

MEEKER SANITATION DISTRICT

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2018

FINANCIAL STATEMENTS - 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Meeker Sanitation District

We have audited the accompanying financial statements of the business-type activities, the major fund, and the aggregate remaining fund information of the Meeker Sanitation District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the major fund, and the aggregate remaining fund information of the Meeker Sanitation District, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the District adopted the provision of GASB Statement No. 74, *Financial Reporting for Postemployment Benefits Plans other than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which has resulted in a restatement of net position as of January 1, 2018. Our opinions are not modified with respect to this matter.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the District's Proportionate share of the net pension liability, schedule of District contributions – PERA Pension Plan, schedule of the District proportionate share of the net OPEB liability, and schedule of the District contributions – PERA OPEB Plan on pages 3-6 and 37-40 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Meeker Sanitation District's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison schedule has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

ColoCPA Services, PC

Rangely, Colorado
June 6, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

The discussion and analysis of the Meeker Sanitation District's (the "District") financial performance provides readers with an overall review of the financial activities of the District for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$6,296,615 at December 31, 2018.
- Total District's cash and investments increased by \$43,348 or 4 percent from 2017.
- The December 31, 2018 Net Position balance is \$358,275 less than the previous year.

USING THIS ANNUAL REPORT

This Annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the District as a financial whole. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

OVERVIEW OF THE DISTRICT'S FINANCIAL STATEMENTS

Fund Financial Statements

The *Statement of Net Position* presents information on all District assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Fund Net Position* presents information showing how net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected service charges and earned but unused vacation leave).

The *Statement of Cash Flows* presents information about the cash receipts and cash payments of the District during the current year. When used with related disclosures and information in the other financial statements, the information provided in this statement should help financial report users assess the District's ability to generate future net cash flows, its ability to meet its obligations as they come due and its need for external financing. It also provides insight into the reasons for differences between operating income and associated cash receipts and payments; and the effects on the District's financial position of its cash and its non-cash investing, capital and related financing transactions during the year.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 35 of this report.

Budgetary Comparisons. The District adopts an annual appropriated budget for the Sanitation Fund. A budgetary comparison statement has been provided for the Sanitation Fund on page 43 through 44 of this report.

REPORTING THE DISTRICT AS A WHOLE

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following table provides a summary of the District's net position for 2017 and 2018.

	Governmental Activities	
	2017	2018
Assets		
Current and other assets	\$ 1,187,037	\$ 1,248,941
Capital assets	6,086,652	5,838,770
Total assets	<u>7,273,689</u>	<u>7,087,711</u>
Deferred Outflows	<u>169,448</u>	<u>87,109</u>
Liabilities		
Current and other liabilities	46,142	66,994
Long-term liabilities	610,437	564,092
Total liabilities	<u>656,579</u>	<u>631,086</u>
Deferred Inflows	<u>131,669</u>	<u>247,119</u>
Net Position		
Net investment in capital assets	6,086,652	5,838,770
Restricted	26,104	23,342
Unrestricted	542,133	434,503
Total net position	<u>\$ 6,654,889</u>	<u>\$ 6,296,615</u>

A significant portion of the District's position represents unrestricted net position of \$434,503 which may be used to meet the ongoing obligations to patrons and creditors.

Another significant portion of the District's net position reflects its net investment in capital assets. These assets include land, buildings, plant, equipment and construction in progress. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

An additional \$23,342 of the District's net position represents resources that are subject to external restrictions on how they may be used. The restriction is for the TABOR emergency reserve.

The following table indicates the changes in net position for 2017 and 2018.

	2017	2018
Revenues:		
Program revenues:		
Charge for services	\$ 616,024	\$ 610,874
General revenues:		
General property taxes	130,138	123,282
Specific ownership tax	4,911	5,123
Investment earnings	11,196	19,528
Other	107,849	19,257
Total revenues	<u>870,118</u>	<u>778,064</u>
Expenses:		
Administration	257,144	252,817
Sewage collection and treatment	923,598	841,520
Total expenses	<u>1,180,742</u>	<u>1,094,337</u>
Change in accounting principle	-	(42,002)
Increase (decrease) in net position	<u>\$ (310,624)</u>	<u>\$ (358,275)</u>

The District's net position decreased by \$358,275 in 2017. Key elements of this decrease are as follows:

A change in accounting principle to account for GASB 74 and GASB 75.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUND

Information about the District's operations begins on page 9. This fund is accounted for using the accrual basis of accounting.

