St. Vrain Sanitation District

Financial Statements and Supplementary Information
For the Years Ended December 31, 2019 and 2018

ACM

St. Vrain Sanitation District

Contents

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Independent Auditor's Report

Board of Directors
St. Vrain Sanitation District
Firestone, Colorado

We have audited the accompanying financial statements of the St. Vrain Sanitation District (the "District") as of and for the years ended December 31, 2019 and 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 an opinion on these financial statements based on our audits. We conducted our audits 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the St. Vrain Sanitation District as of December 31, 2019 and 2018, and the change in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

The COVID-19 outbreak in 2020, see Note 13, has caused business disruption in a variety of industries, markets and geographic regions, which has resulted in considerable uncertainty as to the financial impact and duration, which cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9, the schedules required for the pension and other post-employment benefit plans on pages 44 through 48 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 evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedules of Revenues and Expenditures - Budget and Actual (Budgetary Basis) on pages 49 through 53 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Revenues and Expenditures - Budget and Actual (Budgetary Basis) were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

ACM LLP

Greeley, Colorado
May 20, 2020

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, 2019. 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 $103,455,987.** This represents an increase of $9,725,977 (10.4%) over the District's 2018 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 2019 operating revenues are $6,855,884.** Revenues of the District increased in 2019 by 18.3% or $1,062,515. Increased revenues are primarily a result of an increased customer base through service connection sales. Another contributing factor was a service fee increase in January of 2019. This $2 per month increase resulted in approximately $360,000 additional revenue.

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 continues to work through the project closeout process and further reimbursements are expected. The remaining amount eligible for reimbursement is $886,012.

4. **The District's operating expenses are $7,754,457.** Depreciation expense of $3,715,706 is included in the District's 2019 operating expenses.

5. **Capital contributions to the District for 2019 are $10,345,905.** 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 subdivisions. With this continued growth, the District monitors the collection and treatment capacity of its infrastructure to ensure the ability to meet the future needs of the District customers.

6. **Net pension liability of $2,072,981.** Net pension liability is being recognized in 2019 as a requirement for reporting of the District's proportionate share of the total pension 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.

7. **The District incurred a $630,236 loss on disposal of a capital asset**. The District acquired a former treatment plant site through a 2008 consolidation with a neighboring sanitary sewer district. This site was previously decommissioned and in 2019 it was disposed of in a real estate transaction.

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.

St. Vrain Sanitation District
Management's Discussion and Analysis

Basic Financial Statements

Statements of Net Position

The statements of net position include all of the District's assets, liabilities and deferred inflows 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 8 and 9.

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 statement reports 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 9. 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. In October of 2010, the District issued a combination of tax exempt and Build America ("BAB") wastewater revenue bonds to fund the expansion and construction of its wastewater treatment facility.
3. District entered into a design phase for the next treatment plant improvement project.
4. District administration and operations are funded from user fees.
5. 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 in 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 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 $650 to $1,350. The fees are increased in alternating even-numbered years. The next such increase will occur on January 1, 2020.

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 2019 by a .519 mill levy to fund the general operations of the District. For 2018, the mill levy was .517 for general operations. The slight increase was the result of previous year tax abatements. The revenue from the mill levy decreased in 2019 to $368,310 from $399,714 in 2018 due to the adjustment related to the Gallagher Amendment. The Gallagher Amendment, passed in 1982, was designed to maintain a constant ratio between the property tax revenue that comes from residential property and from business property. 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 unless the board elects to approve the participation of the District in the project.

Any revenues contributed by the District are derived from Plant Investment Fees ("PIF") collected from new connections to the system. District participation 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.

St. Vrain Sanitation District
Management's Discussion and Analysis

TABLE A
Condensed Statements of Net Position

	2019	2018	2017
Current and other assets	**$ 40,247,381**	$ 28,986,632	$ 22,757,033
Capital assets	**81,358,437**	83,318,788	84,673,001
Total assets	**121,605,818**	112,305,420	107,430,034
Deferred outflows of resources relating to pensions	**516,351**	287,128	700,014
Current liabilities	**1,524,295**	1,149,709	996,636
Non-current liabilities	**16,715,708**	16,951,068	17,663,485
Total liabilities	**18,240,003**	18,100,777	18,660,121
Deferred inflows of resources related to pensions	**47,927**	396,291	16,999
Unearned revenue - property taxes	**378,252**	365,470	393,463
Total deferred inflow of resources	**426,179**	761,761	410,462
Net position			
Net investment in capital assets	**66,535,587**	68,083,160	69,134,543
Restricted	**12,478**	17,580	12,469
Unrestricted	**36,907,922**	25,629,270	19,912,453
Total net position	**$ 103,455,987**	$ 93,730,010	$ 89,059,465

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.

TABLE B
Condensed Statements of Revenues, Expenses and Changes in Net Position

	2019	2018	2017
Wastewater treatment and collection service charges	**$ 6,855,884**	$ 5,793,369	$ 5,571,634
Operating expenses			
General government expenses	**65,345**	75,104	78,136
Sewer treatment plant	**2,580,183**	1,980,125	1,830,544
Sewer collection	**787,122**	650,619	895,879
Depreciation	**3,715,706**	3,749,164	3,697,187
Administration	**606,101**	1,302,237	1,365,342
Total operating expenses	**7,754,457**	7,757,249	7,867,088
Loss from operations	**(898,573)**	(1,963,880)	(2,295,454)
Non-operating revenues (expenses)			
Taxes	**393,984**	430,098	414,355
Inclusion fees	**1,404**	10,272	1,063
Interest income	**572,500**	388,085	181,242
Build America bond subsidy	**269,386**	268,382	267,378
Loss on Disposal of Capital Assets	**(630,236)**		
FEMA Reimbursement		1,164,954	
Unrealized and realized gain (loss) on investments	**488,366**	(67,545)	(32,980)
Interest expense	**(816,759)**	(826,657)	(835,131)
Total non-operating revenues (expenses)	**278,645**	1,367,589	(4,073)
Net income/loss before contributions	**(619,928)**	(596,291)	(2,299,527)
Capital contributions	**10,345,905**	5,430,517	5,901,983
Changes in net position	**9,725,977**	4,834,226	3,602,456
Net position - beginning of year	**93,730,010**	88,895,784	85,457,009
Prior Period Adjustment (Note 2)			(163,681)
Net position- end of year	**$ 103,455,987**	$ 93,730,010	$ 88,895,784

