

**SNAKE RIVER WATER DISTRICT**  
**SUMMIT COUNTY, TOWN OF KEYSTONE, COLORADO**  
**2024 ANNUAL REPORT**

Town of Keystone, Colorado  
*via Email*

County Clerk and Recorder  
Summit County, Colorado  
*via Email*

Office of the State Auditor  
1525 Sherman Street, 7th Floor  
Denver, Colorado 80203  
*via E-Filing Portal*

Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203  
*via E-Filing Portal*

Pursuant to Section 32-1-207(3)(c)(I), C.R.S., the **Snake River Water District** (the “**District**”) is required to submit an annual report for the preceding calendar year (the “**Report**”) no later than October 1 of each year to the Town of Keystone, Colorado, the Colorado Division of Local Government, the Colorado State Auditor, the Summit County Clerk and Recorder; the Report must also be posted on the District’s website, if available.

For the year ending December 31, 2023, the District makes the following report:

1. **Boundary changes made: NONE**
2. **Intergovernmental agreements entered into or terminated: NONE**
3. **Access information to obtain a copy of the Rules and Regulations:**  
[snakeriverwater.com](http://snakeriverwater.com)
4. **A summary of any litigation involving public improvements by the District:**  
**NONE**
5. **Status of the construction of public improvements by the District:**
  - Loveland Pass Village Pipeline Replacement – Construction began 8-1-24; temporary service lines installed; water mains have been replaced for about 80% of planned pipes; new curb stops installed for houses; two new hydrants installed; temporary service lines removed from most houses as service lines reconnected to new curb stops; road work is restored as mains are completed.
  - New Base 2 Storage Tank – The USFS has issued an Acceptance Letter for the selected site; environmental surveys have been submitted; awaiting

a formal decision; engineering firms are submitting proposals with limited scope for Basis of Design Report and 60% construction drawings; construction of rough access road and tank pad expected in 2025; final design of tank expected by spring of 2025; construction of tank expected in summer of 2026.

- Base 2 Treatment Plant Improvements – Engineering plans and specifications are being finalized for submittal to CDPHE; expecting to issue RFP by end of 2024; construction expected to begin in spring 2025 and complete in fall 2025.

6. **List of facilities or improvements constructed by the District that were conveyed to the [County][City][Town]: NONE**

7. **Final Assessed Value of Taxable Property within the District’s boundaries as of December 31, 2023:**

The 2023 total assessed value of taxable property within the boundaries of the District is \$288,303,580. (See below Certification of Valuation in Exhibit C)

8. **Current annual budget of the District:**

Attached as Exhibit A is a copy of the District’s Budget for the current fiscal year 2024.


9. **Most recently filed audited financial statements of the District. To the extent audited financial statements are required by state law or most recently filed audit exemption:**

Attached as Exhibit B is a copy of the District’s unaudited financial statements [audit exemption application] for fiscal year 2024.

10. **Notice of any uncured defaults existing for more than 90 days under any debt instrument of the District: NONE**

11. **The District’s inability to pay any financial obligations as they come due under any obligation which continues beyond a ninety-day period: NONE**

Respectfully submitted this 30th day of September, 2024.

By  Signed by:  
*Scott Price*  
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**Scott Price,**  
**Executive Director for Snake River Water District**

**EXHIBIT A**

2024 Budget

**PUBLIC HEARING TO REVIEW AND ADOPT THE 2024 BUDGET FOR  
THE SNAKE RIVER WATER DISTRICT**

October 13, 2023

Board of Directors  
Snake River Water District  
P.O. Box 2595  
Dillon, Colorado 80435

Dear Board:

It is my pleasure to submit the proposed Snake River Water District budget for 2024.

This budget message is prepared in accordance with state statutes and highlights important aspects of the proposed budget for 2024. I am including this letter and attachments for formal adoption of the 2024 Snake River Water District Budget in the Board packet for the regular meeting on November 14, 2023 at 4:00 p.m.

**OVERALL ASSESSMENT**

The Snake River Water District continues its history of successful financial management, and the proposed 2024 budget reflects a **net operating income of \$487,773** (after contingency).

Relative to the approved 2023 budget, the proposed 2024 budget shows a 12% increase in operating revenue and a 9% increase in operating expenses (before contingency). Relative to projected 2023 year-end levels, the proposed 2024 budget includes a 10% increase in operating revenue and a 6% increase in operating expense (before contingency).

The 2024 Change in Net Position is budgeted for an increase of \$1,280,418. The primary reasons for this significant improvement are \$487,773 in Operating Income, \$920,000 in Non-Operating Revenue, and a zero P&L impact of \$4,013,694 capital system improvements. The system improvements will consume cash, but the resulting new assets will be added to the balance sheet; thus, removing the expenditures from the P&L. The District has approved an increase in the Water User Fees of 12% for next year. The increase is part of the approval for the Master Plan and associated rate study financial analysis, and the increases are expected to pay for expected expenses for new infrastructure and replacing components of the aging distribution system.

Comparing this year's budget to next year's budget, most operating costs will be similar, although an inflation rate of 5% has been applied to account for the expected increase in normal expenses.

Regarding capital expenses for system improvements, the District successfully completed the construction of the new Base 2 to Base 3 Pump Station and replacing the Schoolmarm Transmission Line. Both projects were on budget. In 2024, the largest expenditures are budgeted for the new Base 2 Storage Tank. It is anticipated that specifications and construction plans for the tank will be complete in the spring of 2024. The road access construction and new transmission line are budgeted for 2024, and the new tank will be constructed in 2025. All work on the Storage Tank will be dependent on final approval for the special use permit from the US Forest Service.

Tap fees and Interest Income for 2023 are projected to be \$1,445,000, which is 602% above budget. The budget for Tap Fees in 2024 is \$300,000 based on anticipated developments planned and an increase in the Tap Fee per EQR from \$8,500 to \$12,000 beginning January 1, 2024. The budget for Interest Income is \$585,000 based on the current yield at ColoTrust and the estimated cash monthly balances.

## **OPERATING REVENUE AND EXPENSE**

In 2023, actual Operating Income is projected to be \$535,153 as compared to a budget of \$394,820. This better-than-expected result is primarily the result of not needing the \$129,884 Operating Contingency.

In 2024, Operating Income is budgeted at \$487,773. This decrease from 2023 projections would generally result from \$144,799 for Operating Contingency and \$100,000 budgeted for unknown PFAS expenditures related to the recent EPA detection of unregulated contaminants at the Base 3 Water Plant.

Operating Revenue for 2024 is budgeted to be \$1,709,000 which is 12% above the 2023 budget, simply based on the rate increase to fund the Master Plan. Operating Expenses (not including contingency) for 2024 are budgeted to be \$1,285,616 which is 9% above the 2023 budget and 6% above the 2023 projected actual. The largest percentage increase in operating expenses for 2024 versus 2023's budget are Lab Testing Expenses based on unknown expectations from the EPA and CDPHE regarding new regulations. Operating Contingency for 2024 is budgeted at \$144,799 which was calculated as 20% of Operating Expenses other than the Operations and Administrative contracts (fixed amounts).

## **NON-OPERATING REVENUE AND EXPENSE**

Non-Operating Revenue for 2024 is budgeted to be \$920,000 and is 236% higher than the 2023 budget of \$273,990. Investment Income is budgeted to be \$585,000 because the District has approximately \$12 million in cash reserves earning an annual yield of about 5%. Even with reductions to the cash reserves to pay for \$4 million in capital projects next year, the Investment Income is expected to be the highest in SRWD history.

In 2024, the expected Contribution of Assets is \$122,163. Contribution of Assets, while considered a benefit for the District's financial accounting, does not provide cash to the District because it measures the increase in the asset base that occurs when the District assumes ownership and repair obligations of new water lines.

Non-Operating Expenses for 2024 are budgeted at \$4,141,069. These expenses are comprised of \$127,375 in Interest Expense from the current \$3 million capital improvement loan and \$4,013,694 for capital projects. Construction of the Loveland Pass Village pipeline replacements, beginning the new Storage Tank project, Base 2 Water Plant improvements, hydrant replacements, well improvements, and engineering 2025 pipeline replacements are all included in the 2024 budget.

