

VALLEY SANITATION DISTRICT
Arapahoe County and
City and County of Denver, Colorado

FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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Independent Auditor's Report

Board of Directors
Valley Sanitation District
Arapahoe County and City and
County of Denver, Colorado

Opinions

We have audited the accompanying financial statements of Valley Sanitation District (District) as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Valley Sanitation District, as of December 31, 2022 and 2021, and the changes in its financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV through VIII be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management

about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
May 10, 2023

**VALLEY SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Our discussion and analysis of Valley Sanitation District's (District) financial performance provides an overview of the District's financial activities for the fiscal years ended December 31, 2022 and 2021. Please read it in conjunction with the District's basic financial statements which begin on page 1.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Required statements for proprietary funds are: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Fund Net Position, and 3) Statement of Cash Flows. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position are prepared using the economic resource measurement focus and the accrual basis of accounting.

The *Statement of Net Position* presents information on all of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference reported as net position. This statement provides useful information regarding the financial position of the District. Over time, increases and decreases in net position can serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Nonfinancial factors should also be considered to assess the overall financial position of the District.

The *Statement of Revenues, Expenses and Changes in Fund Net Position* reports the changes that have occurred during the year to the District's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported for some items that will only result in cash flows in the subsequent years.

The *Statement of Cash Flows*, as its name implies, is concerned solely with flows of cash and cash equivalents. Only transactions that affect the District's cash position are reflected in this statement. Transactions are segregated into four sections on the statement: 1) cash flows from operating activities, 2) cash flows from capital financing activities, 3) cash flows from noncapital financing activities, and 4) cash flows from investing activities.

FINANCIAL SUMMARY AND ANALYSIS

Net Position - 2022

As noted earlier, net position may serve as a useful indicator of the District's financial position. As noted in the table below, the District's assets exceed liabilities plus deferred inflows of resources in 2022 by \$1,743,834. This amount increased from 2021 to 2022 by \$107,441 or 6.6%. Current assets increased by 8.0% or \$89,730 from 2021 to 2022 primarily due to the increase in cash and cash equivalents as well as the higher balance in accounts receivable in 2022 due to the increase in the service fee. The decrease in capital assets of \$22,310 is due to depreciation expense of \$75,294 exceeding capital additions of \$52,984. The decrease in total

**VALLEY SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

liabilities of \$86,196 relates to the decrease in accounts payable of \$16,100 and the 2022 principal payment on the outstanding CWRPDA loan (See Note 5).

Net Position - 2021

The District's assets exceed liabilities plus deferred inflows of resources in 2021 by \$1,636,393. This amount increased from 2020 to 2021 by \$75,424 or 4.8%. Current assets decreased by \$168,002 from 2020 to 2021 due primarily to the draw down of the remaining loan funds receivable with the finalization of the sewer outfall project in early 2021. Cash and cash equivalents increased by \$60,534 primarily due to the reimbursement of costs related to the sewer outfall project. Prepaid expenses increased by \$6,365 due to property insurance coverage obtained on the new lift station. The decrease in capital assets of \$50,856 is due to depreciation expense of \$62,568 exceeding capital additions of \$11,712. The decrease in total liabilities of \$320,103 relates to the finalization of the sewer outfall project during 2021 and the 2021 principal payment on the outstanding CWRPDA loan.

NET POSITION

	December 31,		
	2022	2021	2020
ASSETS			
Current assets	\$ 1,207,954	\$ 1,118,224	\$ 1,286,226
Noncurrent assets:			
Capital cost sharing receivable, long-term	311,650	339,925	367,606
Capital assets, net	3,084,822	3,107,132	3,157,988
Total assets	4,604,426	4,565,281	4,811,820
LIABILITIES			
Current liabilities	100,155	115,084	365,324
Long-term liabilities	2,451,137	2,522,404	2,592,267
Total liabilities	2,551,292	2,637,488	2,957,591
DEFERRED INFLOWS OF RESOURCES	309,300	291,400	293,260
NET POSITION			
Net investment in capital assets	562,418	514,865	716,159
Restricted	76,010	71,352	71,092
Unrestricted	1,105,406	1,050,176	773,718
Total net position	<u>\$ 1,743,834</u>	<u>\$ 1,636,393</u>	<u>\$ 1,560,969</u>