St. Vrain Sanitation District
Management's Discussion and Analysis

BUDGETARY HIGHLIGHTS

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

During 2019 the District saw total revenues (exclusive of capital contributions) exceed budgeted revenues by 4.3% in the District Sanitary Sewer Enterprise Fund. The difference can be attributed to a continued increase in demand for sewer connections. Monthly service charges were 105.3% of the budgeted amount and plant investment fee and capital contributions were roughly 4 times the budgeted amount. The 2019 budget anticipated the addition of 400 single family equivalents (sfe), while actual sewer connection sales resulted in a total of 909 additional sfes in 2019.

During 2019, total actual expenditures were less than the budgeted expenditures by $4,556,390 in the Enterprise Fund and $344,146 in the General Government Fund. The large variance in Enterprise expenditures was the direct result of expected capital projects that were subsequently deemed unnecessary or delayed in 2019. Removing the budgeted amount for these projects there remains an expense budget surplus of nearly 1.5 million dollars. 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

While the previously mentioned capital improvements were removed from the project list in 2019 several capital projects were initiated in 2019. These projects totaled just under $1.15 Million. Following completion of the Treatment Plant Master Plan, the District entered into the design phase of a treatment plant improvement project scheduled to begin in 2020. Also included in the capital expenditures were chemical trials that will aid in the ability to treat District influent effectively and efficiently. The District also installed several collection system monitoring sites. Other expenditures included design of collection lines, server upgrades, purchase of data management software and office equipment.

In October of 2010, the District issued wastewater revenue bonds totaling $16,225,000 to aid in the funding of the expansion project, by doing so allowing the District to maintain a sufficient cash base to meet future needs as they arise. Additionally, growth of the District customer base will rebuild fund balances needed to fund future expansions of the District facilities. At the conclusion of 2019, the District had outstanding debt totaling $14,795,000 remaining in the wastewater revenue bonds. These bonds are a combination of tax exempt bonds and Build America bonds.

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 2020 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 will continue the design and enter into the construction project to increase plant capacity and treatment efficiency. It is anticipated that this will be a multi-year project that will provide treatment capacity for a twenty-year window. The treatment plant improvement project will be a major factor in the budget process for the next couple of years.

St. Vrain Sanitation District
Management's Discussion and Analysis

The District will enter 2020 with $35,960,877 in cash and investments representing an increase in these balances of $7,839,475 as a result of fiscal year 2019 activities. A District rate study was conducted as a part of the 2017 budget. 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 for the next 20 years.

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,	**2019**	2018
Assets		
Current assets		
Cash and cash equivalents	**$ 8,021,827**	$ 3,521,320
Investments	**27,939,050**	24,600,082
Property taxes receivable	**378,252**	365,470
Receivables, net	**3,839,472**	439,462
Prepaid expenses	**68,780**	60,298
Total current assets	**40,247,381**	28,986,632
Capital assets		
Land, other property rights, and construction in progress	**3,834,497**	3,169,083
Other capital assets, net of accumulated depreciation	**77,523,940**	80,149,705
Total capital assets, net	**81,358,437**	83,318,788
Total assets	**121,605,818**	112,305,420
Deferred outflows of resources		
Deferred outflows of resources relating to pensions	**501,821**	275,306
Deferred outflows of resources relating to OPEB	**14,530**	11,822
Total deferred outflows of resources	**516,351**	287,128
Liabilities		
Current liabilities		
Accounts payable	**802,509**	347,884
Accrued expenses	**124,346**	119,514
Participants payable	**177,440**	272,311
Current portion of notes and bonds payable	**420,000**	410,000
Total current liabilities	**1,524,295**	1,149,709
Non-current liabilities		
Non-current portion of notes and bonds payable	**14,402,850**	14,825,628
Accrued compensated absences	**65,904**	60,494
Net pension liability	**2,072,981**	1,893,235
Net OPEB liability	**173,973**	171,711
Total non-current liabilities	**16,715,708**	16,951,068
Total liabilities	**18,240,003**	18,100,777
Deferred inflows of resources		
Deferred revenue - property taxes	**378,252**	365,470
Deferred inflows of resources relating to pensions	**40,747**	390,625
Deferred inflows of resources relating to OPEB	**7,180**	5,666
Total deferred inflows of resources	**426,179**	761,761
Net position		
Net investment in capital assets	**66,535,587**	68,083,160
Restricted, emergency reserve	**12,478**	17,580
Unrestricted	**36,907,922**	25,629,270
Total net position	**$ 103,455,987**	$ 93,730,010

See accompanying notes to the financial statements.

