St. Vrain Sanitation District

Annual Financial Statements and Independent Auditor's Report

For the years ended December 31, 2022 and 2021

Haynie & Company

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Board of Directors and Management
St. Vrain Sanitation District

Opinions

We have audited the accompanying financial statements of the business-type activities of St. Vrain Sanitation District (the "District") as of and for the year ended December 31, 2022 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 business-type activities of St. Vrain Sanitation District, as of December 31, 2022 and the changes in financial position and 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 St. Vrain Sanitation 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 opinion.

Prior Period Financial Statements

The financial statements as of December 31, 2021 were audited by other auditors whose report dated August 4, 2022 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 St. Vrain Sanitation 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 St. Vrain Sanitation 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 St. Vrain Sanitation District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and retirement plan supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 an opinion on the financial statements that collectively comprise St. Vrain Sanitation District's basic financial statements. The accompanying budgetary schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Haynie & Company

Littleton, Colorado
September 25, 2023

Management's Discussion and Analysis

St. Vrain Sanitation District
Management's Discussion and Analysis

Management's Discussion and Analysis is intended to present an analysis of the District's financial performance and an overview of the District's financial activities for the year ended December 31, 2022. The financial statements are an essential part of this analysis and are included with this document.

DISTRICT MISSION STATEMENT

St. Vrain Sanitation District's mission is to serve the present and the future sewage treatment needs of its customers in an efficient, cost effective, and environmentally responsible manner.

FINANCIAL HIGHLIGHTS

After evaluation of the District's financial statements the following highlights have been identified.

1. **The District's net financial position is $125,535,528.** This represents an increase of $3,917,822 (3.22%) over the District's 2021 net financial position. The increased net financial position is representative of a growing District with growth funded primarily through developer contributions.

2. **The District's 2022 operating revenues are $8,158,734.** Revenues of the District increased in 2022 by 3.23% or $255,465. Increased revenues were the result of continued growth in customer base through the sale of new service connections.

3. **The District continues to work with FEMA and appropriate state agencies regarding disaster relief reimbursement.** This reimbursement was for disaster expense incurred in the 2013 flooding events. The District submitted the closeout package for the remaining reimbursement in February of 2021 and is awaiting FEMA review. The remaining amount eligible for reimbursement is $603,122.

4. **The District's operating expenses are $8,234,457.** Depreciation expense of $3,868,565 is included in the District's 2022 operating expenses.

5. **Capital contributions to the District for 2022 are $4,518,484.** Capital contributions to the District are derived from the sale of sanitary sewer connections and the contribution of sanitary sewer infrastructure installed by developers of residential and non-residential developments. With this continued growth, the District monitors the collection and treatment capacity of its sanitary sewer infrastructure to ensure the ability to continue to meet the future needs of District customers.

6. **Treatment plant expansion and improvements.** In the fall of 2019 the District entered into a construction contract to expand the treatment capacity of its wastewater treatment plant as well as for treatment improvements to aid in meeting future nutrient limits. The District is nearing the end of the projected 28 month project with an anticipated cost of approximately $31.9 million. At the close of 2022 the District has expended $31,685,000 resulting in a balance of $214,302 remaining to be billed for construction costs.

7. **Net pension asset of $145,327 and Net OPEB liability of $113,623.** Net pension and OPEB assets/liabilities are being recognized in 2022 as a requirement for reporting of the District's proportionate share of the total pension (asset)/liability of PERA in accordance with the Governmental Accounting Standards Board ("GASB") statement No 68, an amendment to GASB statement No. 27 on pension reporting and Statement No.75 on reporting of other post-employment benefits.

8. **Pandemic response and other external variables.** With the national pandemic response easing, the District continues to monitor the recommendations from local, state and national agencies. Along with the monitoring of pandemic issues the District is aware of several factors including supply chain issues and inflationary conditions. The District monitors these to ensure the continuity of treatment and that proper lead times are realized when needing supplies and equipment.

St. Vrain Sanitation District
Management's Discussion and Analysis
OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three parts:

- Management's Discussion and Analysis
- Basic Financial Statements
- Supplementary Information

The basic financial statements include notes that explain in detail the information in the financial statements.

Basic Financial Statements

Statements of Net Position

The statements of net position includes all of the District's assets, liabilities and deferred inflows/outflows of resources with the difference being reported as net financial position. It provides information pertaining to the nature of the District's investments (assets) and obligations to creditors (liabilities). The statement also provides the basis for determining the overall financial health of the District including liquidity and financial flexibility.

Recent additions to the required supplementary information section is the net pension liability calculation to comply with GASB 68 requirements and the net OPEB liability calculation to comply with GASB 75 requirements. This information can be found in footnotes 9 and 10.

The Statements of Revenues, Expenses and Changes in Net Position

The statements of revenues, expenses and changes in net position reports District revenues and expenses. All changes in net position are recorded as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years (e.g. earned, but unused vacation leave.) This statement measures the success of the District's overall operation and can be used to determine if the District's user fee, rates, and charges are sufficient to recover operating expenses.

Statements of Cash Flows

The statements of cash flows present information concerning the District's cash receipts and cash payments during the year. The statements report the cash receipts, cash payments, and net cash from operations, investing, and capital and noncapital financing activities.

FINANCIAL ANALYSIS OF THE ST. VRAIN SANITATION DISTRICT

The financial statements of the District begin on page 10. The true picture of the financial health of the District must be tempered with the operational theory and financial control that is practiced on a daily basis by the District.

FINANCIAL POLICY PRIORITIES

The financial goal of the District is to operate in an efficient and financially responsible manner. The District annually reviews its financial policies to assess their impact on financial activities. Policies that affected financial activities are as follows:

1. Growth of the District is development driven and funded.
2. District continued with the construction phase for the latest treatment plant improvement project. Completion of the 28 month project is scheduled in 2023.
3. District administration and operations are funded from user fees.
4. Capital improvements to existing District assets and the acquisition of some new assets are funded through plant investment fees collected at the time of sanitary sewer connection purchase.

Plant investment fee and monthly service fee levels are reviewed annually. The current level of these fees has been determined to be sufficient, at this time, to provide the necessary revenues to satisfy the operations and capital construction needs of the District as well as the rate covenants required to satisfy the District indebtedness. The District Rate Study completed 2017, determined the District's current planned rate structure and 2019 and 2021 increases in monthly service fees are sufficient to cover anticipated expenditures. The next District rate study is anticipated to be completed in 2023 after the completion of the current treatment plant improvement project. The District also charges line extension fees upon connection to various interceptor lines throughout the District. These fees are used to reimburse developers who funded the construction of specific lines, currently these fees generally range from $725 to $1500. The fees are increased in alternating even-numbered years. The next such increase will occur on January 1, 2024.

Day-To-Day Operational Control of the District

For operational control, the District has classified all operations into two District funds: Enterprise and General Government.

The General Government Fund was funded in 2022 by a .473 mill levy to fund the general operations of the District. The 2021 mill levy was .475 for general operations. The mill levy is determined utilizing the state statute with a 5.5% revenue limit as well as the rules related to TABOR funding. The revenue from the mill levy increased despite the reduction in mills from 444,917 in 2021 to $515,536 in 2022. The resulting increase in revenue was the result of growth to the District's taxable assessed value. The District operates as a self-supporting enterprise. The Enterprise Fund is funded by revenues received from user fees and other sources that are sufficient to cover the day-to-day operating expenses of the District. Growth of the collection system is funded by developer contributions that are sufficient to pay 100% of the cost of design and construction, the board may from time to time elect to participate in collection system expansion when it is determined beneficial. Generally due to oversizing of infrastructure to serve a larger portion of the District than is required by the developers project.

Any revenues contributed by the District are derived from Plant Investment Fees ("PIF") collected from new connections to the system. District participation in collection system expansion requires District investment to be reimbursed over time to the District through the collection of line extension fees reimbursing the District in a primary role prior to participating developers. The enterprise fund can be further segmented into general operations and construction.