### **SNAKE RIVER WATER DISTRICT CASH PROJECTIONS**

The total of all the District's funds on January 1, 2024 was \$12,445,699 and is projected to be \$11,548,941 on January 1, 2024; also, the total at the end of 2024 is projected to be \$8,112,712.

In each of these balances \$1,500,000 is allocated for Emergency Reserves and approximately \$250,000 is maintained for daily operations; thus, the amount available for capital investment is \$1,750,000 less than funds in asset accounts.

### **BOARD APPROVAL**

As District Administrator, I respectfully request the Board consider, discuss, revise, and approve the draft budget presented. The November 14<sup>th</sup>, 2023 Board meeting will have resolutions presented to adopt the budget, appropriate funds, and set the mill levy. Please contact me if you have any questions regarding any aspect of this proposed budget.

Respectfully Submitted,

*Scott Price*

Scott Price  
Administrator- Executive Director  
P.O. Box 2595  
Dillon, CO 80435  
Phone 970-468-0328  
Email [executivedirector@snakeriverwater.com](mailto:executivedirector@snakeriverwater.com)

SNAKE RIVER WATER DISTRICT 2024 Operations and Administrative Budget							
	12/31/2021 (audited)	12/31/2022 (audited)	2023 Budget (approved)	2023 Actual (projection)	2024 Budget (proposed)	2024 Proposed % of 2023 Projection	2024 Proposed % of 2023 Approved
<b>OPERATING REVENUE</b>							
Water User Fees	1,340,385	1,528,741	1,702,400	1,719,928	1,906,688	111%	112%
Connection Fees	14,220	13,386	5,000	21,300	10,000	47%	200%
Temporary Water	433	1,005	1,600	1,800	1,500	83%	94%
<b>TOTAL OPERATING REVENUE</b>	<b>1,355,038</b>	<b>1,543,132</b>	<b>1,709,000</b>	<b>1,743,028</b>	<b>1,918,188</b>	<b>110%</b>	<b>112%</b>
<b>OPERATING EXPENSE</b>							
Operations Contract	253,167	264,560	277,788	277,788	291,677	105%	105%
Lab Testing	20,584	7,284	15,000	16,000	20,000	125%	133%
Chemicals/Chlorine	25,647	31,264	33,000	35,000	36,750	105%	111%
Maint Parts/Materials	170,667	97,379	200,000	210,000	220,500	105%	110%
O&M Engineering	4,606	20,982	2,500	2,000	2,000	100%	80%
GIS Engineering-Ops	1,230	-	5,000	4,500	5,000	111%	100%
Utilities	93,848	103,109	120,000	115,000	120,750	105%	101%
811 Notification System	565	681	1,000	900	1,000	111%	100%
<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<b>570,314</b>	<b>525,259</b>	<b>654,288</b>	<b>661,188</b>	<b>697,677</b>	<b>106%</b>	<b>107%</b>
Admin Contract	210,304	244,848	257,090	257,090	269,944	105%	105%
Audit Fees	8,500	9,314	9,765	11,966	12,564	105%	129%
Insurance	48,617	52,304	55,000	45,000	47,250	105%	86%
Legal -- General	11,155	6,750	12,600	12,000	12,600	105%	100%
Legal Fees -- Water Rights	2,762	25,019	25,000	23,000	24,150	105%	97%
Board Expenses	5,156	6,172	8,000	7,500	8,000	107%	100%
Master Plan Expenses	27,861	46,396	50,000	33,000	34,650	105%	69%
PFAS Expenses	-	-	-	50,000	100,000	200%	
AWIA Compliance Expenses	36,375	-	-	-	-		
Rate Increase Expenses	24,508	-	-	-	-		
Misc Expenses	2,272	3,490	4,200	4,000	4,200	105%	100%
Ofc/Tele/Postage/Bank	10,286	11,154	11,025	11,800	12,390	105%	112%
Election	-	72	100	82	100	122%	100%
Computer Support & Hardware	12,705	16,805	75,000	70,000	40,000	57%	53%
Windy Gap Water Fee	1,250	1,250	1,250	1,250	1,250	100%	100%
Forest Service Lease	7,518	15,070	7,854	8,000	8,240	103%	105%
Water Rights Engineering	11,031	7,838	13,125	12,000	12,600	105%	96%
<b>TOTAL GENERAL AND ADMINISTRATION</b>	<b>420,299</b>	<b>446,482</b>	<b>530,009</b>	<b>546,688</b>	<b>587,939</b>	<b>108%</b>	<b>111%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>990,613</b>	<b>971,741</b>	<b>1,184,296</b>	<b>1,207,876</b>	<b>1,285,616</b>	<b>106%</b>	<b>109%</b>
Operating contingency	-	-	129,884	-	144,799		111%
<b>OPERATING INCOME</b>	<b>364,426</b>	<b>571,391</b>	<b>394,820</b>	<b>535,153</b>	<b>487,773</b>	<b>91%</b>	<b>124%</b>
<b>NON-OPERATING REVENUE</b>							
Investment Income	3,237	133,006	40,000	545,000	585,000	107%	1463%
Lease Revenue	31,546	35,436	33,990	34,000	35,020	103%	103%
Tap Fees	449,580	2,180,307	200,000	900,000	300,000	33%	150%
Development Review Fees	18,270	-	-	-	-		
<b>TOTAL NON-OPERATING REVENUES</b>	<b>502,633</b>	<b>2,348,749</b>	<b>273,990</b>	<b>1,479,000</b>	<b>920,020</b>	<b>62%</b>	<b>336%</b>
less Interest Expense for Capital Projects Loan		(67,500)		(131,802)	(127,375)		
less total SYSTEM IMPROVEMENTS	(126,128)	(1,339,082)	(2,794,700)	(2,665,000)	(4,013,694)	151%	144%
plus Capitalized System Improvements	126,128	1,339,082	2,794,700	2,665,000	4,013,694		144%
<b>CHANGE IN NET POSITION BEFORE NON-CASH ITEMS</b>	<b>867,059</b>	<b>2,852,640</b>	<b>668,810</b>	<b>1,882,351</b>	<b>1,280,418</b>		<b>191%</b>
<b>NON-CASH ACCOUNTS</b>							
Depreciation Expense	569,426	572,731	700,000	650,000	750,000	115%	107%
Contribution of Assets	464,300	-	100,000	245,994	122,163	50%	122%
<b>CHANGE IN NET POSITION AFTER NON-CASH ITEMS</b>	<b>761,932</b>	<b>2,279,908</b>	<b>68,810</b>	<b>1,478,345</b>	<b>652,581</b>		
<b>SYSTEM IMPROVEMENTS</b>							
New Base II Tank	-	41,628	678,000	100,000	2,176,950		
Base III Pump Station	54,673	-	-	-	-		
Engineering & Design	71,456	79,056	-	-	-		
Base 3 to Base 2 Pump Station	-	763,723	-	575,000	-		
Base 2 GWUDI	-	62,362	-	-	-		
Pipeline Replacements	-	116,547	1,736,700	1,700,000	148,044		
Hydrant Replacements	-	-	165,000	190,000	200,000		
Well improvements	-	275,767	115,000	-	125,000		
Base 2 Treatment (chlorine, soda ash)	-	-	100,000	50,000	300,000		
Loveland Pass Village (Rasor Dr.)	-	-	-	50,000	1,063,700		
	-	4-	-	-	-		



**SNAKE RIVER WATER DISTRICT  
SUMMIT COUNTY, COLORADO**

**RESOLUTION #3-2023  
RESOLUTION TO ADOPT THE 2024 DISTRICT BUDGET**

**A RESOLUTION TO SUMMARIZE EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPT A BUDGET FOR THE SNAKE RIVER WATER DISTRICT, SUMMIT COUNTY, COLORADO, FOR THE DISTRICT FISCAL YEAR WHICH IS REFLECTED IN THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024 AND ENDING ON THE FINAL DAY OF DECEMBER 2024.**

**WHEREAS**, the Board of Directors of the Snake River Water District has appointed Scott Price, District Administrator, to prepare and submit a proposed budget to the governing body of the District at the proper time, and;

**WHEREAS**, upon due and proper notice, published in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, with an opportunity for review, and a public hearing was subsequently held on November 14, 2023, and interested electors were given the opportunity to state, file or otherwise register any objections to the proposed budget, and;

**WHEREAS**, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law, and;

**WHEREAS**, notwithstanding any operating loss and negative change in net position, the District has sufficient reserves and liquidity to meet all its obligations on a timely basis.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the *SNAKE RIVER WATER DISTRICT*, Summit County, Colorado:

SECTION 1. That the estimated expenditures for 2024, including contingencies, are as follows:

Operations and Administrative Expenditures	\$1,557,790
<u>Capital/System Improvements</u>	<u>\$4,013,694</u>
Total Expenditures	\$5,571,484

SECTION 2. That the estimated revenues for 2024 are as follows:

Total Operating Revenue	\$1,918,188
Non-Operating Revenue	\$969,448
<u>General Property Tax</u>	<u>\$0</u>
Total Revenue	\$2,887,636

SECTION 3. That the emergency reserve account is as follows:

Carryover from Previous Years	\$1,500,000
<u>Transfers into or out of the Emergency Reserve Account</u>	<u>\$0</u>
Total Projected Emergency Reserves on 12-31-24	\$1,500,000

SECTION 4. That projected capital/system improvement expenditures for 2024 are \$4,013,694.