St. Vrain Sanitation District

Statements of Revenues, Expenses and Changes in Net Position

For the Year Ended December 31,	**2019**	2018
Operating revenues		
Wastewater treatment and collection service charges	**$ 6,855,884**	$ 5,793,369
Total operating revenues	**6,855,884**	5,793,369
Operating expenses		
General government expenses	**65,345**	75,104
Sewer treatment plant	**2,580,183**	1,980,125
Sewer collection	**787,122**	650,619
Depreciation	**3,715,706**	3,749,164
Administration and information technology	**606,101**	1,302,237
Total operating expenses	**7,754,457**	7,757,249
Loss from operations	**(898,573)**	(1,963,880)
Non-operating revenues (expenses)		
Property taxes	**368,310**	399,714
Specific ownership taxes	**25,674**	30,384
Inclusion fees	**1,404**	10,272
Interest income	**572,500**	388,085
Build America bond subsidy	**269,386**	268,382
FEMA reimbursement	**-**	1,164,954
Loss on disposal of capital assets	**(630,236)**	-
Net unrealized and realized gain (loss) on investments	**488,366**	(67,545)
Interest expense	**(816,759)**	(826,657)
Total non-operating revenues (expenses)	**278,645**	1,367,589
Loss before contributions	**(619,928)**	(596,291)
Capital contributions	**10,345,905**	5,430,517
Change in net position	**9,725,977**	4,834,226
Net position at beginning of year	**93,730,010**	88,895,784
Net position at end of year	**$ 103,455,987**	$ 93,730,010

See accompanying notes to the financial statements.

St. Vrain Sanitation District

Statements of Cash Flows

For the Year Ended December 31,	**2019**	2018
Cash flows from operating activities		
Cash received from customers	**$ 6,774,870**	$ 5,787,742
Cash paid to suppliers	**(2,955,605)**	(2,320,838)
Cash paid to employees	**(1,542,200)**	(1,461,792)
Net cash flows from operating activities	**2,277,065**	2,005,112
Cash flows from non-capital and related financing activities		
Property taxes	**393,874**	399,714
Specific ownership taxes	**25,674**	30,384
Inclusion fees	**1,404**	10,272
FEMA reimbursement	**-**	1,164,954
Net cash flows from non-capital and related financing activities	**420,952**	1,605,324
Cash flows from capital and related financing activities		
Contributed capital	**5,642,094**	3,814,599
Acquisition of capital assets	**(1,243,615)**	(696,397)
Proceeds from sale of capital assets	**642,264**	-
Build America bond subsidy	**269,386**	268,382
Principal paid	**(410,000)**	(300,000)
Interest paid	**(819,537)**	(830,551)
Net cash flows from capital and related financing activities	**4,080,592**	2,256,033
Cash flows from investing activities		
Interest income received	**572,500**	388,085
Purchases of investments	**(17,122,358)**	(7,819,335)
Proceeds from maturity of certificates of deposit	**-**	489,000
Proceeds from sale of investments	**14,271,756**	749,813
Net cash flows from investing activities	**(2,278,102)**	(6,192,437)
Net change in cash and cash equivalents	**4,500,507**	(325,968)
Cash and cash equivalents at beginning of year	**3,521,320**	3,847,288
Cash and cash equivalents at end of year	**$ 8,021,827**	$ 3,521,320

(Continued).

St. Vrain Sanitation District

Statements of Cash Flows

For the Years Ended December 31,	**2019**	2018
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	**$ (898,573)**	$ (1,963,880)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	**3,715,706**	3,749,164
Changes in assets and liabilities:		
Receivables	**(81,014)**	(13,657)
Prepaid expenses	**(8,482)**	(56,926)
Accounts payable and accrued expenses	**(54,993)**	(33,478)
Pension and OPEB liabilities and related items	**(395,579)**	323,889
Net cash flows from operating activities	**$ 2,277,065**	$ 2,005,112
Non-cash investing and financing transactions		
Contributed capital assets	**$ 1,264,380**	$ 1,698,554
Capital assets acquired with accounts payable	**$ 519,860**	$ -
Amortization of bond premium	**$ 2,778**	$ 2,830

See accompanying notes to the financial statements.

1. Summary of Significant Accounting Policies

Form of 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.

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, 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, 2019 and 2018, $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 2019 are recorded as property taxes receivable and unearned revenue as of December 31, 2019.

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:

	Estimated
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 $65,904 and $60,494 for accrued benefits at December 31, 2019 and 2018, 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 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. A brief description of some of the major changes to plan provisions required by SB 18-200 for the LGDTF that were in effect on the LGDTF's December 31, 2018 measurement date are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employee contribution rates for the LGDTF 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, increases 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 members of the Local Government Division hired on or after January 1, 2019. Beginning January 1, 2021, and every year thereafter, employer contribution rates 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.

Other Post-Employment Benefits

The District participates in the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position 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 $5,650 per single-family equivalent unit ("SFE"), and a line extension fee is charged depending on location. During 2018 and 2017, the line extension fee ranged from $700 to $1,400. 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 revenues; and
- Debt principal retired is budgeted as non-operating expenses.

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.

	2019	2018
Change in net position	**$ 9,725,977**	$ 4,834,226
Add:		
Depreciation	**3,715,706**	3,749,164
Less:		
Capital outlay	**(1,243,615)**	(696,397)
Contributed capital assets	**(1,264,380)**	(1,698,554)
Debt principal paid	**(410,000)**	(300,000)
Excess of budget basis expenditures over budget basis revenues	**$ 10,523,688**	$ 5,888,439

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	$ 409,491	$ -	$ 409,491
Enterprise fund	11,000,170	-	11,000,170
Total	$ 11,409,661	$ -	$ 11,409,661

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. The District reports deferred outflows of resources for pension and OPEB-related amounts. See Notes 7 and 8 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 7 and 8 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.

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.