The District general operations segment is funded primarily from monthly user service charges and other miscellaneous revenues received by the District. These revenues cover the daily administration, plant operations and collection line maintenance expense of the District. The construction segment of the District can be divided into two categories - capital improvements and growth. Capital improvements are funded from PIFs collected from users; growth is funded by the developers who are directly affected by the lines being funded.

The District's day-to-day operational control involves many levels of planning, forecasting and budgeting. Revenues and expenditures are allocated to specific District functions. District staff presents monthly financial reports and information to the board of directors for review and approval at their regular monthly meetings. The reports contain monthly revenues and expenditures compared to the adopted budget, as well as the financial position of the District reported in balance sheet form. These reports, and subsequent review, are an essential tool that is critical to the District's long-range financial control and planning efforts.

Financial Analysis

A summary of the statements of net position are shown as Table A. Increases or decreases in the District's net position are an indicator of improving or deteriorating financial health. This information, along with other non-financial information such as population growth or decline, legislative changes or board policy changes, provides an integrated assessment of the District's health.

TABLE A
Condensed Statements of Net Position

	2022	2021	2020
Current and other assets	$ 31,879,487	$ 44,876,779	$ 50,905,498
Capital assets	117,418,207	101,268,961	85,488,983
Other assets (net pension)	145,327		
Total assets	149,443,021	146,145,740	136,394,481
Deferred outflows of resources relating to pensions and refunding	884,141	1,139,805	1,042,496
Current liabilities	4,046,851	3,235,363	2,318,185
Non-current liabilities	18,963,098	21,086,611	21,978,426
Total liabilities	23,009,949	24,321,974	24,296,611
Deferred inflows of resources related to pensions	1,297,748	980,395	530,406
Unearned revenue - property taxes	483,937	365,470	365,470
Total deferred inflow of resources	1,781,685	1,345,865	895,876
Net position			
Net investment in capital assets	100,578,207	84,135,745	69,536,224
Debt Service and Bond Reserves			5,007,418
Restricted	16,747	13,464	13,489
Unrestricted	24,940,574	37,468,497	37,687,359
Total net position	$ 125,535,528	$ 121,617,706	$ 112,244,490

The information contained in the table indicates that the District maintains a positive financial position. It is important that on a year-to-year basis the District operates within its policies and that in the operations portion of the budget, these revenues exceed expenditures.

It is also important to note that in the capital construction portion of the budget, annual expenditures may in some instances exceed the annual revenues when reported on an annual basis. It is the policy of the District that growth funds construction, this may result in the possibility that some funds recorded as revenues and received from developers are received in one year and the related expenses are not incurred until subsequent years. This difference is accounted for in the overall long range financial planning of the District. Also, funds collected from sanitary sewer connection fees are invested in a capital construction account and may be used at various times to fund capital improvements, District-required line oversizing of trunk lines or any other shared costs authorized by the board of directors. A summary of the statements of revenues, expenses and changes in net position are shown in Table B.

St. Vrain Sanitation District
Management's Discussion and Analysis

TABLE B

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2022	2021	2020
Wastewater treatment and collection service charges	$ 8,158,734	$ 7,903,269	$ 7,193,393
Operating expenses			
General government expenses	138,133	74,609	62,429
Sewer treatment plant	2,832,441	2,420,109	2,243,939
Sewer collection	705,134	649,064	593,512
Depreciation	3,868,565	3,840,015	3,801,533
Administration	690,184	967,439	1,140,971
Total operating expenses	8,234,457	7,951,236	7,842,384
Loss from operations	(75,723)	(47,967)	(648,991)
Non-operating revenues (expenses)			
Taxes	543,232	446,478	443,265
Inclusion fees	1,354	911	26
Interest income	273,833	100,433	253,216
Build America bond subsidy		112,761	
Loss on Disposal of Capital Assets			
FEMA Reimbursement			287,458
Unrealized and realized gain (loss) on investments	(1,014,899)	(211,478)	(227,338)
Interest expense	(328,459)	(489,526)	(418,445)
Total non-operating revenues (expenses)	(524,939)	(40,421)	338,182
Net income/loss before contributions	(600,662)	(88,388)	(310,809)
Capital contributions	4,518,484	9,461,604	9,099,312
Changes in net position	3,917,822	9,373,216	8,788,503
Net position - beginning of year	121,617,706	112,244,490	103,455,987
Prior Period Adjustment (Note 2)			
Net position- end of year	$ 125,535,528	$ 121,617,706	$ 112,244,490

BUDGETARY HIGHLIGHTS

The schedule of revenues and expenditures - budget and actual (budgetary basis) is provided in the supplementary information of this report.

During 2022 the District saw operational revenues (exclusive of capital contributions) exceed budgeted revenues by 8.4% in the District Sanitary Sewer Enterprise Fund. The difference can be attributed to a continued increase in demand for sewer connections. Monthly service charges and actual plant investment fee and capital contributions met/exceeded budget indicating continued growth of the District. The 2022 budget anticipated the addition of 500 single family equivalents (sfe), while actual sewer connection sales resulted in a total of 459 additional sfes for the year. While this is under anticipated sales the District does not rely on this income for operational activities that are covered by monthly service fees.

During 2022, total actual expenditures were less than the budgeted expenditures by $6,611,351 in the Enterprise Fund and $477,510 in the General Government Fund. Contributing to the large variance in Enterprise expenditures was the scheduling of capital project outlays that were deferred or delayed in 2022. District management and staff are mindful of the economic concerns of its constituency and thus are conscientious in its use of District funds, relating back to the District policy of cost effectiveness and efficiency.

CAPITAL ASSETS AND DEBT ACTIVITIES

Several capital projects were in process during 2022 totaling approximately 20 million dollars. Capital projects for the District was dominated by the plant expansion construction project. This will continue with project completion scheduled for early 2023. The expansion and improvement project is a multi-year (28 month) project with construction costs nearing $31.9 million. There have been several area developers inquiring as to receiving service from the District. This has led the District to developing plans and initial engineering and design of sewer line extensions. Continued growth has also led the District to begin the design of parallel lines to existing infrastructure to ensure that the District can continue to meet the sanitary sewer needs of the area. Other expenditures included IT server upgrades, IT equipment to increase the District cyber security profile and office equipment.

The District in April of 2020 issued District Wastewater Revenue Refunding and Improvement Bonds totaling $17,205,000. These bonds allowed the District to refund the outstanding 2010 bonds ($14,795,000) as well as providing the District an additional $5,000,000 for plant expansion expenses. The refunding also provided some debt service relief over the next several years as it is working through the construction phase of the project. Total outstanding debt service at the end of 2022 was $16,840,000.

In 2015 the Board of Directors elected to retire the remaining $1,623,315 debt due to the Colorado Water Conservation Board ("CWCB") loan originally issued to the Weld County Tri-Area Sanitation District. The District will continue to collect the debt fee from affected customers on an interest-free basis resulting in a reduction of the number of years for the loan payback. This will result in savings to the customers of approximately $975,000 over the term of the loan.

ECONOMIC FACTORS AND NEXT YEARS BUDGET AND RATES

The Board of Directors and the management of the St. Vrain Sanitation District considered many factors when they developed the 2023 District Budget. Projected user fees, growth, and plant investment fees were all evaluated and considered before the final budget was adopted. Departmental budgets submitted by departments are reviewed and vetted by the budget team before inclusion in the final budget. These expenses are reconciled to projected revenues. The District is looking forward to the completion of the construction project to increase plant capacity and treatment efficiency that will provide treatment capacity for a twenty year window. The District will look to optimizing the treatment processes in 2023 to control costs. The District has also initiated the purchase of a land parcel to construct an expanded Administration and Collection department building looking forward at the expected growth in staffing and collection system maintenance.

The District will enter 2023 with $28,471,438 in cash and investments. This provides the District the resources to complete the improvements to the treatment infrastructure and maintain reserves to adequately address any upcoming needs. The District anticipates initiating a rate study as a part of the 2023 budget upon the completion of the improvement project. This is an important exercise as it helps to ensure the District rate structure is sufficient to maintain our vision that growth and development fund future expansion to infrastructure, while monthly service fees cover the costs of operation. The District's current capacity is sufficient to provide the necessary service to the current and near future customers. With the plant expansion design and subsequent construction the District is in a position to continue to serve the regions customers in an efficient and cost effective manner.