Changes in Net Position - 2022

As noted in the table below, the District's net position increased by \$107,441. Total revenues increased by \$62,929 from 2021 to 2022. Charges for services increased by \$54,109 or 61.2% due to the increase in the service fee from 10% to 15% of each customers' City of Englewood sewer bill (See Note 8). Additionally, the City of Englewood implemented rate increase of 4.5% during 2022. Total expenses increased \$30,912 due to the increase in sewer maintenance and election costs related to the District seeking voter approval to collect, retain, and spend all revenue sources in order to eliminate the restraints of TABOR.

**VALLEY SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Changes in Net Position - 2021

The District's net position increased by \$75,424. Total revenues decreased by \$367,300 from 2020 to 2021. The capital contribution of \$62 in 2021 is the result of a reconciliation of the total cost share required by Bow Mar Water & Sanitation. In 2020, the District recorded \$423,270 of capital contributions for the cost sharing in the outfall sewer project by Columbine Water and Sanitation and Bow Mar Water and Sanitation. Property tax revenue increased by \$54,965 due to the increase in the debt mill levy from .699 to 1.195 to satisfy the debt payments in 2021 in accordance with the loan agreement with CWRPDA (See Note 5). Total expenses increased by \$117,450 or 54.6% from 2020 to 2021. This increase is due to the depreciation of the sewer main interceptor and lift station that were placed in service during 2021. Additionally, the District incurred utility costs as well as routine repair and maintenance costs associated with the operation of the new lift station.

CHANGES IN NET POSITION

	Years Ended December 31,		
	2022	2021	2020
REVENUES			
Program revenues:			
Charges for services	\$ 142,484	\$ 88,375	\$ 84,610
General revenues:			
Property taxes	291,872	292,430	237,465
Specific ownership taxes	15,562	19,839	16,056
Investment earnings	13,686	957	6,040
Capital cost sharing interest revenue	7,278	6,290	7,812
Capital contributions	-	62	423,270
Total revenues	<u>470,882</u>	<u>407,953</u>	<u>775,253</u>
EXPENSES			
Sewer operations	226,429	204,027	103,510
Administration	81,642	71,754	67,925
Interest expense	51,265	52,646	40,314
Other	4,105	4,102	3,330
Total expenses	<u>363,441</u>	<u>332,529</u>	<u>215,079</u>
CHANGE IN NET POSITION	<u>107,441</u>	<u>75,424</u>	<u>560,174</u>
NET POSITION - BEGINNING OF YEAR	<u>1,636,393</u>	<u>1,560,969</u>	<u>1,000,795</u>
NET POSITION - END OF YEAR	<u><u>\$ 1,743,834</u></u>	<u><u>\$ 1,636,393</u></u>	<u><u>\$ 1,560,969</u></u>

**VALLEY SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

BUDGETARY HIGHLIGHTS

Total revenue was budgeted at \$465,430 for 2022, and actual revenue was \$498,601, which resulted in a positive budget variance of \$33,171. The District sewer service surcharge actual revenue exceeded the budget by \$16,066 and actual interest income exceeded the budget by \$13,306 due to increases in interest rates during 2022. Total actual expenditures were \$410,994 or \$337,787 under budget. In addition to budgeting for emergency reserve amounting to \$22,620, the District budgeted an additional 15% of total operating expenses equal to \$41,530 to cover unanticipated costs. The District budgeted \$276,430 for the planned relocation of a sewer main. Due to actual construction costs being significantly higher than anticipated, the District delayed the project to ensure funding would become available pending the result of the de-brucing election held in November or implementing required increases in the service charge fee. As the election failed, the District will implement increases in the service fee and move forward with the project in 2023. Construction in progress related to this project amounts to \$44,049. Capital improvements to the lift station amounted to \$8,935. These improvements were not budgeted. Details of the 2022 budget to actual results can be found on page 15 of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets at December 31, 2022, 2021, and 2020 amounted to \$3,084,822, \$3,107,132 and \$3,157,988, (net of accumulated depreciation), respectively.