2. 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. PDPA 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, 2019 and 2018, the District had deposits with a financial institution with a carrying amount of $8,016,474 and $3,515,967, respectively. The bank balances with the financial institution was $8,055,286 and $3,516,200, respectively. Of these amounts, $500,000 and $264,862 was covered by federal depository insurance, respectively. The remaining balances of $7,555,286 and $3,251,338, 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 at December 31, 2019 and 2018, were as follows:

	2019	2018
Cash financial institution	**$ 8,016,474**	$ 3,515,967
Cash with county treasurer	**5,153**	5,153
Cash on hand	**200**	200
Total cash and cash equivalents	**$ 8,021,827**	$ 3,521,320

At December 31, 2019, the District had the following investments:

Investment	**S&P Rating**	**Value**	**Weighted Average Maturity Date (in years)**	**Concentration of Credit Risk**
CSAFE	**AAAm**	**$ 12,266,225**	**N/A**	**43.9%**
FNMA	**AA+**	**3,818,425**	**0.63**	**13.7%**
FHLB	**AA+**	**2,060,140**	**1.09**	**7.4%**
FHLMC	**AA+**	**6,873,562**	**2.38**	**24.6%**
FFCB	**AA+**	**2,920,698**	**1.83**	**10.5%**
Total investments		**$ 27,939,050**		

At December 31, 2018, the District had the following investments:

Investment	S&P Rating	Value	Weighted Average Maturity Date (in years)	Concentration of Credit Risk
CSAFE	AAAm	$ 5,718,635	N/A	23.2%
FNMA	AA+	4,489,159	1.5	18.2%
FHLB	AA+	5,769,499	2.24	23.5%
FHLMC	AA+	7,533,208	2.85	30.6%
FFCB	AA+	1,089,581	2.15	4.5%
Total investments		$ 24,600,082		

Investments

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

- U.S. Treasury with maturities not exceeding five years from the date of trade settlement.
- Federal Instrumentality Securities with maturities not exceeding five years from the date of trade settlement issued by the following only: Federal National Mortgage Association ("FNMA"), Federal Farm Credit Banks ("FFCB"), Federal Home Loan Banks ("FHLB"), and Federal Home Loan Mortgage Corporation ("FHLMC"). Federal instrumentality securities shall be rated in the highest rating category by at least two Nationally Recognized Statistical Rating Organizations ("NRSROs") that rate them, and shall be rated not less by any NRSRO that rates the debt.
- Repurchase Agreements with a termination date of 180 days or less collateralized by U.S. Treasury obligations or Federal Instrumentality securities above with a final maturity not exceeding ten years.
- Commercial Paper issued by domestic corporations with an original maturity of 270 days or less that is rated at least A-1, P-1 or the equivalent at the time of purchase by at least two NRSROs and rated not less by all NRSROs that rate the commercial paper.
- Eligible Banker's Acceptances with maturities not exceeding 180 days, issued by FDIC insured state or national banks. Banker's Acceptances shall be rated at least A-1, P-1 or the equivalent at the time of purchase by at least two NRSROs and rated not less by all NRSROs that rate the instrument.
- Corporate Debt with a maturity not exceeding three years from the date of trade settlement, issued by any corporation or bank organized and operating within the United States. The debt must be rated at least AA-, Aa3 or the equivalent by at least two NRSROs, and rated not less by any NRSRO that rates it.
- Non-negotiable Certificates of Deposit with a maturity not exceeding one year in any FDIC insured state or national bank located in Colorado that is an eligible public depository.
- Local government investment pools.
- Money Market Mutual Funds registered under the Investment Company Act of 1940 that: 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of $1.00 per share; 3) limit assets of the fund to those authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAA or the equivalent by one or more NRSROs.

District policy is to hold investments until maturity.

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, 2019, investment balances at fair value hierarchy are as follows:

	Level 1	Level 2	Level 3	Total
Descripiton				
FNMA	**$ -**	**$ 3,818,425**	**$ -**	**$ 3,818,425**
FHLB	**-**	**2,060,140**	**-**	**2,060,140**
FHLMC	**-**	**6,873,562**	**-**	**6,873,562**
FFCB	**-**	**2,920,698**	**-**	**2,920,698**
Investments measured at amortized cost	**-**	**-**	**-**	**12,266,225**
	$ -	**$15,672,825**	**$ -**	**$27,939,050**

At December 31, 2018, investment balances at fair value hierarchy are as follows:

	Level 1	Level 2	Level 3	Total
Descripiton				
FNMA	$ -	$ 4,489,159	$ -	$ 4,489,159
FHLB	-	5,769,499	-	5,769,499
FHLMC	-	7,533,208	-	7,533,208
FFBC	-	1,089,581	-	1,089,581
Investments measured at amortized cost	-	-	-	5,718,635
	$ -	$ 18,881,447	$ -	$ 24,600,082

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, 2019 and 2018, the District had no investments exposed to custodial credit risk outside of its investment in the Colorado Local Government Liquid Asset Trust (the "Trust"), discussed below.

Local Government Investment Pool

At December 31, 2019 and 2018, the District had invested $12,266,225 and $5,718,635, respectively, in CSAFE, an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. CSAFE is a highly liquid fund operating similarly to a money market-like fund and each share is equal in value to $1.00. CSAFE measures all of its investment at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

CSAFE invests primarily in United States Treasuries, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, AAAm rated money market funds, highly rated corporate bonds and Colorado Depositories. The weighted average maturity of the portfolio shall not exceed 60 days and the weighted average life of the portfolio shall not exceed 120 days. CSAFE is rated AAAm by Standard & Poor's and is measured at amortized cost.