SECTION 5. That total funds (checking and savings) for the District are as follows for 2024:

Beginning Balance	\$11,548,941
Estimated Net Revenue	-\$2,733,276
<u>Estimated Capital Expenditures Funded by Debt</u>	<u>\$ 0</u>
Estimated Total Cash and Securities	\$8,815,665

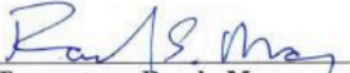
SECTION 6. That the total funds on 12-31-24 without restriction are as follows:


Total Estimated Cash and Securities	\$8,815,665
Less:	
2024 Estimated Year End Emergency Reserve Balance	\$1,500,000
<u>2024 Estimated Year End Capital System Improvement Balance</u>	<u>\$5,193,526</u>
Estimated 12-31-24 Total Funds Without Restriction	\$2,122,139

SNAKE RIVER WATER DISTRICT, Summit County, Colorado.

ADOPTED this 14th day of November 2023.

  
\_\_\_\_\_  
President – William Bergman

  
\_\_\_\_\_  
Treasurer – Randy May

  
\_\_\_\_\_  
Secretary – Char Bloom

**SNAKE RIVER WATER DISTRICT  
SUMMIT COUNTY, COLORADO**

**RESOLUTION #4-2023  
RESOLUTION TO APPROPRIATE SUMS OF MONEY  
FOR THE 2024 BUDGET**

**A RESOLUTION TO APPROPRIATE SUMS OF MONEY IN THE AMOUNTS AND FOR THE PURPOSES AS SET FORTH BELOW, FOR *THE SNAKE RIVER WATER DISTRICT*, SUMMIT COUNTY, COLORADO, FOR THE 2024 BUDGET YEAR.**

**WHEREAS**, the Board of Directors of the *Snake River Water District* has, after consideration of all evidence and testimony, adopted the annual budget in accordance with Division of Local Government regulations, the relevant statutes of the State of Colorado, and the Rules, Regulations, and Bylaws of the District, at a public hearing dated November 14th, 2023, and;

**WHEREAS**, it is not only required by law, but also necessary to appropriate the revenues provided for in the budget to and for the purposes described below, so as not to impair the operations of the District.


**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE *SNAKE RIVER WATER DISTRICT*, SUMMIT COUNTY, COLORADO:**

SECTION 1. That the following sums are hereby appropriated from the revenue of the Snake River Water District Fund for the purposes stated:

Operations and Administrative Expenditures	\$1,557,790
Capital/System Improvements	\$4,013,694
Total Expenditures	\$5,571,484

*ADOPTED this 14th day of November 2023.*

  
President – William Bergman

  
Treasurer – Randy May

  
Secretary – Char Bloom

**SNAKE RIVER WATER DISTRICT  
SUMMIT COUNTY, COLORADO**

**RESOLUTION #5-2023  
RESOLUTION TO SET THE MILL LEVY FOR 2024**

**A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE SNAKE RIVER WATER DISTRICT, SUMMIT COUNTY, COLORADO, FOR THE 2024 BUDGET YEAR.**

**WHEREAS**, on November 14, 2023, at a regularly scheduled public meeting of the Board of Directors of the *Snake River Water District* (“*Board*”), the Board reviewed and adopted the annual budget for the Snake River Water District (“*District*”) in accordance with Colorado Division of Local Government regulations and the required applicable statutes under Colorado law, including without limitation the Colorado Local Government Budget Act, CRS Sec. 29-1-101, et. seq. of the State of Colorado, and;

**WHEREAS**, the amount of money necessary to balance the budget for payment of general obligation bonds and interest is \$ 0.00, and;

**WHEREAS**, the current year’s Gross Total Taxable assessed valuation for the *Snake River Water District* as certified by the County Assessor is \$203,207,760.


**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the *SNAKE RIVER WATER DISTRICT*, Summit County, Colorado:


**SECTION 1.** That for the purpose of meeting general obligation bonds and interest of the *Snake River Water District* during the 2024 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the *Snake River Water District* for the year of 2024. This remains the same as the previous year.

**SECTION 2.** That Scott Price, District Administrator, is hereby authorized and directed to certify to the Board of County Commissioners of Summit County, Colorado, the mill levy for the *Snake River Water District* as herein determined.

*ADOPTED this 14th day of November 2023.*

  
\_\_\_\_\_  
President – William Bergman

  
\_\_\_\_\_  
Treasurer – Randy May

  
\_\_\_\_\_  
Secretary – Char Bloom

**EXHIBIT B**

2023 Audit

**SNAKE RIVER WATER DISTRICT  
DILLON, COLORADO**

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**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS'  
REPORT**

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**DECEMBER 31, 2023**



**Crady, Puca & Associates**  
*Certified Public Accountants & Consultants*

**SNAKE RIVER WATER DISTRICT  
DILLON, COLORADO**

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## Crady, Puca & Associates

Certified Public Accountants & Consultants

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
of the Snake River Water District  
Dillon, Colorado

#### Opinions

We have audited the accompanying financial statements of the business-type activities of the Snake River Water District as of and for the year ended December 31, 2023, and related notes to the financial statements, which collectively comprise Snake River Water 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 business-type activities of Snake River Water District as of December 31, 2023, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Snake River Water 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 Snake River Water 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.

#### **Report on Summarized Comparative Information**

We have previously audited the District's December 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 9, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### **Required Supplementary Information**

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

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis), page 16 and the Reconciliation of Budgetary Basis to Statement of Revenues, Expenses and Changes in Net Position, page 17, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Crady, Puca & Associates*

Aurora, Colorado  
May 14, 2024

## ***Management's Discussion and Analysis*** **2023**

This Management's Discussion and Analysis (MD&A) for the Snake River Water District provides readers with an overview of the District's financial status and performance for the fiscal year ended December 31, 2023.

This MD&A includes the following sections:

- I. Financial Highlights
- II. Overview of Financial Statements
- III. Condensed Comparative Data
- IV. Overall Financial Analysis
- V. Analysis of Budget Variations
- VI. Capital Assets
- VII. Discussion of Currently Known Facts, Decisions or Conditions of Future Significance
- VIII. Additional Financial Information

In reviewing this MD&A, please note that Sections II, III and IV are all interrelated. Section II provides an outline of the purpose of each financial statement; Section III provides the basic data for each statement and Section IV provides discussion on each financial component presented in Section III.

## **I. Financial Highlights**

The Snake River Water District is well-positioned to face a financial future of growing operations and major system improvements. Many of these improvements are constructing new assets needed in the distribution system, and some are repairs and replacements of aging physical assets. The District's Master Plan has driven large projects to be completed in the past two years, and the highest priority components were successfully finished. Construction costs continue to increase faster than government reported inflation rates, but the District is managing the challenging environment well. The next highest priority projects are underway with engineering and design, necessary governmental approvals, and contractor solicitation. The water user fee and tap fee increases are helping the District fund the capital improvements while paying for higher maintenance costs.