Analysis of changes in capital assets from 2021 to 2022 is as follows:

As mentioned above the District incurred costs related to the planned relocation of a sewer main amounting to \$44,049 and lift station improvements totaled \$8,935. Depreciation expense in 2022 amounted to \$75,294.

	<u>2022</u>	<u>2021</u>	<u>Percentage Change</u>
Construction in progress	\$ 44,049	\$ -	100%
Wastewater system	3,040,773	3,107,132	-2%
Total net capital assets	<u>\$ 3,084,822</u>	<u>\$ 3,107,132</u>	

**VALLEY SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Analysis of changes in capital assets from 2020 to 2021 is as follows:

	<u>2021</u>	<u>2020</u>	<u>Percentage Change</u>
Construction in progress	\$ -	\$ 3,157,988	-100%
Wastewater system	3,107,132	-	100%
Total net capital assets	<u>\$ 3,107,132</u>	<u>\$ 3,157,988</u>	

The District completed the major sewer outfall project including a force main interceptor and new lift station during 2021 with a total cost of \$3,169,700. Depreciation expense in 2021 amounted to \$62,568. Additional information on the District's capital assets can be found in Note 4 of this report.

Debt

The District issued a loan on May 7, 2019 in the amount of \$2,700,000 with the Colorado Water Resource Power and Development Authority for the funding of the outfall sewer project. During 2022 and 2021, principal and interest payments on the loans were made as required. Details of the long-term debt obligations are presented in Note 5.

ECONOMIC FACTORS NEXT YEAR'S BUDGET AND RATES

Total revenue in 2023 is projected to be \$616,156 which includes the following revenue sources: property tax revenue for operations of \$188,299, property tax revenue for debt service of \$121,361, specific ownership tax revenue of \$15,739, investment earnings of \$16,040, sewer service surcharge revenue of \$210,000, capital project cost sharing revenue of \$35,034, maintenance cost sharing of \$12,750, and other revenue of \$3,340. The service fee will be increased from 15 percent in 2022 to 30 percent in 2023 of each customers' City of Englewood sewer bill. Total expenditures for 2023 are budgeted at \$850,586 with \$317,535 for operations, \$121,361 for debt service, 340,000 for one capital sewer project, and \$71,690 for contingencies and emergency reserves. Total expenditures are expected to exceed revenue by \$234,430 which will be funded by the District's current funds available.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of Valley Sanitation District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Administrator, Valley Sanitation District, 8739 W. Coal Mine Ave., Littleton, CO 80123.