3. Receivables

Receivables at December 31, 2019 and 2018, consist of the following:

	2019	2018
Trade receivables	$ 471,489	$ 414,506
Accrued interest receivable	4,815	4,815
Other	3,374,719	31,692
Allowance for doubtful accounts	(11,551)	(11,551)
Total	$ 3,839,472	$ 439,462

4. Capital Assets

The following is a summary of capital asset activity for the year ended December 31, 2019:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,063,539	$ -	$ (32,885)	$ 1,030,654
Construction in progress	2,105,544	1,668,162	(969,863)	2,803,843
Total capital assets, not being depreciated	3,169,083	1,668,162	(1,002,748)	3,834,497
Capital assets, being depreciated:				
Building	1,090,154	-	-	1,090,154
Trunk and collection lines	55,114,124	1,394,421	-	56,508,545
Sewage treatment plant	50,940,953	839,822	(2,080,784)	49,699,991
Laboratory and office equipment	1,238,822	95,313	(23,354)	1,310,781
Vehicles	171,415	-	-	171,415
Total capital assets, being depreciated	108,555,468	2,329,556	(2,104,138)	108,780,886
Less accumulated depreciation for:				
Building	(315,791)	(21,803)	-	(337,594)
Trunk and collection lines	(12,941,667)	(1,108,326)	-	(14,049,993)
Sewage treatment plant	(13,997,929)	(2,484,999)	841,169	(15,641,759)
Laboratory and office equipment	(1,021,263)	(81,522)	23,354	(1,079,431)
Vehicles	(129,113)	(19,056)	-	(148,169)
Total accumulated depreciation	(28,405,763)	(3,715,706)	864,523	(31,256,946)
Total capital assets, being depreciated, net	80,149,705	(1,386,150)	(1,239,615)	77,523,940
Total capital assets, net	$83,318,788	$ 282,012	$ (2,242,363)	$81,358,437

The following is a summary of capital asset activity for the year ended December 31, 2018:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,063,539	$ -	$ -	$ 1,063,539
Construction in progress	1,699,455	604,265	(198,176)	2,105,544
Total capital assets, not being depreciated	2,762,994	604,265	(198,176)	3,169,083
Capital assets, being depreciated:				
Building	1,090,154	-	-	1,090,154
Trunk and collection lines	53,415,570	1,698,554	-	55,114,124
Sewage treatment plant	50,745,455	195,498	-	50,940,953
Laboratory and office equipment	1,144,012	94,810	-	1,238,822
Vehicles	171,415	-	-	171,415
Total capital assets, being depreciated	106,566,606	1,988,862	-	108,555,468
Less accumulated depreciation for:				
Building	(293,988)	(21,803)	-	(315,791)
Trunk and collection lines	(11,865,988)	(1,075,679)	-	(12,941,667)
Sewage treatment plant	(11,450,732)	(2,547,197)	-	(13,997,929)
Laboratory and office equipment	(942,628)	(78,635)	-	(1,021,263)
Vehicles	(103,263)	(25,850)	-	(129,113)
Total accumulated depreciation	(24,656,599)	(3,749,164)	-	(28,405,763)
Total capital assets, being depreciated, net	81,910,007	(1,760,302)	-	80,149,705
Total capital assets, net	$ 84,673,001	$ (1,156,037)	$ (198,176)	$ 83,318,788

5. Long Term Debt

Wastewater Revenue Bonds, Series 2010A and Series 2010B

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 are partially subsidized under the BABs program and are recognized as non-operating revenues in 2019 and 2018.

The following is a summary of changes in long-term debt of the District for the year ended December 31, 2019:

	Beginning Balance	Additions	Debt Retired	Ending Balance	Due Within One Year
Wastewater Revenue Bonds, Series 2010A and Series 2010B	**$15,205,000**	**$ -**	**$ (410,000)**	**$14,795,000**	**$ 420,000**
Compensated absences	**60,494**	**68,533**	**(63,123)**	**65,904**	**-**
Total	**15,265,494**	**$ 68,533**	**$ (473,123)**	**14,860,904**	**$ 420,000**
Bond premium	**30,628**			**27,850**	
Current portion of long-term debt	**(410,000)**			**(420,000)**	
Net outstanding long-term debt	**$14,886,122**			**$14,468,754**	

The following is a summary of changes in long-term debt of the District for the year ended December 31, 2018:

	Beginning Balance	Additions	Debt Retired	Ending Balance	Due Within One Year
Wastewater Revenue Bonds, Series 2010A and Series 2010B	$ 15,505,000	$ -	$ (300,000)	$ 15,205,000	$ 410,000
Compensated absences	55,473	66,178	(61,157)	60,494	-
Total	15,560,473	$ 66,178	$ (361,157)	15,265,494	$ 410,000
Bond premium	33,458			30,628	
Current portion of long-term debt	(300,000)			(410,000)	
Net outstanding long-term debt	$ 15,293,931			$ 14,886,122	

The annual requirements to amortize all debt outstanding as of December 31, 2019 are as follows:

December 31,	Principal	Interest	Total
2020	$ 420,000	$ 803,944	$ 1,223,944
2021	535,000	787,648	1,322,648
2022	555,000	761,540	1,316,540
2023	675,000	734,456	1,409,456
2024	765,000	734,456	1,499,456
2025-2029	4,485,000	2,871,694	7,356,694
2030-2034	5,955,000	1,568,338	7,523,338
2035	1,405,000	80,788	1,485,788
Total	$ 14,795,000	$ 8,342,864	$ 23,137,864

6. Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors and omissions, or natural disasters. The District maintains commercial insurance coverage to mitigate these risks of loss. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

7. 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 comprehensive annual financial report ("CAFR") that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2018

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.