CONTACTING THE DISTRICT

This financial report is designed to provide our customers, investors, and creditors with the general overview of the District's finances and demonstrate the District's accountability to the customers of the District. If you have any questions concerning this report or need additional information please contact the District Manager of the St. Vrain Sanitation District, 11307 Business Park Circle, Firestone, Colorado 80504. Additional information about the District can be found by visiting our website www.stsan.com.

Basic Financial Statements

St. Vrain Sanitation District
Statements of Net Position
December 31, 2022 and 2021

Assets	2022	2021
Current assets		
Cash and cash equivalents	$ 6,991,451	$ 7,189,189
Investments	21,479,987	34,162,784
Property taxes receivable	483,937	365,470
Receivables, net	2,920,815	3,148,493
Prepaid expenses	3,297	10,843
Total current assets	31,879,487	44,876,779
Non-current assets		
Capital assets		
Land, other property rights, and construction in progress	45,674,487	26,728,257
Net property, plant and equipment	71,743,720	74,540,704
Total capital assets, net	117,418,207	101,268,961
Other Assets		
Net pension asset	145,327	-
Total assets	$ 149,443,021	$ 146,145,740
Deferred Outflows of Resources		
Unamortized deferred loss on refunding	593,819	713,192
Deferred outflows of resources relating to pensions	273,613	412,551
Deferred outflows of resources relating to OPEB	16,709	14,062
Total deferred outflows of resources	884,141	1,139,805
Current liabilities		
Accounts payable	2,989,648	2,430,323
Accrued expenses	126,063	107,130
Participants payable	191,140	547,910
Current portion of notes and bonds payable	740,000	150,000
Total current liabilities	4,046,851	3,235,363
Non-current liabilities		
Non-current portion of bonds payable	18,775,824	20,053,738
Accrued compensated absences	73,651	66,272
Net pension liability	-	848,469
Net OPEB liability	113,623	118,132
Total non-current liabilities	18,963,098	21,086,611
Total Liabilities	23,009,949	24,321,974
Deferred Inflows of Resources		
Deferred revenue - property taxes	483,937	365,470
Deferred inflows of resources relating to pensions	1,259,796	934,490
Deferred inflows of resources relating to OPEB	37,952	45,905
Total deferred inflows of resources	1,781,685	1,345,865
Net Position		
Net Investment in Capital Assets	100,578,207	84,135,745
Restricted:		
Emergency reserves	16,747	13,464
Unrestricted	24,940,574	37,468,497
Total net position	$ 125,535,528	$ 121,617,706

See accompanying notes to the financial statements.

St. Vrain Sanitation District

Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues		
Wastewater treatment and collection service charges	$ 8,158,734	$ 7,903,269
Total operating revenues	8,158,734	7,903,269
Operating expenses		
General government expenses	138,133	74,609
Sewer treatment plant	2,832,441	2,420,109
Sewer collection	705,134	649,064
Depreciation	3,868,565	3,840,015
Administration and information technology	690,184	967,439
Total operating expenses	8,234,457	7,951,236
Operating (loss)	(75,723)	(47,967)
Non-operating revenues (expenses)		
Property taxes	515,536	444,917
Specific ownership taxes	27,696	1,561
Inclusion fees	1,354	911
Interest income	273,833	100,433
Build America bond subsidy	-	112,761
Unrealized and realized loss on investments	(1,014,899)	(211,478)
Interest expense	(328,459)	(489,526)
Total non-operating revenues (expenses)	(524,939)	(40,421)
(Loss) Before Contributions	(600,662)	(88,388)
Capital Contributions	4,518,484	9,461,604
Change in Net Position	3,917,822	9,373,216
Net position—beginning of year	121,617,706	112,244,490
Net position—end of year	$ 125,535,528	$ 121,617,706

See accompanying notes to the financial statements.

St. Vrain Sanitation District

Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Cash received from customers	$ 8,386,412	$ 7,874,720
Cash paid to suppliers for goods and services	(5,596,362)	1,261,887
Cash paid to employees for services	(1,741,243)	(2,179,621)
Net cash from operating activities	1,048,807	6,956,986
Cash flows from noncapital financing activities		
Property taxes	515,536	444,917
Specific ownership taxes	27,696	1,561
Inclusion fees	1,354	911
Net cash from noncapital financing activities	544,586	447,389
Cash flows from capital and related financing activities		
Capital contributed	3,503,346	9,193,569
Acquisition of capital assets	(16,341,801)	(21,167,459)
Build America bond subsidy	-	112,761
Principal paid	(150,000)	(140,000)
Interest paid	(744,407)	(754,001)
Net cash from capital and related financing activities	(13,732,862)	(12,755,130)
Cash flows from investing activities		
Interest income received	273,833	100,433
Purchases of investments	(879,641)	(10,915,889)
Proceeds from sale of investments	12,547,539	16,989,976
Net cash from investing activities	11,941,731	6,174,520
Net change in cash and cash equivalents	(197,738)	823,765
Cash and cash equivalents—beginning of year	7,189,189	6,365,424
Cash and cash equivalents—end of year	$ 6,991,451	$ 7,189,189
Reconciliation of operating loss to net cash from operating activities		
Operating (loss)	$ (75,723)	$ (47,967)
Depreciation and amortization	3,868,565	3,840,015
Adjustments to reconcile operating loss to net cash from operating activities		
Change in accounts receivable	227,678	(28,549)
Change in prepaid expense	7,546	59,889
Change in accounts payable and accrued expenses	(2,434,598)	3,250,140
Pension liability (asset) and related items	(529,817)	(104,629)
OPEB liabilities and related items	(14,844)	(11,913)
Net cash from operating activities	$ 1,048,807	$ 6,956,986

See accompanying notes to the financial statements.

St. Vrain Sanitation District

Statements of Cash Flows (continued)

For the Years Ended December 31, 2022 and 2021

	2022	2021
Schedule of noncash investing, capital and financing activities		
Property contributed by developers	$ 1,015,138	$ 809,864
Capital assets acquired with accounts payable	$ (2,660,872)	$ (2,357,330)
Amortization of bond premium	(537,914)	(339,907)
Deferred loss from refunding	119,373	75,432
Unrealized loss on investments	(1,014,899)	(211,478)

See accompanying notes to the financial statements.

St. Vrain Sanitation District
Notes to Basic Financial Statements
December 31, 2022 and 2021

1. Organization

Organization

The St. Vrain Sanitation District (the District) is organized under the provisions of Section 32-1-305 (6) of the Colorado Revised Statutes ("CRS"). It is a quasi-municipal corporation and a political subdivision of the State of Colorado with all powers thereof which includes the power to levy taxes against property within the District's boundaries.

2. Significant Accounting Policies

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District applies all applicable GASB pronouncements.

Financial Reporting Entity

As defined by GAAP, established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1) Appointment of a voting majority of the component unit's governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or

2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on the above criteria, there are no other organizations that would be considered component units of the District.

Basic Financial Statements

The District is a special-purpose government engaged only in business-type activities. As such, enterprise fund financial statements are presented.

Basis of Accounting

The District's operations are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the District are included on the statements of net position. Total net position is segregated into net investment in capital assets,

2. Significant Accounting Policies (continued)

restricted for emergency reserves and unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The District utilizes the accrual basis of accounting wherein revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

Cash and Cash Equivalents

The District considers all highly-liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments

Investments are measured at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application,* or at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants.*

Operating Revenues and Receivables

Operating revenues are those revenues that are generated directly from the primary activity of the District. These revenues are wastewater treatment and collection service charges. The District is responsible for billing and collection of these charges on a quarterly basis.

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Balances are considered past due 30 days from the invoice date. Management provides an allowance for uncollectible amounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. As of December 31, 2022 and 2021, $11,551 and $11,551 is considered to be uncollectible.

Property Taxes

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on the last day of February and June 15, or in full on April 30. The District uses the Weld County Treasurer to bill and collect its property taxes. Taxes levied in December 2022 are recorded as property taxes receivable and unearned revenue as of December 31, 2022.

Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are valued at historical cost. Donated capital assets are valued at their estimated fair value on the date donated. The cost of maintenance and repairs is charged to expense as incurred; significant renewals, betterments and improvements are capitalized.

The provision for depreciation is computed using the straight-line method over the estimated useful lives of the assets. The lives used for individual components of capital assets are as follows:

2. Significant Accounting Policies (continued)

Sewage treatment plant	20-50 years
Trunk and collection lines	20-50 years
Laboratory and office equipment	3-10 years
Building	50 years
Vehicles	5 years

Bond Issuance Costs, Premiums, and Bond Refunding

Long-term debt and other long-term obligations are reported as liabilities in the statements of net position. Bond premiums are deferred and amortized over the life of the bonds using the effective-interest method. Bonds payable are reported net of the applicable bond premium. Debt issuance costs are recognized as an expense during the period of issuance.

For bond refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the effective interest method. The accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

Accrued Compensated Absences

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation benefits and overtime, which will be paid to employees upon separation from the District. A liability of $73,651 and $66,272 for accrued benefits at December 31, 2022 and 2021, respectively, has been recorded on the statements of net position representing the District's commitment to fund such costs.

Pensions

The District participates in the Local Government Division Trust Fund ("LGDTF"), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension (benefit)/expense, information about the fiduciary net position and additions to/ deductions from the fiduciary net position 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions.

2. Significant Accounting Policies (continued)

Other Post-Employment Benefits ("OPEB")

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

Connection Fees

Potential customers seeking to connect to the sewer treatment system must make a formal, written request to the District. If the application is approved, the applicant may purchase a tap by paying a plant investment fee ("PIF") of $5,860 per single-family equivalent unit ("SFE"), and a line extension fee is charged depending on location. During 2022 and 2021, the line extension fee ranged from $725 to $1,500. Plant investment fees are recorded as capital contributions from customers and subdividers.

Budget

Colorado state law requires the adoption of an annual budget. Appropriations lapse at the end of each year. The budget and related appropriations are prepared on the budgetary basis, which differs from GAAP in that:

- Certain capital outlays are budgeted as expenditures;
- Depreciation is not budgeted;
- Contributed lines are not budgeted as non-operating revenue;
- Proceeds from debt issuance are budgeted as non-operating revenue;
- Debt principal retired is budgeted as non-operating expenses;
- Retirement plan adjustments related to pension and other post-employment benefits are not budgeted;
- Debt amortization is not budgeted as a non-operating expense;

Therefore, comparison of actual operations on the accrual basis to the annual budget is not meaningful. However, a statement comparing actual (budgetary basis) to the budget is included in the supplementary information. The adjustments necessary to convert the actual revenue and expenditures to the budgetary basis are presented in the following schedule.

2. Significant Accounting Policies (continued)

	2022	2021
Change in net position	$ 3,917,822	$ 9,373,216
Add:		
Depreciation	3,868,565	3,840,015
Bond advance refunding amortization	119,373	75,432
Less:		
Capital outlay	(19,002,673)	(21,167,459)
Contributed capital assets	(1,015,138)	(809,864)
Debt principal paid on long-term debt	(150,000)	(140,000)
Pension and OPEB benefit	(542,065)	(116,541)
Bond premium amortization	(537,917)	(339,907)
Excess of budget basis revenues over budget basis expenditures	$ (13,342,033)	$ (9,285,108)

	2022	2021
Excess of budget basis revenues over budget basis expenditures by fund:		
Sanitation Enterprise Fund	$ (13,762,144)	$ (9,659,296)
General Government Fund	420,111	374,188
Total	$ (13,342,033)	$ (9,285,108)

The District's Board of Directors (the "Board") adopts total budget appropriations for each of its legal "funds". In October of each year the District presents a proposed budget to the Board for review and comment. A budget study session is held at the November meeting to discuss the budget requests. Public notice and a public hearing is held in December of each year when the budget is adopted per state statute by the Board. The Board may transfer budget amounts between departments within any fund; however, any revision that alters the total appropriation of any fund requires that a budget revision be adopted by resolution in the same manner described above for adoption of the original budget. The level of budgetary responsibility is by total "fund" appropriations.

	Original Budget	Total Revisions	Revised Budget
Business type/fund:			
General Fund	$ 615,643	$ -	$ 615,643
Enterprise Fund	31,277,724	-	31,277,724
Total	$ 31,893,367	$ -	$ 31,893,367

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

2. Significant Accounting Policies (continued)

The District reports deferred outflows of resources for pension and OPEB-related amounts, along with the deferred loss from refunding. See Notes 9 and 10 for additional information.

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

The District reports deferred inflows of resources relating to property taxes, pension-related amounts, and OPEB-related amounts. See Notes 9 and 10 for additional information.

Participants Payable

Participants are developers who provide funds to the District for construction of sewer infrastructure which is refundable through agreements by development that is later connected to the infrastructure. These agreements provide an affected service area as well as set a "line extension fee." As sewer connections are sold, they are tracked and money collected is deposited in District accounts. Per the agreement, the funds are disbursed to the participants. Occasionally the District participates in construction of lines and then is reimbursed in full prior to reimbursement to participants. Reimbursements are dependent upon growth in the affected areas and are not guaranteed, thus they are not considered a payable until the fee is collected.

Net Position

Net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt, if any, that are attributable to the acquisition, construction or improvement of these assets, reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

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

2. Significant Accounting Policies (continued)

Use of Estimates

Preparation of the District's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been adjusted to conform to the current year presentation. These reclassifications did not have an impact to the District's change in net position.

3. Cash and Investments

Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes ("CRS") require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act ("PDPA") requires state regulators to certify eligible depositories for public deposit. POPA requires the eligible depositories with public deposits in excess of the federal insurance levels to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits.

At December 31, 2022 and 2021, the District had deposits with a financial institution with a carrying amount of $6,986,098 and $7,183,836, respectively. The bank balances with the financial institution was $7,486,613 and $6,971,486, respectively. Of these amounts, $500,000 was covered by federal depository insurance. The remaining balances of $6,486,098 and $6,471,486, respectively, were collateralized with securities held by the financial institutions' agents but not in the District's name.

Cash and cash equivalents held by the District consists of the following:

	2022	2021
Cash with financial institutions	$ 6,986,098	$ 7,183,836
Cash with county treasurer	5,153	5,153
Cash on hand	200	200
Total cash and cash equivalents	$ 6,991,451	$ 7,189,189

3. Cash and Investments (continued)

At December 31, 2022, the District had the following investments:

Investment	S&P Rating	Value	Weighted Average Maturity Date (in years)	Concentration of Credit Risk
CSAFE	AAAm	$ 7,758,673	N/A	36.12%
FHLB	AA+	13,069,238	2.16	60.84%
CDs	NR	652,076	1.62	3.04%
Total investments		$ 21,479,987		

At December 31, 2021, the District had the following investments:

Investment	S&P Rating	Value	Weighted Average Maturity Date (in years)	Concentration of Credit Risk
CSAFE	AAAm	$ 15,306,570	N/A	44.80%
FHLB	AA+	14,037,325	13.65	41.09%
FHLMC	AA+	2,993,565	0.96	8.76%
CDs	NR	1,825,324	0.80	5.34%
Total investments		$ 34,162,784		

The District's cash deposits and investments are categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes deposits not covered by depository insurance and uncollateralized. Category 2 includes deposits not covered by depository insurance and collateralized with securities held by the pledging financial institution. Category 3 includes deposits not covered by depository insurance and collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

Investments

The Board of Directors has adopted an investment policy which defines suitable and authorized investments, which include:

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

3. Cash and Investments (continued)

- Non-negotiable certificates of deposit
- Certain corporate debt
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

District policy is to hold investments until maturity. District policy outlines certain maturity and credit rating requirements.