BASIC FINANCIAL STATEMENTS

VALLEY SANITATION DISTRICT
STATEMENTS OF NET POSITION
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 712,474	\$ 677,140
Due from county treasurer	1,101	1,574
Prepaid expenses	16,004	13,083
Accounts receivable:		
Sewer service surcharge	135,380	102,099
Other	4,175	3,927
Accrued interest receivable	1,245	1,282
Capital cost sharing receivable, current	28,275	27,719
Property taxes receivable	309,300	291,400
Total current assets	<u>1,207,954</u>	<u>1,118,224</u>
Noncurrent assets		
Capital cost sharing receivable, long-term	<u>311,650</u>	<u>339,925</u>
Capital assets		
Construction in progress	44,049	-
Wastewater system	3,836,710	3,827,775
Equipment	1,571	1,571
Less accumulated depreciation and amortization	<u>(797,508)</u>	<u>(722,214)</u>
Total capital assets	<u>3,084,822</u>	<u>3,107,132</u>
Total noncurrent assets	<u>3,396,472</u>	<u>3,447,057</u>
TOTAL ASSETS	<u>4,604,426</u>	<u>4,565,281</u>
LIABILITIES		
Current liabilities		
Accounts payable	20,480	36,580
Accrued interest payable	8,408	8,641
Current portion of loan payable	71,267	69,863
Total current liabilities	<u>100,155</u>	<u>115,084</u>
Long-term liabilities		
Loan Payable, net of current portion	<u>2,451,137</u>	<u>2,522,404</u>
TOTAL LIABILITIES	<u>2,551,292</u>	<u>2,637,488</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue	<u>309,300</u>	<u>291,400</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>309,300</u>	<u>291,400</u>
NET POSITION		
Net investment in capital assets	562,418	514,865
Restricted:		
Debt service	-	6,176
Operation and maintenance reserve	69,710	59,376
Emergency reserve	6,300	5,800
Unrestricted	<u>1,105,406</u>	<u>1,050,176</u>
TOTAL NET POSITION	<u>\$ 1,743,834</u>	<u>\$ 1,636,393</u>

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

VALLEY SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
OPERATING REVENUE		
Sewer service surcharge	\$ 122,531	\$ 73,316
IGA maintenance cost share	14,949	11,951
Other charges for services	5,004	3,108
Total operating revenue	<u>142,484</u>	<u>88,375</u>
OPERATING EXPENSES		
Sewer operations	226,429	204,027
Administration	81,642	71,754
Total operating expenses	<u>308,071</u>	<u>275,781</u>
OPERATING LOSS	<u>(165,587)</u>	<u>(187,406)</u>
NONOPERATING REVENUE (EXPENSE)		
Property taxes	291,872	292,430
Specific ownership taxes	15,562	19,839
Net investment income	13,686	957
Interest expense	(51,265)	(52,646)
Capital cost sharing interest revenue	7,278	6,290
County treasurer's fees	(4,105)	(4,102)
Total nonoperating revenue (expense)	<u>273,028</u>	<u>262,768</u>
GAIN BEFORE CONTRIBUTIONS	<u>107,441</u>	<u>75,362</u>
CAPITAL CONTRIBUTIONS		
Capital cost sharing contribution	-	62
Total capital contributions	<u>-</u>	<u>62</u>
CHANGE IN NET POSITION	107,441	75,424
NET POSITION - BEGINNING OF YEAR	<u>1,636,393</u>	<u>1,560,969</u>
NET POSITION - END OF YEAR	<u><u>\$ 1,743,834</u></u>	<u><u>\$ 1,636,393</u></u>

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

VALLEY SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 108,955	\$ 84,489
Payments to vendors	(245,847)	(208,396)
Payments to employees	(5,611)	(7,126)
Net cash required by operating activities	<u>(142,503)</u>	<u>(131,033)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Loan proceeds	-	218,925
Principal paid on long-term debt	(69,863)	(68,487)
Interest paid on long-term debt	(51,498)	(52,874)
Capital cost sharing contributions	35,034	53,608
Capital asset purchases	(53,324)	(267,155)
Net cash required by capital financing activities	<u>(139,651)</u>	<u>(115,983)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property and specific ownership taxes received	307,907	310,695
County treasurer's fees paid	(4,105)	(4,102)
Net cash provided by noncapital financing activities	<u>303,802</u>	<u>306,593</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	13,686	957
Net cash provided by noncapital financing activities	<u>13,686</u>	<u>957</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	35,334	60,534
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	677,140	616,606
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 712,474</u></u>	<u><u>\$ 677,140</u></u>
RECONCILIATION OF OPERATING LOSS TO CASH		
 FLOWS REQUIRED BY OPERATING ACTIVITIES		
Operating loss	\$ (165,587)	\$ (187,406)
Adjustments to reconcile loss from operations to net cash required by operating activities:		
Depreciation	75,294	62,568
Effects of changes in operating assets and liabilities:		
Prepaid expenses	(2,921)	(6,365)
Accounts receivable	(33,529)	(3,886)
Accounts payable	(15,760)	4,056
Net cash required by operating activities	<u><u>\$ (142,503)</u></u>	<u><u>\$ (131,033)</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Capital cost sharing contributions	<u><u>\$ -</u></u>	<u><u>\$ 62</u></u>