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, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases ("AI") for 2018 and 2019. 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, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 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 will receive the lessor of an annual increase of 1.5 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. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

Contributions Provisions as of December 31, 2019

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. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of January 1, 2019 through December 31, 2019. The employer contribution requirements during the period of January 1, 2019 through December 31, 2019 are summarized in the table below:

	January 1, 2019 Through December 31, 2019
Employer contribution rate	10.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the LGDTF	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
Total employer contribution rate to the LGDTF	**12.68%**

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were $145,182 and $136,867, respectively, for the years ended December 31, 2019 and 2018.

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

At December 31, 2019 and 2018, the District reported a liability of $2,072,981 and $1,893,235 respectively for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The District's proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2018, the District's proportion was 0.16489 percent, which was a decrease of 0.00515 from its proportion measured as of December 31, 2017.

For the years ended December 31, 2019 and 2018, the District recognized pension income of $251,465 and pension expense of $458,882, respectively.

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	**$ 86,678**	**$ -**
Changes of assumptions or other inputs	**-**	**-**
Net difference between projected and actual earnings on pension plan investments	**269,961**	**-**
Changes in proportion and differences between contributions recognized and proportionate share of contributions	**-**	**40,747**
District contributions subsequent to the measurement date	**145,182**	**-**
Totals	**$ 501,821**	**$ 40,747**

The $145,182 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. 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,	Amortization
2020	$ 128,152
2021	27,957
2022	10,537
2023	149,246
	$ 315,892

At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 118,439	$ -
Changes of assumptions or other inputs	20,000	-
Net difference between projected and actual earnings on pension plan investments	-	367,999
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	22,626
District contributions subsequent to the measurement date	136,867	-
Totals	$ 275,306	$ 390,625

Actuarial Assumptions

The total pension liability in the December 31, 2017 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 – 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 compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	0% through 2019 and 1.5% compounded annually, thereafter
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 incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions 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, 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.

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 LGDTF, 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
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%.

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 member contribution rates in effect for each year, including scheduled increases in SB 18-200. 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 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 to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- 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 appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

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

Based on the above assumptions and methods, 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 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	$ 3,171,232	$ 2,072,981	$ 1,154,183

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, 2019

During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: PERA Public Employees' Retirement Association Local Government Division Member Contribution Rate. The bill was signed into law by Governor Polis on May 20, 2019 and eliminates the 2 percent increase in the contribution rate for members in the Local Government Division mandated by SB 18-200.

8. 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 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 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.

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.

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 $11,679 and $11,010 for the years ended December 31, 2019 and 2018, respectively.

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

At December 31, 2019 and 2018, the District reported a liability of $173,973 and $171,711, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the District's proportion was 0.01279 percent, which was a decrease of 0.00042 from its proportion measured as of December 31, 2017.

For the years ended December 31, 2019 and 2018, the District recognized OPEB expense of $12,745 and $12,884, respectively. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	**$ 631**	**$ 265**
Changes of assumptions or other inputs	**1,220**	**-**
Net difference between projected and actual earnings on OPEB plan investments	**1,000**	**-**
Changes in proportion and differences between contributions recognized and proportionate share of contributions	**-**	**6,915**
District contributions subsequent to the measurement date	**11,679**	**-**
Totals	**$ 14,530**	**$ 7,180**

The $11,679 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, 2020. 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
2020	$	(1,055)
2021		(1,055)
2022		(1,055)
2023		(360)
2024		(772)
Thereafter		(32)
Totals	$	(4,329)

At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	812	$	-
Net difference between projected and actual earnings on OPEB plan investments		-		2,873
Changes in proportion and differences between contributions recognized and proportionate share of contributions		-		2,793
District contributions subsequent to the measurement date		11,010		-
Totals	$	11,822	$	5,666

Actuarial Assumptions

The total OPEB liability in the December 31, 2017 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	3.25 percent for 2018, gradually rising to 5.00 percent in 2025
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.

The actuarial assumptions used in the December 31, 2017, 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 discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	$736	$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is $422 per month.

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:

Medicare Plan	Cost for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

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, 2017, 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
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

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.

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- 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 2018 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.

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.

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

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	$ 169,168	$ 173,973	$ 179,498

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, 2018, 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.
- 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.
- 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 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. 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net OPEB liability	$ 194,660	$ 173,973	$ 156,287

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.

9. 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 CAFR 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. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2019 and 2018 program members contributed $86,584 and $74,475 respectively, to the Voluntary Investment Program.

10. 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, 2019 and 2018, the Board designated $2,600,639 and $3,549,118, respectively, to provide funding for a reserve for infrastructure replacements, an emergency reserve, and a debt reserve.

11. 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.

As of December 31, 2019, the maximum reimbursements are as follows:

	District	Participants
Idaho Creek Line Extension	$ -	$ 1,141,456
WCR 20/11 Line Extension	-	102,677
Dacono/ 52 Crossing	-	212,688
Liberty Gulch Line Extension	-	3,371,558
Aurora Dairy Line Extension	-	279,000
Carlson Line Extension	216,979	219,227
Northline Extension	1,389,898	1,183,417
Graydon Line Extension	63,219	598,883
Knudson	-	41,684
North 66	-	141,000
Liberty Gulch Phase III Line Extension	-	1,215,341
WCR 26E Line Extension	-	254,013
Wyndham Hill	-	319,527
I-25 Crossing	102,060	602,851
TA Interceptor	8,027,873	-
Totals	$ 9,800,029	$ 9,683,322

Commitments

The District signed a contract with Archer Western Construction LLC to complete the pre-construction and construction of the wastewater treatment plant improvements project for an estimated $22,000,000. The project is anticipated to begin in 2020.

12. 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.