Management and the SRWD Board of Directors use financial projections for the annual budget which follow economic trends. Budgets are prepared with projected capital improvements and maintenance outlay for the year. Funds not utilized by December 31<sup>st</sup> are retained in cash & investments for future capital projects.

Some of the more notable indicators of the District's financial health include:

1. At the end of 2023, the District's Total Net Position increased, over the prior year, by \$1,738,685 bringing the District's Total Net Position to \$31,825,746.
2. The District had an Operating Income before Depreciation of \$584,672.
3. The Total Current Assets were \$12,275,282.
4. The Total Assets increased by \$1,534,443.
5. The Total Liabilities decreased by \$204,242.

## **II. Overview of the Financial Statements**

The Financial Statements of the District utilize the accrual basis of accounting and conform to accounting principles that are generally accepted in the United States of America. All of these statements pertain to the District's only fund which is a Proprietary Fund.

*Statement of Net Position* includes statistics on the District's assets and liabilities and delineates information about the nature and amounts of investments placed in resources (assets) and the obligations to the District's creditors (liabilities).

*Statement of Revenues, Expenses and Changes in Net Position* identifies the District's income and expenses for the years ended December 31, 2023 and 2022. This statement provides information on the District's operations over the past two fiscal years and can be used to determine whether the District has recovered all of its actual costs through user fees and other revenues.

### III. CONDENSED COMPARATIVE DATA

#### STATEMENT OF NET POSITION

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
<b>Assets</b>			
Current Assets	\$ 12,275,282	\$ 12,498,508	\$ (223,226)
Capital Assets, net	22,623,564	20,832,319	1,791,245
Other Assets	10,939	44,515	(33,576)
<b>Total Assets</b>	<u>34,909,785</u>	<u>33,375,342</u>	<u>1,534,443</u>
<b>Liabilities</b>			
Current Liabilities	285,508	355,931	(70,423)
Noncurrent Liabilities	2,754,016	2,855,705	(101,689)
Deferred Inflows	44,515	76,645	(32,130)
<b>Total Liabilities</b>	<u>3,084,039</u>	<u>3,288,281</u>	<u>(204,242)</u>
<b>Net Position</b>			
Invested in Capital Assets	19,767,859	19,755,549	12,310
Restricted	22,325	1,886,158	(1,863,833)
Unrestricted	12,035,562	8,445,354	3,590,208
<b>Total Net Position</b>	<u>\$ 31,825,746</u>	<u>\$ 30,087,061</u>	<u>\$ 1,738,685</u>

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
<b>Operating Revenues</b>	\$ 1,745,129	\$ 1,543,132	\$ 201,997
Less: Operating Expenses	1,160,457	971,741	188,716
Less: Depreciation	610,422	572,731	37,691
<b>Net Income (loss) from Operations</b>	<u>(25,750)</u>	<u>(1,340)</u>	<u>(24,410)</u>
Non-operating Revenues (expenses)	1,658,535	2,281,248	(622,713)
Capital Contributions	<u>105,900</u>	<u>-</u>	<u>105,900</u>
<b>Increase in Net Position</b>	1,738,685	2,279,908	(541,223)
<b>Net Position, Beginning of Year</b>	<u>30,087,061</u>	<u>27,807,153</u>	<u>2,279,908</u>
<b>Net Position, End of Year</b>	<u>\$ 31,825,746</u>	<u>\$ 30,087,061</u>	<u>\$ 1,738,685</u>

## **IV. Overall Financial Analysis**

### *Assets*

Current assets of the District are principally cash, short-term deposits, and investments. Current assets decreased from \$12,498,508 in 2022 to \$12,275,282 in 2023. This decrease of \$223,226 is largely attributable to system investments into completed capital projects reflected by an increase of \$1,791,245 in total net capital assets. There were \$105,900 in capital contributions from water main extension projects in 2023. The depreciation expense for 2023 was \$610,422.

The District's overall assets increased from \$33,375,342 in 2022 to \$34,909,785 in 2023.

### *Liabilities*

Total liabilities, including deferred inflows, decreased from \$3,288,281 in 2022 to \$3,084,039. The decrease of \$204,242 is mostly due to the reduction of the balance of the District's capital improvements loan. Additionally, the total of accounts payable, accrued expenses, and retainage payable decreased \$53,976 from 2022.

### *Revenue*

Total operating revenue for fiscal year 2023 increased by \$201,997 to \$1,745,129 from \$1,543,132 in 2022 due to growth in District EQRs and an increase in water user fee rates. Non-operating revenue received by the District decreased by \$622,713 in 2023 with the District receiving \$1,658,535 in non-operating revenue in 2023 compared to \$2,281,248 in 2022. This decrease in non-operating revenue is principally attributable to a \$1,028,242 decrease in tap fees from \$2,180,307 in 2022 to \$1,152,065 in 2023. However, the decrease was offset by a significant increase in investment income of \$471,113 due to higher interest rates.

### *Expenses*

Total operating expenses for the District were \$1,160,457 in 2023 which is an increase from \$971,741 in 2022. The \$188,716 increase included \$156,499 in higher maintenance costs.

### *Increase in Net Position*

The increase in the District's net position in 2023 was \$1,738,685 bringing the District's total net position as of December 31, 2023 to \$31,825,746.

## V. Analysis of Budgetary Variations

The following analysis compares the final audited numbers with the District budget as approved by the Board of Directors. Refer to the schedule on page 16 of the audit. Significant variations between what was approved by the Board and what was realized are discussed below:

1. The single largest variance from budget for 2023 was the System Investment/Tap Fee account. The actual revenue was \$1,152,065 which was \$952,065 above budget. The budget was conservative because development projects are unpredictable, and the Board thought it was prudent to not assume any new large projects would be permitted.
2. The next largest variance in terms of budget was for the Investment Income account. The actual revenue was \$604,118 which was \$564,118 above budget. The budget was conservative because interest rates were expected to decrease from actions by the Federal Reserve. The interest earned at the District's Colo Trust account was over 5%, and the balance remained high.
3. The next largest variance in terms of budget was for the Capital Outlay/System Improvements account. The actual expense was \$2,401,665 which was \$393,035 below budget. The budget was anticipating more work to be completed on the New Base 2 Storage Tank, Well Improvements, and the Base 2 Water Treatment Plant projects. Fortunately, the Schoolmarm Pipe Replacement project was completed under budget by \$278,378. The Base 3 to Base 2 Pump Station project was budgeted to be completed in 2022; thus, no funds were budgeted in 2023, but the project took longer than expected and incurred \$540,092 in expenses in 2023.
4. The next largest variance in terms of budget was for the Interest Expense account. The actual expense was \$131,802 because none was budgeted.
5. The next largest variance in terms of budget was for the Operational Contingency account. The actual expense was \$0 which was \$130,193 below budget.
6. The next largest variance in terms of budget was for the Computer Support/Software account. The actual expense was \$13,556 which was \$61,444 below budget. Two of the primary software systems that the District uses were planned for replacement in 2023, but the projects were not completed, so most of the replacement costs will be incurred in 2024 upon full implementation.
7. The next largest variance in terms of budget was for the Maintenance, Parts, and Materials account. The actual expenses were \$253,878 which was \$53,878 above budget. There were significant leaks in the aging water mains, including over \$115,000 for leaks in Loveland Pass Village and the Mountain House area.



## VI. Capital Assets

The District addresses asset replacement funding and reports on the funds available during the budget process. The Board, in adopting the budget for 2023, approved Fund Projections for 2023. Highlights of these projections relating to capital included:

- i) \$2,794,700 to be spent on major capital improvements in 2023, primarily the highest priorities defined in the Master Plan.
- ii) \$1,500,000 being held in the emergency reserve account.
- iii) \$3,761,583 estimated as the 2023 year-end balance to fund future capital/system improvements.

The District's total net capital assets as of December 31, 2023 were \$22,623,564 and were \$20,832,319 in 2022, which is an increase of \$1,791,245. Construction in Progress assets at the end of 2023 were \$191,566.

The District's total depreciable capital assets as of December 31, 2023 were \$24,865,023 and were \$21,648,919 in 2022, an increase of \$3,216,104. The District's accumulated depreciation increased from \$9,483,153 in 2022 to \$10,093,575 in 2023.