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At December 31, 2022, investment balances at fair value hierarchy are as follows:

Description	Level 1	Level 2	Level 3	Total
FHLB	$ -	$ 13,069,238	$ -	$ 13,069,238
Certificates of Deposit	652,076	-	-	652,076
Investments measured at amortized cost	-	-	-	7,758,673
	$ 652,076	$ 13,069,238	$ -	$ 21,479,987

At December 31, 2021, investment balances at fair value hierarchy are as follows:

Description	Level 1	Level 2	Level 3	Total
FHLB	$ -	$ 14,037,325	$ -	$ 14,037,325
FHLMC	-	2,993,565	-	2,993,565
Certificates of Deposit	1,825,324	-	-	1,825,324
Investments measured at amortized cost	-	-	-	15,306,570
	$ 1,825,324	$ 17,030,890	$ -	$ 34,162,784

Interest Rate Risk

Colorado state statutes require that no investment may have a maturity in excess of five years from the date of purchase, unless an available active market exists. The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investment portfolio does not contain investments that exceed that limitation of five years.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a specific policy for custodial credit risk. As of December 31, 2022 and 2021, the District had no investments exposed to custodial credit risk.

3. Cash and Investments (continued)

Local Government Investment Pool

At December 31, 2022 and 2021, the District had invested $7,758,673 and $15,306,570, respectively, in CSAFE, an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. CSAFE measures all of its investment at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants.*

The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE. CSAFE CASH FUND operates similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

4. Receivables

Receivables at December 31, 2022 and 2021 consist of the following:

	2022	2021
Trade receivables	$ 571,433	$ 465,319
Accrued interest receivable	4,815	4,815
Other	2,356,118	2,689,910
Allowance for doubtful accounts	(11,551)	(11,551)
Total	$ 2,920,815	$ 3,148,493

5. Capital Assets

The following is a summary of capital asset activity for the year ended December 31, 2022:

	Balance December 31, 2021	Additions	Retirements / Transfers	Balance December 31, 2022
Capital assets, not being depreciated:				
Land	$ 1,030,654	$ 30,000	$ -	$ 1,060,654
Construction in progress	25,697,603	18,916,230	-	44,613,833
Total capital assets, not being depreciated	26,728,257	18,946,230	-	45,674,487
Capital assets, being depreciated:				
Building	1,090,154	-	-	1,090,154
Trunk & collection lines	60,947,039	1,015,139	-	61,962,178
Sewage treatment plant	49,699,991	-	-	49,699,991
Laboratory and office equipment	1,530,599	26,170	-	1,556,769
Vehicles	171,415	30,272	-	201,687
Total capital assets, being depreciated	113,439,198	1,071,581	-	114,510,779
Less accumulated depreciation for:				
Building	(381,200)	(21,803)	-	(403,003)
Trunk & collection lines	(16,474,568)	(1,257,858)	-	(17,732,426)
Sewage treatment plant	(20,611,756)	(2,485,001)	-	(23,096,757)
Laboratory and office equipment	(1,261,656)	(96,044)	-	(1,357,700)
Vehicles	(169,314)	(7,859)	-	(177,173)
Total accumulated depreciation	(38,898,494)	(3,868,565)	-	(42,767,059)
Total capital assets being depreciated, net	74,540,704	(2,796,984)	-	71,743,720
Total capital assets, net	$101,268,961	$ 16,149,246	$ -	$117,418,207

5. Capital Assets (continued)

The following is a summary of capital asset activity for the year ended December 31, 2021:

	Balance December 31, 2020	Additions	Retirements / Transfers	Balance December 31, 2021
Capital assets, not being depreciated:				
Land	$ 1,030,654	$ -	$ -	$ 1,030,654
Construction in progress	7,028,843	18,668,760	-	25,697,603
Total capital assets, not being depreciated	8,059,497	18,668,760	-	26,728,257
Capital assets, being depreciated:				
Building	1,090,154	-	-	1,090,154
Trunk & collection lines	60,137,175	809,864	-	60,947,039
Sewage treatment plant	49,699,991	-	-	49,699,991
Laboratory and office equipment	1,389,230	141,369	-	1,530,599
Vehicles	171,415	-	-	171,415
Total capital assets, being depreciated	112,487,965	951,233	-	113,439,198
Less accumulated depreciation for:				
Building	(359,397)	(21,803)	-	(381,200)
Trunk & collection lines	(15,243,286)	(1,231,282)	-	(16,474,568)
Sewage treatment plant	(18,126,758)	(2,484,998)	-	(20,611,756)
Laboratory and office equipment	(1,167,620)	(94,036)	-	(1,261,656)
Vehicles	(161,418)	(7,896)	-	(169,314)
Total accumulated depreciation	(35,058,479)	(3,840,015)	-	(38,898,494)
Total capital assets being depreciated, net	77,429,486	(2,888,782)	-	74,540,704
Total capital assets, net	$ 85,488,983	$ 15,779,978	$ -	$101,268,961

6. Bonds Payable

The following is a summary of changes in long-term debt of the District for the year ended December 31, 2022:

	December 31, 2021	Additions	Debt Retired	December 31, 2022	Due Within One Year
Bonded Debt					
Wastewater Revenue Bonds, Series 2020	$ 16,990,000	$ -	$ (150,000)	$ 16,840,000	$ 740,000
Other					
Coompensated absences	66,272	164,255	(156,876)	73,651	-
Subtotal	17,056,272	$ 164,255	$ (306,876)	16,913,651	740,000
Bond premium	3,213,738		(537,914)	2,675,824	
Current portion of long-term debt	(150,000)			(740,000)	
Net outstanding long-term debt	$ 20,120,010			$ 18,849,475	

6. Bonds Payable (continued)

The following is a summary of changes in long-term debt of the District for the year ended December 31, 2021:

	December 31, 2020	Additions	Debt Retired	December 31, 2021	Due Within One Year
Bonded Debt					
Wastewater Revenue Bonds, Series 2020	$ 17,130,000	$ -	$ (140,000)	$ 16,990,000	$ 150,000
Other					
Coompensated absences	74,390	34,738	(42,856)	66,272	-
Subtotal	17,204,390	$ 34,738	$ (182,856)	17,056,272	150,000
Bond premium	3,553,645		(339,907)	3,213,738	
Current portion of long-term debt	(140,000)			(150,000)	
Net outstanding long-term debt	$ 20,618,035			$ 20,120,010	

Wastewater Revenue Bonds, Series 2010A and Series 20108

On October 7, 2010, the District issued bonds in two series, totaling $16,225,000, for the purpose of constructing the new treatment facility. Interest, with rates ranging from 2.0% to 5.75%, is payable semiannually through maturity in December 2035. The Series 2010A bonds are tax-free Wastewater Revenue Bonds, payable from future revenues generated by the District. The Series 2010B bonds are also Wastewater Revenue Bonds, payable from future revenues generated by the District; however, they were issued under the federally subsidized Build America Bonds ("BABs") program, which are therefore federally taxable. The District's interest costs were partially subsidized under the BABs program and recognized as non-operating revenues in 2019. As described below, these bonds were advance refunded during 2020.

Wastewater Revenue Refunding and Improvement Bonds, Series 2020

In April 2020, the District issued $17.2 million in Wastewater Revenue Refunding and Improvement Bonds, Series 2020, to refund the Series 2010B bonds and finance the construction and acquisition of wastewater treatment and other System improvements. The 2020 bonds are payable from 2020 to 2040 with interest rates ranging from 3-5%. The deferred loss on refunding of $788,624 is the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt. This difference, reported in the accompanying financial statements as a deferred outflow of resources, was charged to operations through 2040 using the effective-interest method. These bonds are a special revenue obligation of the District, payable from wastewater rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expenses of the system. Accrued interest on this debt amounts to $68,817 at December 31, 2022 and 2021.

6. Bonds Payable (continued)

The District issued the bonds to advance refund $14.8 million of the outstanding series 2010B wastewater revenue bonds with rates ranging from 2.0% to 5.75%. The District used a portion of the net proceeds to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 2010A series bonds. As a result, that portion of the 2010B series bonds is considered defeased, and the District removed the liability from its accounts. The outstanding principal of the defeased bonds is $14,109,870 and $14,259,870 at December 31, 2022 and 2021, respectively.

The advance refunding increased total debt service payments over the next 20 years by nearly $2.6 million. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of about $1.2 million.