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

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Valley Sanitation District (District), was created as a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Arapahoe County and City and County of Denver, Colorado. The District was established to provide sewer service to property within its service area primarily through intergovernmental agreements. The District is governed by an elected Board of Directors.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

The District has elected to follow Governmental Accounting Standards Board pronouncements.

Operating Revenues and Expenses

The District distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Restricted Resources

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.

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Budgets

In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are considered deferred inflows of resources and are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

Prepaid Expenses

Certain payments to vendors for goods or services reflect costs which are applicable to future accounting periods are recorded as prepaid items in the financial statements.

Receivables

All receivables are recorded at their gross value and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets

Capital assets are recorded at cost except for those assets which have been contributed which are stated at estimated fair value at the date of contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Wastewater system	30 - 50 years
Equipment	5 years

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

System Development Fees and Contributed Lines

System development fees are recorded as capital contributions when received. Lines contributed to the District are recorded as capital contributions and additions to the systems at estimated fair market value when received.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2022 and 2021 were comprised of the following:

	<u>2022</u>	<u>2021</u>
Deposits with financial institutions	\$ 1,201	\$ 3,764
Investments	711,273	673,376
	<u>\$ 712,474</u>	<u>\$ 677,140</u>

The cash and investments are classified in the accompanying financial statements as of December 31, 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	<u>\$ 712,474</u>	<u>\$ 677,140</u>

Cash Deposits

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

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

As of December 31, 2022, the District had cash deposits, with a bank balance of \$1,293 and a carrying balance of \$1,201. As of December 31, 2021, the District had cash deposits, with a bank balance and a carrying balance of \$3,764.

Investments

The District has adopted a formal investment policy, specifying the principal investment objectives of the District and standards of prudence to be used for managing the District's assets. The policy stipulates that all investments shall conform to State law.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities and the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Certain reverse repurchase agreements
- . Certain securities lending agreements
- . Certain corporate bonds
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

The District has invested in a local government invest pool, the Colorado Local Government Liquid Asset Trust (COLOTRUST), which is rated AAAM by Standard & Poor's.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to three to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirement.

As of December 31, 2022 and 2021, the District had the following investments:

<u>Investment</u>	<u>Rating</u>	<u>Maturity</u>	<u>Investments at NAV</u>	
			<u>2022</u>	<u>2021</u>
COLOTRUST PLUS+	AAAM	Weighted average under 60 days	<u>\$ 711,273</u>	<u>\$ 673,376</u>

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

COLOTRUST

At December 31, 2022 and 2021, the District has invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST PRIME and COLOTRUST PLUS+ and COLOTRUST EDGE. The portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST PLUS+ and COLOTRUST EDGE may also invest in the highest rated commercial paper. The District's funds are invested in the COLOTRUST PLUS+ portfolio.

Investment Valuation

The District's net investments are measured at asset value (NAV).

COLOTRUST PLUS+ determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST PLUS+, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST PLUS+ and there can be no assurance that the NAV will not vary from \$1.00 per share.