	<b>2023</b>	<b>2022</b>	<b>Increase (Decrease)</b>
Collection, storage and distribution system	\$ 19,953,442	\$ 16,737,338	\$ 3,216,104
Buildings and improvements	4,666,419	4,666,419	-
General equipment	68,694	68,694	-
Computer software and equipment	176,468	176,468	-
	<u>24,865,023</u>	<u>21,648,919</u>	<u>3,216,104</u>
Less: accumulated depreciation	<u>(10,093,575)</u>	<u>(9,483,153)</u>	<u>610,422</u>
Net depreciable capital assets	14,771,448	12,165,766	2,605,682
Land and water rights	7,660,550	7,660,550	-
Construction in Progress	<u>191,566</u>	<u>1,006,003</u>	<u>(814,437)</u>
	-	-	-
Net capital assets	<u>\$ 22,623,564</u>	<u>\$ 20,832,319</u>	<u>\$ 1,791,245</u>

## **VII. Discussion of Currently Known Facts, Decisions or Conditions of Future Significance**

The District is strategically investing in system improvements as specified by the District's Master Plan. Two of the highest priority capital improvement projects were completed under their respective project budgets in 2023:

- The new Base 3 to Base 2 Pumping Station
- The Schoolmarm Transmission Line

The completion of these projects allows the District to focus on the engineering, approval, and construction of the remaining Master Plan projects such as the new Base 2 Storage Tank. This project is expected to begin construction in the summer of 2024 and have \$2,176,950 in expenses, while the remaining construction in 2025 will be at an estimated cost of \$6 million. The District is finalizing the site selection with the US Forest Service and establishing an agreement for a special use permit similar to the other storage tanks owned by the District. Environmental and cultural studies have been conducted and meet all USFS requirements. Once a permit is issued, the process of building road access and pipeline installation can begin. The actual tank construction is not anticipated to begin until 2025.

Funding the Master Plan has been a challenge, and significant decisions were made in 2023 that altered the financial model. Originally, the financial analysis and rate study conducted by FCS had inflation rate assumptions and loan rates that were much lower than the reality of 2023. Additionally, the congressional passing of the bipartisan infrastructure law fundamentally modified the terms and conditions of State Revolving Fund loans such that the requirements of using the loan would increase the cost of construction for the District by 30-40%. The District searched for alternative funding options. The updated capital investment plan was the basis for a new cash flow analysis which used various funding sources for comparison. It was decided that a bond offering would be the best option to fund the remaining projects in the Master Plan. In March of 2024, the District successfully completed the sale of bonds with proceeds of approximately \$29 million to cover the \$26 million in planned system improvements plus repay the existing \$3 million loan. The interest rate on the bonds ranges from 4-5% with annual payments of interest and principal due through 2044. The bond proceeds will be used to pay for the capital projects.

During the spring of 2023, the District began sampling and testing for PFAS contaminants in its treated water per the EPA's Unregulated Contaminant Monitoring Rule (UCMR) program. PFAS was detected in the District's water supply above the health advisory level of four parts per trillion. Public notifications were provided to District constituents, and the District partnered with the Colorado Department of Public Health and Environment. It is important to understand there is not an immediate public health risk related to drinking tap water from the District. These chemicals are currently regulated by the EPA under new rules passed in 2024. The District is not in a unique position, as unfortunately PFAS are being found in water supplies across the country as sampling efforts continue. Based on the CDPHE's guidance, the District has completed additional testing to confirm the results, analyze individual wells for contamination, and begin the process of conducting a feasibility study to evaluate removal methods. The new regulations will give the District five years for remediation. Cost estimates will be based on the feasibility study.

## **VIII. Additional Financial Information**

This financial report is designed to provide the District's customers, investors, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have any questions regarding the information included in this Management's Discussion and Analysis report, please contact:

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Administrator/Executive Director  
Snake River Water District  
P.O. Box 2595  
Dillon, CO 80435  
(970) 468-0328  
[executivedirector@snakeriverwater.com](mailto:executivedirector@snakeriverwater.com).

Please visit [www.snakeriverwater.com](http://www.snakeriverwater.com) for budget and financial postings, as well as scheduled meeting dates.

**SNAKE RIVER WATER DISTRICT**

**Statement of Net Position**

**December 31, 2023**

**(With Summarized Financial Information as of December 31, 2022)**

	<u>2023</u>	<u>2022</u>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 12,200,044	\$ 10,569,501
Restricted cash	-	1,876,198
Accounts receivable	15,568	20,679
Prepaid expenses	26,094	-
Lease receivable, current portion	33,576	32,130
Total current assets	<u>12,275,282</u>	<u>12,498,508</u>
Noncurrent assets:		
Capital assets:		
Capital assets, not being depreciated	7,852,116	8,666,553
Capital assets, being depreciated, net	14,771,448	12,165,766
	<u>22,623,564</u>	<u>20,832,319</u>
Lease receivable	10,939	44,515
Total noncurrent assets	<u>22,634,503</u>	<u>20,876,834</u>
<b>Total assets</b>	<u>34,909,785</u>	<u>33,375,342</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	151,534	205,510
Plan review deposits	32,285	53,158
Note payable, current portion	101,689	97,263
Total current liabilities	<u>285,508</u>	<u>355,931</u>
Noncurrent liabilities:		
Note payable	<u>2,754,016</u>	<u>2,855,705</u>
Total noncurrent liabilities	<u>2,754,016</u>	<u>2,855,705</u>
<b>Total liabilities</b>	<u>3,039,524</u>	<u>3,211,636</u>
<b>Deferred Inflows of Resources:</b>		
Deferred inflow - Leases	<u>44,515</u>	<u>76,645</u>
<b>NET POSITION</b>		
Net investment in capital assets	19,767,859	19,755,549
Restricted	22,325	1,886,158
Unrestricted	12,035,562	8,445,354
<b>Total net position</b>	<u>\$ 31,825,746</u>	<u>\$ 30,087,061</u>

**SNAKE RIVER WATER DISTRICT**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended December 31, 2023**  
**(With Summarized Financial Information for the Year Ended December 31, 2022)**

	<u>2023</u>	<u>2022</u>
<b>Operating revenues:</b>		
Water fees	\$ 1,745,129	\$ 1,543,132
Total operating revenues	<u>1,745,129</u>	<u>1,543,132</u>
<b>Operating expenses:</b>		
Operations and maintenance:		
Water treatment contract	286,254	264,560
Repairs and maintenance	253,878	97,379
Utilities	104,394	103,109
Chemicals, lab fees and supplies	82,189	38,548
Engineering and design	2,156	20,982
811 Notification System	1,020	681
Total operations and maintenance	<u>729,891</u>	<u>525,259</u>
General and administration:		
Administration contract	264,925	244,848
Audit fees	11,966	9,314
Master Plan expenses	35,239	46,396
Computer support	13,556	16,806
Water rights engineering	2,722	7,837
Insurance	42,437	52,304
Legal fees	30,084	31,769
Forest Service and water rights leases	9,597	16,320
Office supplies and expense	10,978	11,154
Election expense	82	72.00
Miscellaneous	1,644	3,490
Board expenses	7,336	6,172
Total general and administration	<u>430,566</u>	<u>446,482</u>
Total operating expenses	<u>1,160,457</u>	<u>971,741</u>
Operating income before depreciation	584,672	571,391
Depreciation	610,422	572,731
<b>Operating loss</b>	<u>(25,750)</u>	<u>(1,340)</u>
<b>Non-operating revenues (expenses):</b>		
Investment income	604,118	133,005
System investment fees	1,152,065	2,180,307
Lease revenue	34,154	35,436
Interest expense	(131,802)	(67,500)
Total non-operating revenues (expenses)	<u>1,658,535</u>	<u>2,281,248</u>
<b>Income before capital contributions</b>	1,632,785	2,279,908
Capital contributions of assets	105,900	-
<b>Change in net position</b>	1,738,685	2,279,908
Net position, beginning of year	<u>30,087,061</u>	<u>27,807,153</u>
<b>Net position, end of year</b>	<u>\$ 31,825,746</u>	<u>\$ 30,087,061</u>