The annual requirements to amortize all debt outstanding as of December 31, 2022 are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$ 740,000	$ 739,100	$ 1,479,100
2024	840,000	702,100	1,542,100
2025	895,000	660,100	1,555,100
2026	960,000	615,350	1,575,350
2027	1,030,000	567,350	1,597,350
2028-2032	6,250,000	2,007,650	8,257,650
2033-2037	5,250,000	587,900	5,837,900
2038-2040	875,000	52,950	927,950
Total	$ 16,840,000	$ 5,932,500	$ 22,772,500

7. Rate Maintenance

The District's 2020 Wastewater Revenue Refunding and Improvement Bonds, require the District to establish, maintain, enforce and collect rates, fees, plant investment fees, availability fees, tolls and charges for services furnished by or the use of the System to create Gross Revenue each Fiscal Year sufficient to pay Operation and Maintenance Expenses and to create Net Revenue in an amount equal to not less than 125% of the amount necessary to pay when due the principal of and interest on the Bonds and any Parity Obligations coming due during such Fiscal Year.

As shown below, the District is in compliance with this requirement of the 2020 Wastewater Revenue Refunding Bonds for the year ended December 31, 2022:

7. Rate Maintenance

Operating revenues	$ 8,158,734
Non-operating revenues	818,419
System connections fees (limited to 15% of revenue)	1,223,810
Total revenues as defined in bond agreement	10,200,963
Operation and maintenance expense (excluding deprecation expense)	(4,365,892)
Net revenue as defined in loan resolution	$ 5,835,071
2022 principal due	$ 150,000
2022 interest due	746,600
Subtotal	896,600
	x125%
Required revenue as defined in loan resolution	$ 1,120,750

8. Risk Management

The District is exposed to various risks of loss related to lawsuits; torts; thefts of, damage to or destruction of assets; errors or omissions; injuries to employees; natural disasters or environmental liabilities due to the nature of its operations. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded the commercial insurance coverage in any of the past three years.

9. Public Employees Retirement Association of Colorado Pension

Plan description

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

Benefits provided as of December 31, 2021

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

9. Public Employees Retirement Association of Colorado Pension (continued)

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 percent and then multiplied by years of service credit.

- The value of the retiring employee's member contribution account plus a 100 percent 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 percent or 100 percent 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.

As of December 31, 2021, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007 will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent 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.

9. Public Employees Retirement Association of Colorado Pension (continued)

Contribution Provisions as of December 31, 2022

Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. and§ 24-51-413. Employee contribution rates for the period of January 1, 2021 through December 31, 2022 are summarized in the table below:

	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employee contribution (all employees other than State Troopers)	8.50%	8.50%	8.50%	9.00%

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

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

	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employer contribution rate	10.50%	10.50%	10.50%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	9.48%	9.48%	9.48%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.02%	0.02%	0.03%	0.03%
Total employer contribution rate to the LGDTF	**13.20%**	**13.20%**	**13.21%**	**13.71%**

* Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

9. Public Employees Retirement Association of Colorado Pension (continued)

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 $187,296 and $166,486 for the years ended December 31, 2022 and 2021, respectively.

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

At December 31, 2022 and 2021, the District reported an (asset)/liability of ($145,327) and $848,469, respectively for its proportionate share of the net pension (asset)/liability. The net pension (asset)/liability for the LGDTF was measured as of December 31, 2021, and the total pension (asset)/liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the total pension liability to December 31, 2021. The District's proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2021, the District's proportion was 0.16950 percent, which was an increase of .00668 percent from its proportion measured as of December 31, 2020. At December 31, 2020, the District's proportion was 0.16281 percent, which was a decrease of .004 percent from its proportion measured as of December 31, 2019.

For the years ended December 31, 2022 and 2021, the District recognized pension (income) expense of ($342,520) and $61,857, respectively. At December 31, 2022 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expect and actual experience	$ 7,102	$ 2,692
Changes in assumptions or other inputs	49,263	-
Net difference between projected and actual earnings on pension plan investments	-	1,257,104
Changes in proportion and differences between contributions recognized and proportionate share of contributions	29,952	-
District contributions subsequent to the measurement date	187,296	-
Total	$ 273,613	$ 1,259,796

9. Public Employees Retirement Association of Colorado Pension (continued)

At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 41,023	$ -
Changes in assumptions or other inputs	205,042	-
Net difference between projected and actual earnings on pension plan investments	-	917,573
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	16,917
District contributions subsequent to the measurement date	166,486	-
Total	$ 412,551	$ 934,490

The $187,296 reported as deferred outflows of resources related to pensions as of December 31, 2022, 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Pension amortization Year ended December 31,	Amortization
2023	$ (247,210)
2024	(470,147)
2025	(303,312)
2026	(152,545)
	$ (1,173,214)

Actuarial assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

9. Public Employees Retirement Association of Colorado Pension (continued)

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%
PERA Benefit Structure Hire Prior to January 1, 2007 and DPS Benefit Structure (Automatic)	1.00%
PERA Benefit Structure Hire After December 31, 2006 (Ad Hoc, Substantively Automatic)	Finance by the Annual Increase Reserve

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 as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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:

9. Public Employees Retirement Association of Colorado Pension (continued)

- **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, 2020, 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 to 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 are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long- term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, 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	6.00	4.70
Total	100.00	

9. Public Employees Retirement Association of Colorado Pension (continued)

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

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 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. 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 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. 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 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 and the subsequent AIR benefit payments were estimated and included in the projections.

9. Public Employees Retirement Association of Colorado Pension (continued)

- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

- 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 payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the 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 percent, 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 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

As of December 31, 2022	**1.00 % Decrease (6.25%)**	**Current Discount Rate (7.25%)**	**1.00% Increase (8.25%)**
District's Proportionate Share of the Net Pension Liability	$ 996,445	$ (145,327)	$ (1,100,368)
As of December 31, 2021	**1.00 % Decrease (6.25%)**	**Current Discount Rate (7.25%)**	**1.00% Increase (8.25%)**
District's Proportionate Share of the Net Pension Liability	$ 1,954,536	$ 848,469	$ (74,952)

Pension plan fiduciary net position

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

10. Other Post-Employment Benefits

Plan Description

Eligible employees of the District are provided with OPEB through the HCTF - a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes, as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report 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, School, Local Government and Judicial), 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 the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

10. Other Post-Employment Benefits (continued)

PERA Benefit Structure

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 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 Band 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 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $14,184 and $12,865 for the years ended December 31, 2022 and 2021, respectively.

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

At December 31, 2022 and 2021, the District reported a liability of $113,623 and $118,132, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the District's proportion was 0.01317 percent, which was an increase of 0.0007 from its proportion measured as of December 31, 2020.

10. Other Post-Employment Benefits (continued)

At December 31, 2020, the District's proportion was 0.01243 percent, which was a decrease of 0.0003 from its proportion measured as of December 31, 2019.

For the years ended December 31, 2022 and 2021 the District recognized OPEB (income)/expense of ($924) and $952, respectively. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expect and actual experience	$ 173	$ 26,941
Changes in assumptions or other inputs	2,352	6,163
Net difference between projected and actual earnings on pension plan investments	-	7,033
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(2,185)
District contributions subsequent to the measurement date	14,184	-
Total	$ 16,709	$ 37,952

The $14,184 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. 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 December 31,	Amortization
2023	$ (10,850)
2024	(11,289)
2025	(9,697)
2026	(4,167)
2027	447
Thereafter	129
	$ (35,427)

At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

10. Other Post-Employment Benefits (continued)

2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 314	$ 25,971
Changes in assumptions or other inputs	883	7,244
Net difference between projected and actual earnings on OPEB plan investments	-	4,827
Changes in proportionate share	-	7,863
District contributions subsequent to the measurement date	12,865	-
Total	$ 14,062	$ 45,905

Actuarial assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following 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% in the aggregate
Long-term investment rate of return, net of OPEB investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
Service-based Premium Subsidy	0.0%
PERACare Medicare Plans	4.50 % in 2022, gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.75% for 2021, gradually increasing to 4.50% in 2029

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty- five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

10. Other Post-Employment Benefits (continued)

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to
Medicare Advantage/Self-Insured Rx	$633	$230	$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is $471 (actual dollars) per month. All costs are subject to the health care cost trend rates, as discussed below.