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**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	Balance December 31, 2021	Additions	Disposals/ Retirements	Balance December 31, 2022
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 44,049	\$ -	\$ 44,049
Total capital assets not being depreciated	-	44,049	-	44,049
Capital assets, being depreciated:				
Wastewater system	3,827,775	8,935	-	3,836,710
Equipment	1,571	-	-	1,571
Total capital assets being depreciated	3,829,346	8,935	-	3,838,281
Less accumulated depreciation for:				
Wastewater system	(720,643)	(75,294)	-	(795,937)
Equipment	(1,571)	-	-	(1,571)
Total accumulated depreciation	(722,214)	(75,294)	-	(797,508)
Total capital assets being depreciated, net	3,107,132	(66,359)	-	3,040,773
Total capital assets, net	<u>\$ 3,107,132</u>	<u>\$ (22,310)</u>	<u>\$ -</u>	<u>\$ 3,084,822</u>

An analysis of the changes in capital assets for the year ended December 31, 2021 follows:

	Balance December 31, 2020	Additions	Disposals/ Retirements	Balance December 31, 2021
Capital assets, not being depreciated:				
Construction in progress	\$ 3,157,988	\$ 11,712	\$ 3,169,700	\$ -
Total capital assets not being depreciated	3,157,988	11,712	3,169,700	-
Capital assets, being depreciated:				
Wastewater system	658,075	3,169,700	-	3,827,775
Equipment	1,571	-	-	1,571
Total capital assets being depreciated	659,646	3,169,700	-	3,829,346
Less accumulated depreciation for:				
Wastewater system	(658,075)	(62,568)	-	(720,643)
Equipment	(1,571)	-	-	(1,571)
Total accumulated depreciation	(659,646)	(62,568)	-	(722,214)
Total capital assets being depreciated, net	-	3,107,132	-	3,107,132
Total capital assets, net	<u>\$ 3,157,988</u>	<u>\$ 3,118,844</u>	<u>\$ 3,169,700</u>	<u>\$ 3,107,132</u>

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the period ending December 31, 2022:

	Balance December 31, 2021	Additions	Deletions	Balance December 31, 2022	Current Portion
Direct borrowing:					
CWRPDA Loan	\$ 2,592,267	\$ -	\$ 69,863	\$ 2,522,404	\$ 71,267

The following is an analysis of changes in long-term obligations for the period ending December 31, 2021:

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021	Current Portion
Direct borrowing:					
CWRPDA Loan	\$ 2,660,754	\$ -	\$ 68,487	\$ 2,592,267	\$ 69,863

A description of the long-term obligation as of December 31, 2022, is as follows:

Colorado Water Resources and Power Development Authority (CWRPDA):

\$2,700,000 Loan Agreement dated May 7, 2019, with interest of 2.0%, due semi-annually through 2049. Loan repayments may be prepaid, in whole or in part, upon prior written notice of not less than ninety (90) days to the Authority. This loan was entered into by the District for the purpose of financing most of the outfall sewer project.

Per the covenant and requirements of the Loan, the District is required to maintain a three-month operating and maintenance reserve. At December 31, 2022 and 2021, the District has a reserve of \$69,710 and \$59,376, respectively, and is in compliance with the covenants and requirements of the Loan.

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

	Principal	Interest	Total
2023	\$ 71,267	\$ 50,094	\$ 121,361
2024	72,700	48,661	121,361
2025	74,161	47,199	121,360
2026	75,652	45,709	121,361
2027	77,172	44,189	121,361
2028-2032	409,763	197,041	606,804
2033-2037	452,631	154,173	606,804
2038-2042	499,987	106,818	606,805
2043-2047	552,297	54,507	606,804
2048-2049	236,774	5,948	242,722
	<u>\$ 2,522,404</u>	<u>\$ 754,339</u>	<u>\$ 3,276,743</u>

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 - NET POSITION

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

Investment in capital assets, consists of capital assets, net of accumulated depreciation and if applicable, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. At December 31, 2022 and 2021, the District had investment in capital assets of \$562,418 and \$514,865, respectively.

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed through constitutional provisions or enabling legislation. As of December 31, 2022, and 2021, the District's restricted net position was \$6,300 and \$5,800 respectively, as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 9). Additionally, the District had restricted net position of \$69,710 and \$59,376, as of December 31, 2022 and December 31, 2021 respectively, as required by loan covenants (see Note 5).

