2020 Certified	2019 Certified*	2018 Certified*	2018 Adopted	2017	2016
Assessed Valuation - Final	$ 20,868,771	$ 14,347,874	$ 14,667,703	$ 11,174,827	$ 11,220,407	$ 10,349,652	$ 10,135,580	$ 10,853,794	$ 11,885,632	$ 12,073,444
Mill Levy - Certified	54.000	54.000	54.000	54.000	54.000	54.000	54.000	54.000	54.000	54.000

**Final Assessed Valuation substantially less than Preliminary Assessed Valuation.*