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2020, 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 that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACARE Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020, 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 using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

10. Other Post-Employment Benefits (continued)

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 provisions (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.

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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.

The actuarial assumptions used in the December 31, 2020, 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 to 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.

10. Other Post-Employment Benefits (continued)

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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 rate of return assumption of 7.25%.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability in 2022 and 2021 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 as of December 31, 2022 and 2021:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 110,360	$ 113,623	$ 117,403

10. Other Post-Employment Benefits (continued)

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 135,322	$118,132	$ 103,444

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25 percent. 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, 2021, 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 projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members.

10. Other Post-Employment Benefits (continued)

Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

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 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

As of December 31, 2022	**1.00 % Decrease (6.25%)**	**Current Discount Rate (7.25%)**	**1.00% Increase (8.25%)**
District's Proportionate Share of the Net OPEB Liability	$ 131,962	$ 113,623	$ 97,959
As of December 31, 2021	1.00 % Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
District's Proportionate Share of the Net OPEB Liability	$ 135,322	$ 118,132	$ 103,444

Detailed information about the HCTF's fiduciary net position is available in PERA's annual comprehensive financial report which can be obtained at www.copera.org/investments/ pera-financial-reports.

11. Voluntary Investment Program

Plan Description

Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401 (k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available annual comprehensive financial report which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/ investments/pera-financial-reports.

Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the CRS, as amended. In addition, the District has agreed to match employee contributions up to 6 percent of covered salary as determined by the Internal Revenue Service.

11. Voluntary Investment Program (continued)

Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2022 and 2021 program members contributed $110,952 and $108,136 respectively, to the Voluntary Investment Program.

12. Board Designated Net Position

Board designated net position, which is intended to be used for specific purposes but is not legally restricted, is a component of unrestricted net position. At December 31, 2022 and 2021, the Board designated $1,655,260 and $2,864,680, respectively, to provide funding for a reserve for infrastructure replacements, an emergency reserve, and a debt reserve.

13. Commitments and Contingencies

Federal, State and Local Provisions

Substantially all of the District's facilities are subject to federal, state, and local provisions regulating the discharge of materials into the environment. Compliance with these provisions has not had, nor does the District expect such compliance to have, any material effect upon the capital expenditures, net income and financial condition of the District. Management believes that its current practices and procedures for the control and disposition of such waste comply with applicable federal and state requirement.

Line Extension Agreements

Pursuant to certain line extension agreements, the District is committed to reimburse various parties for line extension fees as customers connect to the applicable lines. However, the District is not required to reimburse funds until the fees are received from new customers or developers. Generally, the fees shall first be applied to the District's contribution until totally reimbursed, and only thereafter to the various parties. Some agreements call for the line extension fees received to be divided between the developer and the District on a pro-rata basis. The agreements generally are for 15 years after which time any further fees received remain with the District.

13. Commitments and Contingencies

Federal, State and Local Provisions

As of December 30, 2022, the maximum reimbursements are as follows:

Line Name	District	Participants
Idaho Creek Line Extension	$ -	$ 1,141,456
WCR 20/ 11 Line Extension	-	102,677
Dacono/ 52 Crossing	-	194,894
Liberty Gulch Line Extension	-	2,894,858
Aurora Dairy Line Extension	-	278,250
Carlson Line Extension	216,979	219,227
Northline Extension	1,027,311	1,183,417
Graydon Line Extension	-	576,370
Knudson	-	41,684
North 66	-	141,000
Liberty Gulch Phase III Line Extension	-	877,111
WCR 26 E Line Extension	-	254,013
Wyndham Hill	-	268,633
TA Interceptor	7,609,910	-
I25 Crossing	101,880	486,751
Hidden Creek	252,618	4,368,770
Totals	$ 9,208,698	$ 13,029,111

Commitments

The District has contracted with Archer Western Construction LLC to complete the pre-construction and construction of the wastewater treatment plant improvements project. The remaining contractual commitment is approximately $214,000.

14. Tabor Compliance

In November 1992, Colorado voters passed an amendment (the "Amendment" or "TABOR") to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and fiscal year spending include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

14. Tabor Compliance (continued)

The District passed a resolution, "Continuing and Clarifying the Establishment of a Sanitation Activity Enterprise." This resolution was passed after much research by legal counsel regarding the status of the District following the passage of the amendment. Because the District qualifies as an enterprise as defined by paragraph 2(d), Section 20, Article X of the Colorado Constitution, it was determined that the District's Sanitation Enterprise Fund is therefore exempt from the requirements and limitations of Section 20, Article X of the Colorado Constitution.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the amendment, exclude economic conditions, revenue shortfalls, or salary and fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted $16,747 and $13,464 for emergencies as defined by TABOR as of December 31, 2022 and 2021, respectively.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and many of the provisions, including the calculation of fiscal year spending limits, growth factors and qualifications as an Enterprise, will require judicial interpretation.

15. Subsequent Events

The District evaluated subsequent events through September 25, 2023, the date these financial statements were available to be issued. There were no other material subsequent events that required recognition or additional disclosure.

Required Supplementary Information

St. Vrain Sanitation District
Required Supplementary Information
Last 10 years

Schedule of Proportionate Share of the Net Pension (Asset) Liability and Related Ratios

Colorado PERA - Pension

Year Ending*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	Net Pension Liability (Asset) as a Percent of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2014	0.16490%	$ 1,237,242	$ 879,732	140.64%	77.66%
12/31/2015	0.17230%	1,544,379	944,151	163.57%	80.70%
12/31/2016	0.16113%	1,775,028	969,014	183.18%	76.90%
12/31/2017	0.17548%	2,369,554	1,021,310	232.01%	73.60%
12/31/2018	0.17004%	1,893,235	1,075,050	176.11%	79.37%
12/31/2019	0.16489%	2,072,981	1,079,393	192.05%	75.96%
12/31/2020	0.16641%	1,217,134	1,144,966	106.30%	86.26%
12/31/2021	0.16281%	845,832	1,192,693	70.92%	90.88%
12/31/2022	0.16950%	(145,327)	1,261,252	-11.52%	101.49%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
* *The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of 12/31 of the prior year.*

Schedule of District Contributions

Year Ending	Statutorily Required Contribution	Actual District Contributions	Contribution Excess/(Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2013	$ 111,550	$ 111,550	$ -	$ 879,732	12.68%
12/31/2014	$ 119,718	$ 119,718	$ -	$ 944,151	12.68%
12/31/2015	$ 122,871	$ 122,871	$ -	$ 969,014	12.68%
12/31/2016	$ 129,502	$ 129,502	$ -	$ 1,021,310	12.68%
12/31/2017	$ 136,316	$ 136,316	$ -	$ 1,075,050	12.68%
12/31/2018	$ 136,867	$ 136,867	$ -	$ 1,079,393	12.68%
12/31/2019	$ 145,182	$ 145,182	$ -	$ 1,144,966	12.68%
12/31/2020	$ 154,080	$ 154,080	$ -	$ 1,192,693	12.92%
12/31/2021	$ 166,486	$ 166,486	$ -	$ 1,261,252	13.20%
12/31/2022	$ 187,296	$ 187,296	$ -	$ 1,390,607	13.47%

St. Vrain Sanitation District

Required Supplementary Information

Last 10 years

Schedule of Proportionate Share of the OPEB Liability and Related Ratios

Colorado PERA - OPEB

Year Ending*	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Actual Member Payroll	OPEB Liability as a Percentage of Member Payroll	Fiduciary Net Position as a Percentage of Total OPEB Liability
12/31/2017	0.01347%	$ 163,681	$ 1,021,310	16.03%	16.72%
12/31/2018	0.01321%	$ 171,711	$ 1,075,050	15.97%	17.53%
12/31/2019	0.01279%	$ 173,973	$ 1,079,393	16.12%	17.03%
12/31/2020	0.01275%	$ 143,257	$ 1,144,966	12.51%	24.49%
12/31/2021	0.01243%	$ 118,169	$ 1,192,693	9.91%	32.78%
12/31/2022	0.01317%	$ 113,623	$ 1,261,252	9.01%	39.40%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