As of December 31, 2021 the District had accumulated \$6,176 of property taxes restricted for debt service in future periods. During 2022, property taxes levied for debt service were lowered with a mill levy reduction, and the accumulated taxes from prior years were used for 2022 debt service payments. As of December 31, 2022 there was no restricted balance for debt service.

NOTE 7- RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability coverage and workers compensation. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 8 – INTERGOVERNMENTAL AGREEMENTS

City of Englewood

The District has a sewer connectors agreement with the City of Englewood (City) whereby the City provides sewage treatment service to the District's service area and charges the users directly. The District is to provide and maintain its own sewer lines and connection to the City's facilities.

In 2015, under the sewer connectors agreement, the District directed the City to begin imposing a sewer service surcharge upon all District customers billed by the City. The amount of the surcharge was 10% of the amount billed by the City for wastewater treatment services. Effective January 1, 2022, the percentage was increased from 10% to 15%. Sewer service surcharge revenue amounted to \$122,531 and \$73,316 in 2022 and 2021, respectively.

Platte Canyon Water and Sanitation District

The District has an agreement with Platte Canyon Water and Sanitation District (Platte Canyon) whereby Platte Canyon will provide administrative and sewer maintenance services for the District. Payments to Platte Canyon for these services provided during 2022 and 2021 amounted to \$156,293 and 150,960, respectively.

Columbine Water and Sanitation District

The District entered into a Maintenance Cost Allocation Agreement with Columbine Water and Sanitation District (Columbine) dated February 9, 1987, whereby Columbine agreed to pay a regular maintenance and service charge to compensate the District for use of the outfall sewer line. The proportionate share was agreed to be 12.4% of the District's costs of normal operation, maintenance and administration. On March 13, 2020, the District and Columbine entered into an Amended and Restated Maintenance Cost Allocation Agreement in order to formalize the cost allocation of operation, maintenance, and administration expenses and establish annual reporting requirements and accounting responsibilities. Pursuant to the amended and restated agreement, Columbine's maintenance share shall not be applied to fund any replacement or capital expense of the outfall sewer line or other portion of the District's sewer system and shall be determined based upon the Sewer Tap Ratio Table which will be recalculated annually by the District. The amended and restated agreement automatically renews each year on January 1 for a one-year term expiring on December 31 of each subsequent year and will continue to renew until termination by mutual agreement of the District and Columbine. During 2022 and 2021, Columbine reimbursed the District \$14,949 and \$11,951 respectively, in accordance with the agreement

On March 13, 2020, the District entered into a Capital Construction Cost Allocation Intergovernmental Agreement with Columbine whereby Columbine agreed to reimburse the District for its share in the capital improvements related to the rehabilitation of the outfall sewer line. Per the agreement, Columbine's allocation of the cost of the Interceptor Rehabilitation Project is not to exceed a total of \$447,000 which includes principal and interest and not to exceed an annual payment of \$14,900. Payments are due annually by no later than October 15th. Before the agreement was entered into, Columbine honored the request from the District during 2019 to

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

equitably share in the costs of the improvements by remitting \$14,900. The agreement will terminate on the earlier of December 31, 2048, or the date on which the District has been paid the maximum of \$447,000. During 2020, the District recorded a capital contribution of \$326,560 and a long-term receivable representing the principal amount owed by Columbine. As of December 31, 2022, the District has received a total of \$59,600 under this agreement consisting of \$33,967 of principal and \$25,633 of interest. The balance of the long-term receivable as of December 31, 2022 is \$300,734.