**SNAKE RIVER WATER DISTRICT****Statement of Cash Flows****For the Year Ended December 31, 2023****(With Summarized Financial Information for the Year Ended December 31, 2022)**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 1,750,240	\$ 1,538,169
Cash paid to suppliers of goods and services	(1,184,570)	(965,485)
Net cash provided by operating activities	<u>565,670</u>	<u>572,684</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(2,351,723)	(1,193,259)
Proceeds from installment note payable	-	3,000,000
Principal paid on installment note payable	(97,263)	(47,032)
Interest paid on installment note payable	(131,802)	(67,500)
System investment fees	1,152,065	2,180,307
Net cash provided by (used in) capital and related financing activities	<u>(1,428,723)</u>	<u>3,872,516</u>
<b>Cash flows from non-capital financing activities:</b>		
Other non-operating revenues	<u>13,280</u>	<u>84,995</u>
<b>Cash flows from investing activities:</b>		
Fair value adjustment on investments	-	(18,014)
Interest on cash and investments	<u>604,118</u>	<u>151,019</u>
Net cash provided by investing activities	<u>604,118</u>	<u>133,005</u>
Net increase (decrease) in cash and cash equivalents	(245,655)	4,663,200
Cash and cash equivalents, beginning of year	<u>12,445,699</u>	<u>7,782,499</u>
Cash and cash equivalents, end of year	<u>\$ 12,200,044</u>	<u>\$ 12,445,699</u>
<b>Reconciliation of operating loss to net cash provided by operations</b>		
Operating loss	<u>\$ (25,750)</u>	<u>\$ (1,340)</u>
<b>Adjustments to reconcile operating (loss) to net cash provided by operating activities:</b>		
Depreciation expense	610,422	572,731
(Increase) decrease in:		
Accounts receivable	5,111	(4,963)
Prepaid expenses	(26,094)	-
(Decrease) increase in:		
Accounts payable	<u>1,981</u>	<u>6,256</u>
Total adjustments	<u>591,420</u>	<u>574,024</u>
Net cash provided by operating activities	<u>\$ 565,670</u>	<u>\$ 572,684</u>
<b>Noncash capital activities:</b>		
Contributions of assets	\$ 105,900	\$ -
Capital assets acquired with accounts payable	\$ 110,959	\$ 145,823
<b>Noncash non-capital financing activities:</b>		
Lease receivable	\$ -	\$ 110,318
Deferred Inflow	\$ -	\$ 110,318

**SNAKE RIVER WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023**

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**1. Summary of Significant Accounting Policies**

The accounting and reporting policies of the Snake River Water District, Dillon, Colorado, (the District), conform to accounting principles generally accepted in the United States of America (US GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies consistently applied in the preparation of the accompanying financial statements.

**Reporting Entity**

The District is a statutory, single-purpose, Special District governed by a seven-member Board of Directors pursuant to provisions of the Colorado Special District Act, C.R.S. Title 32. Qualified electors in the District elect the members of the Board. As required by US GAAP, these financial statements present the activities of the District which is legally separate and financially independent of other state and local governments.

The District provides domestic and fire protection water for its service area, which is located in the Keystone Base Area of Summit County, Colorado. The boundaries of the District include portions of T5S R76W with portions of Section 13, 14, 18, 19, 20, 22, 23, and 24. These are further defined by the Snake River Water District Boundary Map dated January 5, 2007.

The District complies with GASB accounting pronouncements which provide guidance for defining and reporting on the financial reporting entity. It defines component units as legally separate entities for which the elected officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

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

The District has no employees, and all operations and administrative functions are contracted.

In November 2012, the District's Board passed a resolution recognizing the District as a "water activity enterprise" under Article X, Section 20 of the Colorado Constitution.

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

The District's financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. Enterprise funds are used by governments to report any activity for which a fee is charged to external users for goods or services.

**SNAKE RIVER WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023**

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

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

The District's water is provided on a metered rate to its users.

The District distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations, the delivery of water. Operating expenses for the District include costs of sales and services, operating expenses, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition, including system investment (tap) fees, investment income, and interest expense 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 use restricted resources first, then use unrestricted resources as they are needed.

**Assets, Liabilities and Net Position**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the District considers all highly liquid investments with original maturities of three months or less, and which are not held as part of an investment portfolio, to be cash equivalents. In addition, restricted cash is included in cash and cash equivalents in the statement of cash flows.

**Investments**

Certain investments are reported at fair value and are classified as current or non-current based on their maturity date. Investments held in the local government investment pool are reported at net asset value as allowed under US GAAP.

**Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its investments within the fair value hierarchy established by US GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of December 31, 2023, the District did not hold any investments required to be reported under fair value.

**Receivables**

Accounts receivable consists primarily of Water User Fees earned as of December 31, 2023. The District considers all receivables collectible as of December 31, 2023; therefore, no allowance has been recorded.



**SNAKE RIVER WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023**

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

**Assets, Liabilities and Net Position (continued)**

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

**Capital Assets**

Capital assets include land, water rights, construction in progress, buildings and improvements, water collection, storage and distribution system, general equipment, computer software and equipment. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. Capital expenditures for projects are capitalized as constructed.

Capital assets, excluding land, water rights and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Collection, storage, and distribution system	10-50
Buildings and improvements	10-40
General equipment	5-10
Computer software and equipment	5-10

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In the current year, the District did not have any items in this reporting category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as inflow of resources (revenue) until that time frame. The District has one item that qualifies for reporting in this category, *deferred inflow - leases*. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Leases**

The District is a lessor of three noncancellable leases of portions of a maintenance building. The District recognizes a lease receivable and a deferred inflow of resources in the statement of net position. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term.

**SNAKE RIVER WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023**

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

**Assets, Liabilities and Net Position (continued)**

**Leases (continued)**

Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate, 4.5%, as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

**Net Position**

The District classifies net position into three components:

- Net position invested in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consists of assets that are restricted by the District's creditors, by state enabling legislation, by grantors (both federal and state), and by other contributors.
- Unrestricted net position – all remaining items of net position are reported in this category.

**Estimates**

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

**SNAKE RIVER WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023**

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

**Assets, Liabilities and Net Position (continued)**

**Comparative Data**

The financial statements contain certain prior year summarized comparative information. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

**Reclassifications**

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. Reclassifications made in the prior year have no impact on total net position or in change in net position.

**Recently Adopted Accounting Standards**

In 2023, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which requires a government to recognize a right to use subscription asset – an intangible asset – and a corresponding subscription liability in the statement of net position and disclose key information about SBITAs. As a result of implementing GASB No. 96, the District recognized prepaid items of \$26,094 related to the implementation stage expenses of subscription assets not yet in service in its statement of net position as of December 31, 2023. The adoption did not result in a significant effect on amounts reported in the statement of revenues, expenses and changes in net position for the year ended December 31, 2023.

**2. Stewardship, Compliance and Accountability**

**Budgetary Information**

The District's budget is adopted on a basis consistent with US GAAP with the following exceptions: capital outlays are treated as expenses for budget purposes and the budget excludes gain/loss on asset disposals. State law requires the District to adopt annual appropriated budgets for all funds.

The District conforms to the following procedures, in compliance with Colorado Revised Statutes, in establishing the budgetary data reflected in the financial statements:

Prior to October 15 of each year, the District Administrator (not an elected official) submits a proposed operating budget for the fiscal year commencing the following January 1 to the Board of Directors (elected officials). The operating budget, for the fund, includes proposed expenses and the means of financing them.

**SNAKE RIVER WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023**

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

**Budgetary Information (continued)**

After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopts the proposed budget and an appropriating resolution, which legally appropriates expenditures for the upcoming year.

The budget and appropriating resolution are adopted prior to December 31.

After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated revenues in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient. The budget is only amended in conformity with Colorado Revised Statutes which allows the District to amend the budget and adopt a supplementary appropriation if money for a specific purpose, other than ad valorem taxes, becomes available to meet a contingency.

**Tax, Spending and Debt Limitations**

Article X, Section 20, of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, and revenue and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's "fiscal year spending" adjusted for allowable increases based upon inflation and local growth. "Fiscal year spending" is generally defined as expenditures plus reserve increase with certain exceptions. Revenue in excess of the "fiscal year spending" limit must be refunded unless the voters approve retention of such revenue.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

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 emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District has reserved a portion of its December 31, 2023 year-end net position for emergencies as required under TABOR of \$22,325, which is the approximate required reserve as of December 31, 2023.