** The data provided in this schedule is based as of the measurement date of the District's net OPEB liability, which is as of 12/31 of the prior year.*

Schedule of District Contributions

Year Ending	Statutorily Required Contribution	Actual District Contributions	Contribution Excess/(Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2016	$ 10,849	$ 10,849	$ -	$ 1,021,310	1.06%
12/31/2017	$ 10,966	$ 10,966	$ -	$ 1,075,050	1.02%
12/31/2018	$ 11,010	$ 11,010	$ -	$ 1,079,393	1.02%
12/31/2019	$ 11,679	$ 11,679	$ -	$ 1,144,966	1.02%
12/31/2020	$ 12,165	$ 12,165	$ -	$ 1,192,693	1.02%
12/31/2021	$ 12,865	$ 12,865	$ -	$ 1,261,252	1.02%
12/31/2022	$ 14,185	$ 14,185	$ -	$ 1,390,607	1.02%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Supplementary Information

St. Vrain Sanitation District

Schedule of Revenues and Expenditures with Budget Comparison (Budgetary Basis)
Sanitation Enterprise Fund
For the Year Ended December 31, 2022
With Comparative Actual Amounts for the Year ended December 31, 2021

	Original and Final Budget	Actual Amounts	Variance Favorable (Unfavorable)	2021 Actual
Revenues				
Monthly sewer charges	$ 6,934,624	$ 6,939,156	$ 4,532	$ 6,659,360
Drainage debt service fees	177,040	180,872	3,832	174,907
Excess surcharges	6,600	6,169	(431)	292,132
Fines collected	1,000	-	(1,000)	1,000
Capital contributions	2,930,000	3,503,346	573,346	8,651,740
Inspection fees	30,000	40,225	10,225	67,975
Inclusion Development fees	4,800	7,200	2,400	3,600
Late fees and delinquent charges	120,000	133,161	13,161	78,275
Miscellaneous charges and fees	229,140	823,311	594,171	588,660
Transfer fees	24,000	28,640	4,640	37,360
Nonoperating revenues:				
General fund	500,000	-	(500,000)	-
Interest	70,000	257,048	187,048	99,025
FEMA reimbursement	500,000	-	(500,000)	-
Build America bond subsidy	-	-	-	112,761
Unrealized loss on investments	-	(1,014,899)	(1,014,899)	(211,478)
Total revenues	11,527,204	10,904,229	(622,975)	16,555,317
Expenditures				
Sewer collection:				
Payroll and benefits	514,277	429,453	84,824	398,289
Education and training	2,500	2,695	(195)	95
Legal	3,000	2,557	443	2,868
Collection lines	139,000	189,563	(50,563)	153,395
Inspection	76,500	56,285	20,215	56,802
Other	119,175	12,722	106,453	8,250
Consultant and consulting engineer	8,000	735	7,265	-
GIS service	300	387	(87)	-
Locate service	22,000	10,711	11,289	16,690
Dues and subscriptions	300	26	274	486
Total sewage collection	885,052	705,134	179,918	636,875
Sewage treatment:				
Payroll and benefits	774,013	743,208	30,805	675,707
Auto and truck expense	30,942	49,691	(18,749)	23,903
Contract services	114,350	40,206	74,144	44,489
Testing and discharge monitoring	34,123	26,122	8,001	25,113
Equipment maintenance and repair	233,485	259,472	(25,987)	246,901
Equipment rental	500	-	500	-
Laboratory supplies and equipment	30,272	17,424	12,848	14,548
Lift station	15,650	3,195	12,455	7,851
Plant	889,800	1,034,842	(145,042)	713,652
Utilities	715,285	557,892	157,393	580,366
Pretreatment	127,346	94,478	32,868	94,473
Telephone	14,200	5,911	8,289	5,295
Total sewage treatment	2,979,966	2,832,441	147,525	2,432,298

St. Vrain Sanitation District

Schedule of Revenues and Expenditures with Budget Comparison (Budgetary Basis)
Sanitation Enterprise Fund
For the Year Ended December 31, 2022
With Comparative Actual Amounts for the Year ended December 31, 2021

	Original and Final Budget	Actual Amounts	Variance Favorable (Unfavorable)	2021 Actual
Capital outlay:				
Capital construction costs	24,631,500	19,002,673	5,628,827	21,167,459
Contingency	345,816	-	345,816	-
Total capital outlay	24,977,316	19,002,673	5,974,643	21,167,459
Administration and information technology:				
Building maintenance and cleaning	48,000	46,053	1,947	60,452
Building utilities	16,000	14,868	1,132	13,398
Building security and trash	2,850	2,971	(121)	2,760
Office supplies	9,200	6,785	2,415	6,165
Information technology	220,900	318,507	(97,607)	219,457
Equipment maintenance and repairs	5,700	2,202	3,498	2,029
Postage	8,400	9,413	(1,013)	7,564
Telephone	30,000	27,761	2,239	27,824
Insurance	126,069	125,877	192	120,554
Training	21,000	4,667	16,333	7,400
Mileage and meals	9,300	10,373	(1,073)	1,802
Legal fees	15,000	11,712	3,288	8,024
Bank fees	25,800	16,855	8,945	37,517
Advertising and public notices	1,000	8,590	(7,590)	-
Licenses and fees	2,400	2,041	359	2,190
Miscellaneous	3,600	1,324	2,276	7,579
Payroll and benefits	613,810	575,961	37,849	517,937
Consultant and contracted	34,000	32,025	1,975	30,528
Employee Benefits/Non Capital Equipment	5,000	-	5,000	-
Dues and subscriptions	15,600	11,140	4,460	10,801
Contingency	150,000	-	150,000	-
Total administration and information technology	1,363,629	1,229,125	134,504	1,083,981
Debt service:				
Bond service fee	400	400	-	400
Due to General fund	174,761	-	174,761	-
Debt principal paid on long-term debt	150,000	150,000	-	140,000
Interest payments on 2010 AB series	746,600	746,600	-	753,600
Total debt service contingencies	1,071,761	897,000	174,761	894,000
Total expenditures	31,277,724	24,666,373	6,611,351	26,214,613
Excess of revenue over expenditures	$ (19,750,520)	$ (13,762,144)	$ 5,988,376	$ (9,659,296)

St. Vrain Sanitation District

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)
General Government Fund
For the Year Ended December 31, 2022
With Comparative Actual Amounts for the Year ended December 31, 2021

	Original and Final Budget	Actual Amounts	Variance Favorable (Unfavorable)	2021 Actual
Revenues:				
General property taxes	$ 432,176	$ 515,497	$ 83,321	$ 438,839
Refund and abatements	-	39	39	6,078
Specific ownership taxes	20,400	27,696	7,296	1,561
Earnings on investments	800	13,658	12,858	1,408
Transfer from Enterprise fund	174,491	-	(174,491)	-
Inclusion fees	2,000	1,354	(646)	911
Total revenues	629,867	558,244	(71,623)	448,797
Expenditures:				
Treasurer's fees	7,400	6,472	928	6,199
Abatements	840	426	414	1,130
Advancement of WW Industry	5,000	1,000	4,000	-
Advertising/public notices	1,200	-	1,200	-
Board meetings	2,400	1,630	770	1,832
Community Outreach	12,000	-	12,000	-
Director fees	9,303	5,700	3,603	6,100
Miscellaneous	2,000	7,381	(5,381)	15,426
Audit	20,000	25,700	(5,700)	20,000
Legal fees	30,000	23,880	6,120	23,057
Conferences	3,000	1,693	1,307	865
Elections	15,000	433	14,567	-
TIF Expense	7,500	63,818	(56,318)	-
Transfer to Enterprise fund	500,000	-	500,000	-
Total expenditures	615,643	138,133	477,510	74,609
Excess of general government fund revenues over general government fund expenditures	$ 14,224	$ 420,111	$ 405,887	$ 374,188

See accompanying Independent Auditor's Report