As of December 31, 2018, the total fund net position balance of the District's proprietary fund was \$6,296,615. Approximately 7 percent of this consists of unrestricted fund equity, which is available as working capital and for current spending in accordance with the purposes of the District. The remainder of the fund equity is reserved to indicate that it is not available for new spending because it is committed for the following purpose: (1) a State-Constitution mandated emergency reserve (\$23,342). The District had revenues of \$778,064 and expenditures of \$1,094,337.

BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Colorado statutes.

2018 Sanitation Fund Budget

	<u>Original Budget</u>	<u>Amend- ments</u>	<u>Final Budget</u>	<u>Actual</u>
Beginning Fund Balance	\$ 1,237,747	\$ -	\$ 1,237,747	\$ 6,654,890
Revenue and other financing sources	1,966,081	-	1,966,081	784,554
Expenditures and other financing uses	<u>(3,003,082)</u>	<u>-</u>	<u>(3,003,082)</u>	<u>(894,947)</u>
Ending Fund Balance	<u>\$ 200,746</u>	<u>\$ -</u>	<u>\$ 200,746</u>	<u>\$ 6,544,497</u>

Actual revenue and other financing sources were \$1,181,527 less than budgeted revenue and other financing sources. Grants were budgeted for \$1,184,000 but no grant was received and was the main contributor of the difference.

Actual expenditures and other financing uses were \$2,108,135 less than budgeted expenditures and other financing uses. Capital outlay was \$2,217,629 less than budgeted and was the main contributor for the difference.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's net investment in capital assets for its business activities as of December 31, 2018 totaled \$5,838,770 (net of accumulated depreciation and related debt). This investment includes all land, buildings, plant, equipment, and construction in progress. The total decrease in investment in capital assets for the current year was \$247,882 or 4 percent.

The District uses the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated.

Long-term Debt. The District had no long-term debt.

ECONOMIC FACTORS AND OTHER MATTERS

Other Matters. The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2018 budget:

- Anticipated increase in property tax collections.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, P.O. Box 417, Meeker, CO 81641.

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FINANCIAL STATEMENTS

MEEKER SANITATION DISTRICT

STATEMENT OF NET POSITION

December 31, 2018

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 980,072
Accounts receivable	13,771
Property taxes receivable	147,899
Prepaid expenses	54,428
Restricted cash and investments	<u>52,771</u>

TOTAL CURRENT ASSETS 1,248,941

NONCURRENT ASSETS

Capital assets, nondepreciable	265,045
Capital assets, net	<u>5,573,725</u>

TOTAL NONCURRENT ASSETS 5,838,770

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	82,458
Deferred outflows related to post employment benefit (OPEB)	<u>4,651</u>

TOTAL DEFERRED OUTFLOWS OF RESOURCES 87,109

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES 7,174,820

LIABILITIES

CURRENT LIABILITIES

Accounts payable	37,207
Prepaid revenues	6,663
Employee compensated absences	23,063
Other accrued liabilities	<u>61</u>

TOTAL CURRENT LIABILITIES 66,994

NONCURRENT LIABILITIES

Net pension liability	517,160
Net OPEB liability	<u>46,932</u>

TOTAL NONCURRENT LIABILITIES 564,092

DEFERRED INFLOWS OF RESOURCES

Unearned revenue - property taxes	147,899
Deferred inflows related to pensions	98,427
Deferred inflows related to OPEB	<u>793</u>

TOTAL DEFERRED INFLOWS OF RESOURCES 247,119

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES 878,205

NET POSITION

Net investment in capital assets	5,838,770
Restricted for Tabor emergencies	23,342
Unrestricted	<u>434,503</u>

TOTAL NET POSITION \$ 6,296,615

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
For the Year Ended December 31, 2018