The District's management believes it is in compliance with the provisions of TABOR, as it is currently understood. However, TABOR is complex and subject to interpretation. Many of the provisions may not become fully understood without judicial review.

**SNAKE RIVER WATER DISTRICT  
Notes to Financial Statements  
December 31, 2023**

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**3. Detailed Notes Concerning the Fund**

**Deposits and Investments**

Deposits and investments are classified in the accompanying financial statements as follows as of December 31, 2023:

Cash and cash equivalents	\$ 12,200,044
Total	\$ <u>12,200,044</u>

The following is a summary of deposits and investments held by the District at December 31, 2023:

<u>Type</u>	<u>Rating per Standard &amp; Poor</u>	<u>Rating per Fitch</u>	<u>Total as of December 31, 2023</u>
Deposits with financial institutions	n/a	n/a	\$ 76,724
Money market funds	Unrated	Unrated	1,224
COLOTRUST PLUS+	AAAm		12,122,096
Total			\$ <u>12,200,044</u>

**Deposits**

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. 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 equal to 102% of the aggregate uninsured deposits.

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

**Investments**

As of December 31, 2023, the District had invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), a local government investment vehicle established for local governmental entities in Colorado to pool surplus funds. COLOTRUST offers three investment options, one of which is COLOTRUST PLUS+. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner.

**SNAKE RIVER WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023**

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**3. Detailed Notes Concerning the Fund (continued)**

**Investments (continued)**

COLOTRUST PLUS+ may invest in U.S Treasury bills and notes and repurchase agreements collateralized by U.S Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, collateralized bank deposits, and certain repurchase agreements, and limits its investments to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments.

COLOTRUST PLUS+ records its investments at fair value and the District records its investment in COLOTRUST PLUS+ using the net asset value method. COLOTRUST PLUS+ purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. There are no unfunded commitments and there is no redemption notice period. The weighted average maturity is 60 days or less.

**Custodial Credit Risk:** As of December 31, 2023, all of the District's deposits and investments were insured by the Federal Deposit Insurance Corporation or held in eligible public depositories as required by PDPA.

**Interest Rate Risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The District limits its investments to those with lower risk for market fluctuations. In addition, the District's investment policy limits investment maturities to five years or less.

**Credit Risk:** Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. As of December 1, 2014, the District adopted a formal investment policy, which is more restrictive than the Colorado Revised Statutes, that specifies investment instruments meeting defined rating and risk criteria in which the District may invest. The allowed investment instruments may include but are not limited to:

- Obligations of the U.S. and certain U.S. government agencies securities
- Certain money market funds
- Certain certificates of deposit
- Local government investment pools

**SNAKE RIVER WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023**

**3. Detailed Notes Concerning the Fund (continued)**

**Capital Assets**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land and water rights	\$ 7,660,550	\$ --	\$ --	\$ 7,660,550
Construction in progress	1,006,003	2,137,270	(2,951,707)	191,566
Total capital assets, not being depreciated	<u>8,666,553</u>	<u>2,137,270</u>	<u>(2,951,707)</u>	<u>7,852,116</u>
Capital assets being depreciated:				
Collection, storage and distribution system	16,737,338	3,216,104	--	19,953,442
Buildings and improvements	4,666,419	--	--	4,666,419
General equipment	68,694	--	--	68,694
Computer software and equipment	176,468	--	--	176,468
	<u>21,648,919</u>	<u>3,216,104</u>	<u>--</u>	<u>24,865,023</u>
Less accumulated depreciation for:				
Collection, storage and distribution system	(8,499,154)	(478,857)	--	(8,978,001)
Buildings and improvements	(774,725)	(119,753)	--	(894,478)
General equipment	(65,282)	(3,412)	--	(68,694)
Computer software and equipment	(143,992)	(8,400)	--	(152,392)
	<u>(9,483,153)</u>	<u>(610,422)</u>	<u>--</u>	<u>(10,093,575)</u>
Total capital assets being depreciated, net	<u>12,165,766</u>	<u>2,605,682</u>	<u>--</u>	<u>14,771,448</u>
<b>Total capital assets, net</b>	<b>\$ <u>20,832,319</u></b>	<b>\$ <u>4,742,952</u></b>	<b>\$ <u>(2,951,707)</u></b>	<b>\$ <u>22,623,564</u></b>

**Lease Receivable**

The District leases space in its maintenance building under three non-cancellable leases, all of which have 5-year terms. The lessees pay a minimum monthly rent plus maintenance reserves, which increases by CPI each year. The details of each lease as of December 31, 2023, are as follows:

<u>Lease</u>	<u>Monthly Payment</u>	<u>Lease Receivable</u>	<u>Deferred Inflow</u>
Keystone Neighborhood	\$ 1,266	\$ 16,855	\$ 16,855
VR - Bathrooms	462	11,186	11,186
VR - Food & Beverage	1,237	16,474	16,474
	<u>\$ 2,965</u>	<u>\$ 44,515</u>	<u>\$ 44,515</u>
Less: short-term portion		(33,576)	
Long-term portion	\$	<u>10,939</u>	

**SNAKE RIVER WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023**

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**3. Detailed Notes Concerning the Fund (continued)**

**Long-Term Obligations**

Changes in long-term obligations for the year ended December 31, 2023, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Direct borrowing:</b>					
2022 Installment agreement	\$ 2,952,968	\$ --	\$ (97,263)	\$ 2,855,705	\$ 101,689
Total long-term debt	<u>\$ 2,952,968</u>	<u>\$ --</u>	<u>\$ (97,263)</u>	<u>\$ 2,855,705</u>	<u>\$ 101,689</u>

***Direct borrowing:***

On June 14, 2022, the District entered into a Master Installment Purchase Agreement (“2022 IPA”) for \$3,000,000 with Holman Capital to finance capital projects. The 2022 IPA was assigned from Holman Capital to Fresno First Bank, which is the Escrow Agent. The 2022 IPA matures June 14, 2042, and bears interest of 4.5%. Principal and interest are payable semiannually on each June 14 and December 14, beginning December 14, 2022. Pledged revenue consists of net water system revenues. Net water system revenues equal water system revenues less operations and maintenance expenses. In addition, the District irrevocably grants a first priority and perfected lien in the 2022 project proceeds deposited into the Escrow account until they are used. As of December 31, 2023, all project proceeds have been drawn down by the District.

To comply with the debt covenants, the District must collect and produce water system revenues sufficient to provide net water system revenues equal to 125% of the installment payments due each year.

Events of default as defined in the 2022 IPA include (1) failure to pay any installment payment at the time specified, (2) default by the District in performance or observance of any covenants in the 2022 IPA or the resolution and such default continues for thirty days after written notice specifying such default and requiring remedy, and (3) any violation of applicable law, regulation, statute or ordinance to the District or the water system that could lead to a breach of the first two items listed. Remedies available in the event of default include suit, action, or special proceedings.



**SNAKE RIVER WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023**

**3. Detailed Notes Concerning the Fund (continued)**

**Long-Term Obligations (continued)**

The following is a summary of the annual long-term debt principal and interest requirements for the 2022 IPA:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 101,689	\$ 127,375	\$ 229,064
2025	106,316	122,748	229,064
2026	111,154	117,910	229,064
2027	116,213	112,851	229,064
2028	121,501	107,563	229,064
2029-2033	695,647	449,674	1,145,321
2034-2038	869,005	276,316	1,145,321
2039-2042	734,180	67,545	801,725
<b>Total</b>	<b>\$ 2,855,705</b>	<b>\$ 1,381,982</b>	<b>\$ 4,237,687</b>

**Net Position**

A Capital Asset Acquisition study was completed by management in 2005 to analyze 20-year historical asset acquisitions and plan for future acquisitions. At that time, the District had established an asset replacement and reserve policy. In 2016, this policy was further clarified by Board resolution by establishing the Emergency Reserve Account which designated \$1,500,000 in unrestricted net position to be set aside for large, unanticipated repairs to the District's infrastructure. As of December 31, 2023, the Emergency Reserve Account remains at \$1,500,000.