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 $12,478 and $17,580 for emergencies as defined by TABOR as of December 31, 2019 and 2018, respectively.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

13. Subsequent Events

In April 2020, the District issued Wastewater Revenue Refunding and Improvement Bonds, Series 2020, totaling $17,205,000 to refund the Series 2010B Bonds. The 2020 bonds are payable from 2020 to 2040 with interest rates ranging from 3-5%.

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization (“WHO”), has caused business disruption in a variety of industries, markets and geographic regions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent to which the District’s operational and financial performance will be affected is also uncertain. Therefore, while the District expects this matter to negatively impact their business, results of operations and financial position, the related financial impact cannot be reasonably estimated at this time.

The District evaluated subsequent events through May 20, 2020 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

Schedule of the District's Proportionate Share of the Net Pension Liability

Last Ten Years

	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.16489%	0.17004%	0.17548%	0.16113%	0.17230%	0.16490%
District's proportionate share of the net pension liability	$ 2,072,981	$ 1,893,235	$ 2,369,554	$ 1,775,028	$ 1,544,379	$ 1,237,242
District's covered payroll	$ 1,079,393	$ 1,075,050	$ 1,021,310	$ 969,014	$ 944,151	$ 879,732
net pension liability as a percentage of its covered payroll	192.05%	176.11%	232.01%	183.18%	163.57%	140.64%
Plan fiduciary net position as a percentage of the total pension	75.96%	79.37%	73.60%	76.90%	80.70%	77.66%

* The amounts presented for each fiscal year were determined as of 12/31 of the prior year.

Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

See accompanying Independent Auditor's Report

St. Vrain Sanitation District
Schedule of District Contributions - Pension
Last Ten Years

	2019	2018	2017
Statutorily Required Contribution	$ 145,182	$ 136,867	$ 136,316
Contributions in Relation to the Statutorily Required Contribution	145,182	136,867	136,316
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered Payroll	$ 1,144,966	$ 1,079,393	$ 1,075,050
Contributions as a Percentage of Covered Payroll	12.68%	12.68%	12.68%

Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

(Continued).

2016	2015	2014	2013
$ 129,502	$ 122,871	$ 119,718	$ 111,550
129,502	122,871	119,718	111,550
$ -	$ -	$ -	$ -
$ 1,021,310	$ 969,014	$ 944,151	$ 879,732
12.68%	12.68%	12.68%	12.68%

See accompanying Independent Auditor's Report

St. Vrain Sanitation District
Schedule of the District's Proportionate Share of the Net OPEB Liability
Last Ten Years

	2019	2018	2017
District's proportion of the net OPEB liability	0.01279%	0.01321%	0.01347%
District's proportionate share of the net OPEB liability	$ 173,973	$ 171,711	$ 163,681
District's covered payroll	$ 1,079,393	$ 1,075,050	$ 1,021,310
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.12%	15.97%	16.03%
Plan fiduciary net position as a percentage of the total OPEB	17.03%	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of 12/31 of the prior year.

OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

See accompanying Independent Auditor's Report

St. Vrain Sanitation District
Schedule of District Contributions - OPEB
Last Ten Years

	2019	2018	2017	2016
Statutorily Required Contribution	$ 11,679	$ 11,010	$ 10,966	$ 10,849
Contributions in Relation to the Statutorily Required Contribution	11,679	11,010	10,966	10,849
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 1,144,966	$ 1,079,393	$ 1,075,050	$ 1,021,310
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.06%

OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

See accompanying Independent Auditor's Report

Other Supplementary Information

St. Vrain Sanitation District

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)

Sanitation Enterprise Fund

For the Year Ended December 31, 2019

With Comparative Actual Amounts for the Year Ended December 31, 2018

	2019				
	Budgeted Amounts		Actual Amounts Budget	Variance with Final Budget Positive	2018
	Original	Final	Basis	(Negative)	Actual
Revenues					
Monthly sewer charges	$ 5,268,619	$ 5,268,619	$ 5,545,779	$ 277,160	$ 4,857,802
Drainage debt service fees	148,332	148,332	154,353	6,021	148,214
Excess surcharges	150,000	150,000	269,165	119,165	227,167
Fines collected	1,000	1,000	-	(1,000)	3,000
Line extension fees	-	-	-	-	316,124
Capital contributions	2,260,360	2,260,360	9,081,525	6,821,165	3,731,963
Inspection fees	34,000	34,000	57,330	23,330	34,300
Inclusion development fees	4,800	4,800	10,800	6,000	9,600
Late fees and delinquent charges	113,000	113,000	155,284	42,284	138,720
Miscellaneous charges and fees	23,790	23,790	637,773	613,983	34,522
Transfer fees	19,200	19,200	25,400	6,200	23,920
Nonoperating revenues:					
General fund	300,000	300,000	-	(300,000)	-
Interest	373,940	373,940	551,940	178,000	387,424
FEMA reimbursement	500,000	500,000	-	(500,000)	1,164,954
Build America bond subsidy	286,733	286,733	269,386	(17,347)	268,382
(Loss) gain on disposal of capital assets	-	-	(630,236)	(630,236)	-
Unrealized and realized loss on investments	-	-	488,366	488,366	(67,545)
Total revenues	9,483,774	9,483,774	16,616,865	7,133,091	11,278,547
Expenditures					
Sewer collection:					
Payroll and benefits	320,472	320,472	341,969	(21,497)	287,720
Education and training	1,290	1,290	1,060	230	885
Legal	3,000	3,000	2,546	454	1,806
Collection lines:	340,000	340,000	311,105	28,895	284,420
Inspection:	105,500	105,500	98,437	7,063	45,619
Other	30,690	30,690	25,835	4,855	23,048
Consultant and consulting engineer	8,000	8,000	6,170	1,830	7,000
GIS service	300	300	-	300	121
Total sewage collection	809,252	809,252	787,122	22,130	650,619

Continued.