OPERATING REVENUE	
Sewer service	\$ 591,700
Dumping fees	19,174
Total Operating Revenue	<u>610,874</u>
OPERATING EXPENSES	
Plant operations	
Salaries and wages	178,400
Employee benefits	177,350
Professional services	13,831
Utilities	92,545
Insurance	25,631
Vehicle operation and repair	4,873
Plant chemicals and supplies	3,765
Repairs and maintenance	56,568
Miscellaneous	33,688
Depreciation	254,869
Total Plant Operations	<u>841,520</u>
Administration	
Directors' fees	4,500
Office salaries	85,346
Employee benefits	97,784
Professional services	34,918
Insurance	2,565
Office supplies	7,664
Telephone	2,737
Utilities	1,546
Miscellaneous	6,373
Depreciation	9,384
Total Administration	<u>252,817</u>
TOTAL OPERATING EXPENSES	<u>1,094,337</u>
OPERATING INCOME (LOSS)	<u>(483,463)</u>
NON-OPERATING REVENUES (EXPENSES)	
Property taxes (net)	123,282
Specific ownership tax	5,123
Interest income	19,528
Miscellaneous	19,257
NET NON-OPERATING REVENUES	<u>167,190</u>
CHANGE IN NET POSITION	(316,273)
NET POSITION, BEGINNING OF YEAR	6,654,890
Change in accounting principle	<u>(42,002)</u>
NET POSITION, END OF YEAR	<u>\$ 6,296,615</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 608,578
Cash payments to suppliers for goods and services	(267,606)
Cash payments to employees for services	(448,443)
NET CASH (USED) BY OPERATING ACTIVITIES	<u>(107,471)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Property tax (net of treasurer fees)	123,282
Specific ownership tax	5,123
Miscellaneous non-operating revenue	19,257
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>147,662</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of fixed assets	<u>(16,371)</u>
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(16,371)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net decrease in restricted cash	16,776
Investment income	19,528
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>36,304</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	60,124
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>919,948</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 980,072</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (483,463)
Adjustments to reconcile operating income (loss) to Net cash provided (used) by operating activities:	
Depreciation	264,253
Changes in assets and liabilities:	
Decrease (increase) in accounts receivable	(981)
Decrease (increase) in prepaids	419
Decrease (increase) in deferred outflows	85,329
Increase (decrease) in accounts payable	18,679
Increase (decrease) in prepaid revenue	(1,315)
Increase (decrease) in accrued liabilities	(19)
Increase (decrease) in employee compensated absences	3,506
Increase (decrease) in net pension liability	(93,277)
Increase (decrease) in net OPEB liability	1,940
Increase (decrease) in deferred inflows	97,458
NET CASH (USED) BY OPERATING ACTIVITIES	<u>\$ (107,471)</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Meeker Sanitation District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The following is a summary of the more significant policies consistently used in the preparation of the financial statements.

A. Financial Reporting Entity

An elected five member Board of Directors governs the District. No additional separate government units, agencies, or nonprofit corporations are included in the financial statements of the District as component units. Component units are legally separate entities for which the District is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on the District.

The District provides sewer service to the Town of Meeker, Colorado and surrounding areas.

B. Measurement focus, basis of accounting, and financial statement presentation

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The District uses the accounting principles applicable to enterprise funds. The Enterprise Fund is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. The District recognizes the portion of tap fees intended to recover the cost of connecting new customers to the system as operating revenue. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

C. Fixed Assets

Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. In 2016 no interest was capitalized.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Fixed Assets, continued

Property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Sewage Treatment	50
Sewer Collection System	50
Building	30
Equipment	5-10

D. Property Taxes

Property taxes are levied on December 22 of each year and attach as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year and are payable in full by June 15 if paid in installments, or April 30 with a single payment. Taxes are delinquent as of June 16. If the taxes are not paid within subsequent statutory periods, the property will be sold at public auction. The County bills and collects the property taxes and remits collections to the District on a monthly basis. No provision has been made for uncollected taxes, in that the District's experience indicates that all material amounts will be collected and paid to the District.

E. Budgets and Budgetary Accounting

The District's directors follow these procedures in establishing the budgetary data reflected in the financial statements:

Prior to October 15, the office manager submits to the District's directors a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain the taxpayers' comments.

Prior to December 15 the budget is legally enacted through passage of a resolution.

Formal budgetary integration is employed as a management control device during the year.

The budget for the Enterprise Fund is adopted on a basis which differs from GAAP in that outlays for debt retirement principal and acquisitions of fixed assets are included as expenses, and depreciation is excluded from expenses.

Appropriations lapse at the end of each calendar year.

The District's directors may authorize supplemental appropriations during the year. No supplemental appropriations were made during the year ended December 31, 2018.