In 2015, the Board designated \$5,192,216 for capital improvements. The capital improvements reserve will be increased annually by net operating and non-operating income before depreciation expense and will be decreased by capital outlay costs. As of December 31, 2023, the designated portion of unrestricted net position related to this capital improvements reserve was \$6,801,356.

In addition, the District established a maintenance reserve for building improvements for the building the District leases (see note 3 for a description of the leases). As of December 31, 2023, the designated portion of unrestricted net position related to this maintenance reserve was \$35,398.

**4. Related parties**

During 2018, the District hired RS May & Associates as its construction manager for the Base III Treatment Plant project. RS May & Associates is owned by Randy May who is a member of the Board of Directors. During the year ended December 31, 2023, the District incurred \$115,960 in project management fees, of which \$4,030 is payable at yearend and included in accounts payable.

**SNAKE RIVER WATER DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023**

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**5. Other Information**

**Contractual Services Agreements**

The District is obligated under an agreement with an outside party for the maintenance, repair, and general operations of its facilities to include wells, pumping and plant equipment, water and service lines, and controls. The agreement automatically renews for successive one-year terms. However, either party may terminate this agreement, for any reason, with ninety days' written notice to the other party. For the year ended December 31, 2023, the District incurred \$286,254 in compliance with the terms of this agreement.

The District is obligated under an agreement with an outside party to provide administrative and executive services to the District. The agreement automatically renews for successive one-year terms. However, either party may terminate this agreement, for any reason, with ninety days' written notice to the other party. For the year ended December 31, 2023, the District incurred \$264,925 in compliance with the terms of this agreement.

**Revenue Concentration**

Vail Resorts, Inc. operates the Keystone resort and ski area. Properties owned and managed by them are estimated to represent approximately 45% of the water fees collected by the District during 2023.

**Risk Management**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; and natural disasters for which the District carries commercial insurance.

The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the Pool) which is sponsored by the Special District Association of Colorado. 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. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for property, general liability, and public official's liability coverage. The District's management services contractors, Water Works West, LLC and Quality Water Management, Inc. (formerly Mountain Legacy Services, LLC), carry worker's compensation on all their employees. Members of the Pool may be required to make additional surplus contributions in the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool. Any excess funds, which the Pool determines are not needed for purposes of the Pool, may be returned to the members pursuant to a distribution formula. No distributions were made during the year ended December 31, 2023.

**6. Subsequent Event**

In March 2024, the District issued water revenue refunding and improvement bonds of \$27,675,000 to finance capital improvements and refinance its installment purchase agreement. Bond proceeds also included a bond premium of approximately \$1,850,000. The bonds bear a variable interest rate ranging from 4.0-5.0%. The bonds mature March 1, 2044.

**SUPPLEMENTARY INFORMATION**

**SNAKE RIVER WATER DISTRICT**  
**Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)**  
**For the Year Ended December 31, 2023**

	Original & Final Budget	Actual	Variance With Final
<b>Revenues:</b>			
Water fees	\$ 1,709,000	\$ 1,745,129	\$ 36,129
Investment income	40,000	604,118	564,118
System investment fees	200,000	1,152,065	952,065
Lease revenue	33,990	34,154	164
<b>Total Revenues</b>	<u>1,982,990</u>	<u>3,535,466</u>	<u>1,552,476</u>
<b>Expenditures:</b>			
Operations and maintenance:			
Water treatment contract	286,254	286,254	-
Repairs and maintenance	200,000	253,878	(53,878)
Utilities	120,000	104,394	15,606
Chemicals, lab fees and supplies	48,000	82,189	(34,189)
Engineering and design	7,500	2,156	5,344
811 Notification System	1,000	1,020	(20)
<b>Total operations and maintenance</b>	<u>662,754</u>	<u>729,891</u>	<u>(67,137)</u>
General and administration:			
Administration contract	264,925	264,925	-
Audit fees	10,063	11,966	(1,903)
Master Plan Expenses	50,000	35,239	14,761
Computer support	75,000	13,556	61,444
Water rights engineering	13,525	2,722	10,803
Insurance	55,000	42,437	12,563
Legal fees	37,984	30,084	7,900
Forest Service and water rights leases	9,104	9,597	(493)
Office supplies and expense	11,361	10,978	383
Election expense	100	82	18
Miscellaneous	4,328	1,644	2,684
Board expenses	8,000	7,336	664
<b>Total general and administration</b>	<u>539,390</u>	<u>430,566</u>	<u>108,824</u>
Contingency	130,193	-	130,193
Interest expense	-	131,802	(131,802)
Capital outlay	2,794,700	2,401,665	393,035
<b>Total Expenditures</b>	<u>4,127,037</u>	<u>3,693,924</u>	<u>433,113</u>
<b>Revenues over (under) expenditures</b>	<u>\$ (2,144,047)</u>	<u>\$ (158,458)</u>	<u>\$ 1,985,589</u>

**SNAKE RIVER WATER DISTRICT**  
**Reconciliation of Budgetary Basis to Statement of Revenues, Expenses and Changes**  
**in Net Position**  
**For the Year Ended December 31, 2023**

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Revenue (budgetary basis)	\$ 3,535,466
Capital contribution of assets	105,900
Revenues per Statement of Revenues, Expenses and Changes in Net Position	<u>3,641,366</u>
Expenditures (budgetary basis)	3,693,924
Depreciation	610,422
Capital outlay	<u>(2,401,665)</u>
Expenses per Statement of Revenues, Expenses and Changes in Net Position	<u>1,902,681</u>
Change in net position per Statement of Revenues, Expenses and Changes in Net Position	<u>\$ 1,738,685</u>

**Exhibit C**

Certificate of Valuation

**CERTIFICATION OF VALUATION BY SUMMIT COUNTY ASSESSOR**

NAME OF JURISDICTION: SNAKE RIVER WATER DISTRICT  
 ENTITY NUMBER: 12

NEW ENTITY:  YES  NO  
 DATE: AUGUST 26, 2024

**USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION (5.5% LIMIT) ONLY**

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2024:

PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$ 288,609,780
CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION±:	\$ 297,303,580
LESS TIF DISTRICT INCREMENT, IF ANY:	\$ 0
CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$ 297,303,580
NEW CONSTRUCTIONβ:	\$ 2,822,000
INCREASED PRODUCTION OF PRODUCING MINESψ:	\$ 0
ANNEXATIONS/INCLUSIONS:	\$ 0
PREVIOUSLY EXEMPT FEDERAL PROPERTYψ:	\$ 0
NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.)∇:	\$ 0
TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUGUST 1 (29-1-301(1)(a), C.R.S.): (Includes all revenue collected on valuation not previously certified.)	\$ 0.00
TAXES ABATED AND REFUNDED AS OF AUGUST 1 (29-1-301(1)(a) C.R.S. AND 39-10-114(1)(a)(I)(B) C.R.S.):	\$ 0.00

± This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Article X, Section 20(8)(b), Colorado Constitution.  
 β New Construction is defined as: Taxable real property structures and the personal property connected with the structure.  
 ψ Jurisdiction must submit respective certifications (Forms DLG 52 & 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.  
 ∇ Jurisdiction must apply (Form DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

**USE FOR "TABOR" LOCAL GROWTH CALCULATIONS ONLY**

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLORADO CONSTITUTION, AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2024:

CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTYφ:	\$ 3,668,544,260
ADDITIONS TO TAXABLE REAL PROPERTY:	
CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTSξ:	\$ 42,119,400
ANNEXATIONS/INCLUSIONS:	\$ 0
INCREASED MINING PRODUCTIONπ:	\$ 0
PREVIOUSLY EXEMPT PROPERTY:	\$ 0
OIL OR GAS PRODUCTION FROM A NEW WELL:	\$ 0
TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	\$ 0
DELETIONS FROM TAXABLE REAL PROPERTY:	
DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$ 0
DISCONNECTIONS/EXCLUSIONS:	\$ 0
PREVIOUSLY TAXABLE PROPERTY:	\$ 0

φ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.  
 ξ Construction is defined as newly constructed taxable real property structures.  
 π Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:  
 TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY: \$ 0

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:  
 HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): \*\* \$ 1,467,109  
 \*\* The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the county treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED TO THE BOARD OF COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15. DLG-57 (Rev. 7/21)