St. Vrain Sanitation District
Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)
Sanitation Enterprise Fund
For the Year Ended December 31, 2019
With Comparative Actual Amounts for the Year Ended December 31, 2018

	2019				
	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)	2018 Actual
	Original	Final			
Sewage treatment:					
Payroll and benefits	593,431	593,431	589,257	4,174	554,165
Auto and truck expense	34,100	34,100	28,674	5,426	18,702
Contract services	67,600	67,600	39,610	27,990	54,271
Testing and discharge monitoring	26,000	26,000	21,257	4,743	18,718
Equipment maintenance and repair	368,000	368,000	278,590	89,410	194,689
Laboratory supplies and equipment	50,500	50,500	28,206	22,294	38,564
Lift station:	26,800	26,800	12,267	14,533	5,988
Plant:	791,665	791,665	875,190	(83,525)	401,541
Utilities:	574,300	574,300	597,950	(23,650)	571,323
Pretreatment	133,046	133,046	96,517	36,529	109,663
Telephone	12,000	12,000	12,665	(665)	12,501
Total sewage treatment	2,677,442	2,677,442	2,580,183	97,259	1,980,125
Capital outlay:					
Capital construction costs	4,354,500	4,354,500	1,243,615	3,110,885	696,397
Total capital outlay	4,354,500	4,354,500	1,243,615	3,110,885	696,397

Continued.

St. Vrain Sanitation District

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)

Sanitation Enterprise Fund

For the Year Ended December 31, 2019

With Comparative Actual Amounts for the Year Ended December 31, 2018

	2019				
	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)	2018 Actual
	Original	Final			
Administration and information technology:					
Building maintenance and cleaning	33,000	33,000	34,938	(1,938)	29,042
Building utilities	17,100	17,100	15,662	1,438	15,026
Building security and trash	2,820	2,820	2,406	414	2,504
Office supplies	9,300	9,300	5,691	3,609	8,926
Information technology	275,775	275,775	176,731	99,044	174,096
Equipment maintenance and repairs	7,400	7,400	4,268	3,132	2,604
Postage	7,400	7,400	6,543	857	5,417
Telephone	11,680	11,680	12,564	(884)	11,496
Insurance	121,035	121,035	114,960	6,075	113,397
Training	21,000	21,000	11,911	9,089	17,638
Mileage and meals	9,300	9,300	1,255	8,045	6,139
Legal fees	12,000	12,000	11,659	341	7,622
Bank fees	72,200	72,200	67,680	4,520	60,580
Licenses and fees	2,000	2,000	2,029	(29)	1,964
Miscellaneous	13,100	13,100	8,239	4,861	16,634
Payroll:	555,284	555,284	90,296	464,988	787,546
Consultant and contracted	32,000	32,000	26,715	5,285	27,750
Dues and subscriptions	12,000	12,000	12,554	(554)	13,856
Total administration and information technology	1,214,394	1,214,394	606,101	608,293	1,302,237

Continued.

St. Vrain Sanitation District
Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)
Sanitation Enterprise Fund
For the Year Ended December 31, 2019
With Comparative Actual Amounts for the Year Ended December 31, 2018

	2019				
	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)	2018 Actual
	Original	Final			
Debt service:					
Bond service fee	500	500	300	200	500
Due to General fund	148,332	148,332		148,332	144,962
Principal payments on 2010 AB Series	410,000	410,000	410,000	-	300,000
Interest payments on 2010 AB Series	819,237	819,237	816,459	2,778	826,157
Total debt service	1,378,069	1,378,069	1,226,759	151,310	1,271,619
Contingencies	566,513	566,513	-	566,513	-
Total expenditures	11,000,170	11,000,170	6,443,780	4,556,390	5,900,997
Excess of enterprise fund revenues over enterprise fund expenditures	$ (1,516,396)	$ (1,516,396)	$ 10,173,085	$ 11,689,481	$ 5,377,550

See accompanying Independent Auditor's Report

St. Vrain Sanitation District
Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)
General Government Fund
For the Year Ended December 31, 2019

With Comparative Actual Amounts for Year Ended December 31, 2018

	2019				
	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)	2018 Actual
	Original	Final			
Revenues:					
General property taxes	$ 365,470	$ 365,470	$ 368,033	$ 2,563	$ 399,136
Refund and abatements		-	277	277	578
Specific ownership taxes	20,000	20,000	25,674	5,674	30,384
Earnings on investments	9,400	9,400	20,560	11,160	661
Transfer from Enterprise fund	148,332	148,332	-	(148,332)	144,962
Inclusion fees	4,000	4,000	1,404	(2,596)	10,272
Total revenues	547,202	547,202	415,948	(131,254)	585,993
Expenditures:					
Treasurer's fees	7,200	7,200	5,335	1,865	5,899
Abatements	800	800	459	341	414
Advertising/public notices	1,200	1,200	-	1,200	-
Board meetings	2,400	2,400	732	1,668	6,399
Director fees	13,891	13,891	5,614	8,277	6,414
Miscellaneous	24,000	24,000	15,044	8,956	13,284
Audit	17,000	17,000	18,043	(1,043)	16,000
Legal fees	40,000	40,000	20,041	19,959	20,047
Conferences	3,000	3,000	60	2,940	2,667
Elections		-	17	(17)	3,980
Transfer to Enterprise fund	300,000	300,000	-	300,000	-
Total expenditures	409,491	409,491	65,345	344,146	75,104
Excess of general government fund revenues over general government fund expenditures	$ 137,711	$ 137,711	$ 350,603	$ 212,892	$ 510,889

See accompanying Independent Auditor's Report