F. Compensated Absences

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be taken after year-end or paid upon separation from service. A liability for accrued vacation and sick leave benefits has been recorded in the Proprietary Fund.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Cash Equivalents

For purposes of the statement of cash flows the District considers all investments in highly liquid debt instruments (including restricted assets) with a maturity of three months or less, to be cash equivalents.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Prepaid Items

Payments made to vendors for services representing costs applicable to future accounting periods are recorded as prepaid items.

NOTE 2 - CASH AND INVESTMENTS

The District's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Authority's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral included municipal bonds, U.S. government securities, mortgage, and deeds of trust.

State statutes authorized the District to invest in obligation of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, Local Government, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

The District's investment policy is not more restrictive than State statutes. The District's investments are concentrated in local government investment pools, U.S. government and agency securities, and bank CDs.

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value arising from increasing interest rates.

Investments for the District are reported at market value. Investments held are as follows:

<u>December 31, 2018</u>	<u>Cost</u>	<u>Market Value</u>
COLOTRUST	<u>\$ 909,848</u>	<u>\$ 909,848</u>

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 2 - CASH AND INVESTMENTS, Continued

The District has invested \$909,848 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. At December 31, 2018 the District's investment in the COLOTRUST was rated AAAM by Standard & Poor's.

A summary of cash and investments is as follows:

Cash and cash equivalents	
Cash on hand	\$ 190
Cash with County	332
Cash deposits in bank	122,472
COLOTRUST	<u>857,078</u>
Total cash and cash equivalents	980,072
Restricted cash and investments – COLOTRUST (**)	<u>52,771</u>
Total cash and investments	<u>\$1,032,843</u>

** Board designated for sewer improvements

NOTE 3 - ACCOUNTS RECEIVABLE

Management has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

NOTE 4 - PROPERTY TAXES

Revenue Recognized in 2018

Local property taxes levied in 2017 and collected in 2018 are recognized as revenue in these financial statements as shown below:

	Assessed Valuation	Mill Levy	Amount of Taxes		Percent Collected
			Levied	Collected	
Enterprise Fund	\$ 20,077,970	6.47	\$ 129,904	\$ 129,273	99.51%

Property Taxes Receivable and Deferred Revenues

Local Property taxes levied in 2018 but not collectible until 2019 are shown as property taxes receivable and deferred revenue.

	Assessed Valuation	Mill Levy	Estimated Percent Collectible	Property Taxes Receivable	Deferred Revenue
Enterprise Fund	\$ 19,799,100	7.47	100.0%	\$ 147,899	\$ 147,899

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2018 is as follows:

	<u>January 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2018</u>
Capital assets not being depreciated:				
Land	\$ 265,045	\$ -	\$ -	\$ 265,045
Total assets not being depreciated	<u>265,045</u>	<u>-</u>	<u>-</u>	<u>265,045</u>
Capital assets being depreciated:				
Administration	224,162	-	-	224,162
Sewage collection and treatment	<u>11,242,764</u>	<u>16,371</u>	<u>-</u>	<u>11,259,135</u>
Total assets being depreciated	<u>11,466,926</u>	<u>16,371</u>	<u>-</u>	<u>11,483,297</u>
Less accumulated depreciation:				
Administration	(169,318)	(9,384)	-	(178,702)
Sewage collection and treatment	<u>(5,476,001)</u>	<u>(254,869)</u>	<u>-</u>	<u>(5,730,870)</u>
Total accumulated depreciation	<u>(5,645,319)</u>	<u>(264,253)</u>	<u>-</u>	<u>(5,909,572)</u>
Total assets being depreciated, net	<u>5,821,607</u>	<u>(247,882)</u>	<u>-</u>	<u>5,573,725</u>
Business-type activities capital assets, net	<u>\$ 6,086,652</u>	<u>\$ (247,882)</u>	<u>\$ -</u>	<u>\$ 5,838,770</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Business-type activities:	
Administration	\$ 9,384
Sewage collection and treatment	<u>254,869</u>
Total depreciation expense – business-type activities	<u>\$ 264,253</u>

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 6 - BUDGETARY - GAAP REPORTING RECONCILIATION

The accompanying schedule presents comparisons of the legally adopted budget with actual data on a budgetary basis for the Enterprise Fund. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, perspective and entity differences in the revenues under expenditures for the year ended December 31, 2018, is presented as follows:

Revenues under expenses (NON-GAAP basis) (Page 44)	<u>Sanitation</u> \$ (68,391)
Less	
Depreciation	(264,253)
Add	
Capital outlay	<u>16,371</u>
Revenues over expenses (GAAP basis) (Page 10)	<u>\$(316,273)</u>

NOTE 7 - DEFERRED COMPENSATION PLAN

The District has contracted for the administration of a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to the employee until termination, retirement, death or unforeseeable emergency. The assets of this plan are not in the name of the District and are not included in these financial statements.

NOTE 8 - DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. Meeker Sanitation 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 pensions liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension 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.

During the 2018 legislative session, 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.* Governmental accounting standards require the net pension liability and related amounts of the LGDTF for financial reporting purposes be measured using the plan provision in effect as of the LGDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled *Changes between the measurement date of the net pension liability and December 31, 2018.*

General Information about the Pension Plan

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

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2018

NOTE 8 - DEFINED BENEFIT PENSION PLAN, Continued

General Information about the Pension Plan, continued

Benefits provided as of December 31, 2017. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5 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.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Local Governments (DPS) Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of the 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, 2017, 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. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF.

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 retirement benefit formula 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.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 8 - DEFINED BENEFIT PENSION PLAN, Continued

General Information about the Pension Plan, continued

Contributions provisions as of December 31, 2018. Eligible employees and Meeker Sanitation 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.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate ¹	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%
Amount Apportioned to the LGDTF ¹	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%
Total Employer Contribution Rate to the LGDTF¹	12.68%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Meeker Sanitation District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Meeker Sanitation District were \$36,044 for the year ended December 31, 2018.

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

At December 31, 2018, the Meeker Sanitation District reported a liability of \$517,160 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total pension liability to December 31, 2017. The Meeker Sanitation District proportion of the net pension liability was based on Meeker Sanitation District contributions to the LGDTF for the calendar year 2017 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2017, the Meeker Sanitation District proportion was 0.046 percent, which was an increase of 0.001 from its proportion measured as of December 31, 2016.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 8 - DEFINED BENEFIT PENSION PLAN, Continued

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

For the year ended December 31, 2018, the Meeker Sanitation District recognized pension expense of \$90,376. At December 31, 2017, the Meeker Sanitation District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	32,372	-
Changes of assumptions or other inputs	5,466	-
Net difference between projected and actual earnings on pension plan investments	-	100,581
Changes in proportion and differences between contributions recognized and proportionate share of contributions	8,576	(2,154)
Contributions subsequent to the measurement date	36,044	N/A
Total	82,458	98,427

\$36,044 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2019	65,213
2020	(11,414)
2021	(36,579)
2022	(37,295)
2023	-
Thereafter	-

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 8 - DEFINED BENEFIT PENSION PLAN, Continued

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

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 - 10.45 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporated a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumption reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012 through December 31, 2015, as well as the October 28, 2016, actuarial assumption workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumptions for the LGDTF, including long-term historical data, estimates inherent in current market data, and long-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.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 8 - DEFINED BENEFIT PENSION PLAN, Continued

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

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
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non US Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
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%.

Discount rate. The discount rate used to measure the total pension 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:

- 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 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employee contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including 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 included 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 used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 8 - DEFINED BENEFIT PENSION PLAN, Continued

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

- The AIR balance was excluded from the initial fiduciary net position, as, per statute. AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriated. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payment have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plans fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted). AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the LGDTF's fiduciary net position 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 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Meeker Sanitation District 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	824,140	517,160	261,791

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

Changes between the measurement date of the net pension liability and December 31, 2018.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through 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 the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 8 - DEFINED BENEFIT PENSION PLAN, Continued

Changes between the measurement date of the net pension liability and December 31, 2018, continued

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to new members hired on or after January 1, 2019, in the Local Government Division. Beginning January 1, 2021, and every year thereafter, employer contribution rate for the LGDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

At December 31, 2018, the Meeker Sanitation District reported a liability of \$517,160 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 7.25%. For comparative purposes, the following schedule presents an estimate of what the Meeker Sanitation District proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the LGDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the LGDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$366,006

NOTE 9 – DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

Plan Description – Employees of the Meeker Sanitation District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, and 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 provision to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.or/investments/pera-financial-reports.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2018

NOTE 9 – DEFINED CONTRIBUTION PENSION PLAN, Continued

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 C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2018, program members contributed \$4,433.

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB. Meeker Sanitation District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position 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.

General Information about the OPEB Plan

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

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

General Information about the OPEB Plan, 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 B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees 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 subsidy, in each case, is for retirees 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 retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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 Meeker Sanitation District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Meeker Sanitation District were \$2,899 for the year ended December 31, 2018.

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

At December 31, 2018, the Meeker Sanitation District reported a liability of \$46,932 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The Meeker Sanitation District proportion of the net OPEB liability was based on Meeker Sanitation District contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

At December 31, 2017, the Meeker Sanitation District proportion was 0.004 percent, which was an increase of 0.001 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Meeker Sanitation District recognized OPEB expense of \$1,073. At December 31, 2018, the Meeker Sanitation District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	222	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	785
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,530	8
Contributions subsequent to the measurement date	2,899	N/A
Total	4,651	793

\$4,651 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, 2019. 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:	
2019	146
2020	146
2021	146
2022	146
2023	344
Thereafter	31

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

Actuarial assumptions. The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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.

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, 2016, 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.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- 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 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the "No Part A Subsidy" when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the "No Part A Subsidy" but have not reached age 65, were revised to more closely reflect actual experience.
- 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.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as needed.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
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 Meeker Sanitation District proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	45,641	46,932	48,487

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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, 2017, 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 3.50%.
- 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. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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. 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 Meeker Sanitation District 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	52,766	46,932	41,952

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

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 11 – CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term liabilities:

	<u>1/1/2018 Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/2018 Balance</u>	<u>Due in One Year</u>
Net pension liability	\$ 489,924	\$ 27,236	\$ -	\$ 517,160	\$ -
Net OPEB liability	<u>44,992</u>	<u>1,940</u>	<u>-</u>	<u>46,932</u>	<u>-</u>
Total	<u>\$ 534,916</u>	<u>\$ 29,176</u>	<u>\$ -</u>	<u>\$ 564,092</u>	<u>\$ -</u>

NOTE 12 - CONTINGENCIES

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue. The amendment also requires that reserves be established for declared emergencies, with 3% of fiscal year spending required in 1995 and thereafter.

The District has no authorized but unissued debt subject to the amendment's limitation. Based on fiscal year spending for 2018, \$23,342 of the year end fund equity in the Proprietary Fund has been reserved for emergencies.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

On May 7, 1996, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District without regard to any limitations under TABOR. The election is effective only for years beginning January 1, 1996, and thereafter.

NOTE 13 - RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Claims made against the Meeker Sanitation District and losses incurred by the District are covered by commercial insurance for all major areas. There have been no significant reductions in insurance coverage in the current year and settlement amounts, if any, have not exceeded insurance coverage for the last three years.

NOTE 14 – REPORTING FOR PENSIONS

Beginning in 2015, financial reporting information pertaining to the District's participation in Public Employees' Retirement Association of Colorado (PERA) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 15 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2018, the District implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This resulting in and adjustment to beginning position on the Statement of Revenues, Expense and Changes in Fund Net Position of \$42,002 to add the beginning net OPEB liability.

NOTE 16 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through June 6, 2019, the date at which the financial statements were available to be issued, and determined that no events have occurred that require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

MEEKER SANITATION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA PENSION PLAN
Last 10 Fiscal Years

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total Pension Liability
12/31/2014	0.050%	\$ 412,768	\$ 267,602	154%	81.78%
12/31/2015	0.045%	406,274	248,374	164%	80.72%
12/31/2016	0.044%	489,924	252,581	194%	76.90%
12/31/2017	0.045%	610,437	283,275	215%	73.60%
12/31/2018	0.046%	517,160	284,256	182%	79.40%

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

* The data provided in the schedule is based as of the measurement date of PERA's net pension liability, which is as of the calendar year end that occurred before the District's fiscal year end.

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

**SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA PENSION PLAN
Last 10 Fiscal Years**

<u>Year Ending</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contributions Excess/ Deficiency</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2013	\$ 33,932	\$ 33,932	\$ -	\$ 267,602	12.68%
12/31/2014	31,494	31,494	-	248,374	12.68%
12/31/2015	32,027	32,027	-	252,581	12.68%
12/31/2016	34,744	34,744	-	274,005	12.68%
12/31/2017	35,919	35,919	-	283,275	12.68%
12/31/2018	36,044	36,044	-	284,256	12.68%

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

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA OPEB PLAN
Last 10 Fiscal Years

Year Ended*	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Actual Covered Member Payroll	Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total OPEB Liability
12/31/2017	0.003%	\$ 44,992	\$ 283,275	16%	16.72%
12/31/2018	0.004%	46,932	284,256	17%	17.53%

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

* The data provided in the schedule is based as of the measurement date of PERA's net pension liability, which is as of the calendar year end that occurred before the District's fiscal year end.

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

**SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA OPEB PLAN
Last 10 Fiscal Years**

<u>Year Ending</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contributions Excess/ Deficiency</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2017	\$ 2,889	\$ 2,889	\$ -	\$ 283,275	1.02%
12/31/2018	2,889	2,889	-	284,256	1.02%

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

The accompanying "Notes to Financial Statements" are an integral part of this statement.

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SUPPLEMENTARY INFORMATION

MEEKER SANITATION DISTRICT

BUDGETARY COMPARISON SCHEDULE
SANITATION FUND
For the Year Ended December 31, 2018

	<u>Budget</u>	
	<u>Original</u>	<u>Final</u>
REVENUES		
Sewer service	\$ 605,077	\$ 605,077
Dumping fees	12,000	12,000
Property taxes	130,004	130,004
Specific ownership tax	4,500	4,500
Interest income	5,500	5,500
Grants	1,184,000	1,184,000
Miscellaneous	25,000	25,000
TOTAL REVENUES	<u>1,966,081</u>	<u>1,966,081</u>
EXPENSES		
Plant operations		
Salaries and wages	180,331	180,331
Employee benefits	117,453	117,453
Professional services	-	-
Utilities	97,000	97,000
Insurance	25,588	25,588
Vehicle operation and repair	10,000	10,000
Plant chemicals and supplies	6,000	6,000
Repairs and maintenance	59,000	59,000
Miscellaneous	33,500	33,500
Total Plant operations	<u>528,872</u>	<u>528,872</u>
Administration		
Directors' fees	4,500	4,500
Office salaries	83,270	83,270
Employee benefits	67,508	67,508
Professional services	38,700	38,700
Insurance	2,600	2,600
Office supplies	1,000	1,000
Telephone	2,000	2,000
Utilities	1,610	1,610
Miscellaneous	7,500	7,500
Treasurers fees	6,496	6,496
Total Administration	<u>215,184</u>	<u>215,184</u>
Capital Outlay	<u>2,234,000</u>	<u>2,234,000</u>
Contingency	<u>25,026</u>	<u>25,026</u>
TOTAL EXPENSES	<u>3,003,082</u>	<u>3,003,082</u>
CHANGE IN NET POSITION	(1,037,001)	(1,037,001)
NET POSITION, BEGINNING OF YEAR	1,237,747	1,237,747
Change in accounting principle	-	-
NET POSITION, END OF YEAR	<u>\$ 200,746</u>	<u>\$ 200,746</u>

RECONCILIATION FROM BUDGET BASIS EXPENDITURES (NON-GAAP) TO GAAP

Add:

 Capital outlay

Subtract:

 Depreciation

NET POSITION, END OF YEAR GAAP BASIS

Actual Amounts	Variance from final budget
\$ 591,700	\$ (13,377)
19,174	7,174
129,772	(232)
5,123	623
19,528	14,028
-	(1,184,000)
19,257	(5,743)
<u>784,554</u>	<u>(1,181,527)</u>

178,400	1,931
177,350	(59,897)
13,831	(13,831)
92,545	4,455
25,631	(43)
4,873	5,127
3,765	2,235
56,568	2,432
21,326	12,174
<u>574,289</u>	<u>(45,417)</u>

4,500	-
85,346	(2,076)
97,784	(30,276)
34,918	3,782
2,565	35
7,664	(6,664)
2,737	(737)
1,546	64
6,373	1,127
6,490	6
<u>249,923</u>	<u>(34,739)</u>

<u>16,371</u>	<u>2,217,629</u>
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<u>12,362</u>	<u>12,664</u>
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<u>852,945</u>	<u>2,150,137</u>
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(68,391)	968,610
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6,654,890	5,417,143
(42,002)	(42,002)

6,544,497	<u>\$ 6,343,751</u>
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16,371

(264,253)

\$ 6,296,615

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