Bow Mar Water and Sanitation District

On May 2, 1967 the District entered into an agreement with Bow Mar Water and Sanitation District (Bow Mar) to accommodate the future transmission of sewage from 80 single family equivalent taps. Bow Mar agreed to pay the District \$200 at the time each individual tap was connected and an annual service charge of \$1.00 per month for each tap connected to Valley's sewer transmission lines. The tap limitation was subsequently increased by Valley from 80 taps to 95 taps by an amendment to the agreement dated August 4, 1970. On October 19, 1984 the District entered into a Indemnification and Cost Allocation Agreement whereby Bow Mar agreed to pay a prorated share of repair and replacement costs based on the number of users on the segment of pipe being repaired or replaced. The agreement also updated language related to the service charge requiring Bow Mar to reimburse a proportionate share of normal operation, maintenance and administration costs for each tap connected to Valley's sewer system. During 2022 and 2021, the service charge reimbursed by Bow Mar was \$2.00 per month for each of the 92 taps connected to Valley's sewer system amounting to \$2,208.

With the conclusion of the sewer outfall project in 2021, Bow Mar's prorated share of the total cost of capital improvements amounted to \$96,772. The District agreed to allow Bow Mar to pay off the obligation over five years at an interest rate of 2.0%. As the project was substantially complete as of December 31, 2020, the District submitted an invoice to Bow Mar in the amount of \$19,342 based on the estimated total project cost and recorded a capital contribution and a corresponding long-term receivable in the amount of \$96,710. The difference of \$62 between the estimated cost share and actual cost share was recorded as a capital contribution in 2021. As of December 31, 2022, the District has received a total of \$58,842 under this agreement consisting of \$57,681 of principal and \$1,161 of interest. The balance of the long-term receivable as of December 31, 2022 is \$39,091.

NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Some of the provisions, including the

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise may require judicial interpretation.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District restricted net position as required for Emergency Reserves (see Note 6).

On November 7, 2017, the voters of the District authorized the issuance of debt up to \$2,700,000 with a maximum repayment cost of \$4,400,000 (principal and interest) and increase property taxes up the \$190,000 annually for the purpose of financing the costs of relocating and improving the District's interceptor sewer line.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

VALLEY SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	\$ 289,436	\$ 291,872	\$ 2,436
Specific ownership tax	21,897	15,562	(6,335)
Interest income	380	13,686	13,306
Sewer service surcharge	106,465	122,531	16,066
Other service charges	3,108	5,004	1,896
Maintenance cost sharing	9,110	14,949	5,839
Capital cost sharing receivable - principal	27,719	27,719	-
Capital cost sharing receivable - interest	7,315	7,278	(37)
Total revenues	<u>465,430</u>	<u>498,601</u>	<u>33,171</u>
EXPENDITURES			
Maintenance and repairs	125,905	124,006	1,899
Repairs remedial/emergency	20,000	5,347	14,653
Engineering	10,000	136	9,864
Lift station maintenance	8,175	5,207	2,968
Lift station utilities	15,080	14,508	572
Administrative expenses	45,000	29,358	15,642
Advertising and publication	165	35	130
Legal	10,000	4,453	5,547
Audit and accounting	5,000	5,000	-
Insurance	6,800	13,083	(6,283)
UNCC	3,500	1,931	1,569
Supplies	250	116	134
Directors' fees	6,000	5,800	200
Salaries and payroll taxes	5,625	5,611	14
Treasurer fees	4,340	4,105	235
Public relations	5,000	3,388	1,612
Election	5,000	14,032	(9,032)
Other	1,000	766	234
Loan principal	69,863	69,863	-
Loan interest	51,498	51,265	233
Capital expenditures	286,430	52,984	233,446
Contingency	41,530	-	41,530
Emergency reserves	22,620	-	22,620
Total expenditures	<u>748,781</u>	<u>410,994</u>	<u>337,787</u>
NET CHANGE IN FUNDS AVAILABLE	(283,351)	87,607	370,958
FUNDS AVAILABLE - BEGINNING OF YEAR	<u>754,077</u>	<u>753,884</u>	<u>(193)</u>
FUNDS AVAILABLE - END OF YEAR	<u><u>\$ 470,726</u></u>	<u><u>\$ 841,491</u></u>	<u><u>\$ 370,765</u></u>
Funds available is computed as follows:			
Current assets		\$ 1,207,954	
Current liabilities		(100,155)	
Current portion of contract receivable		(28,275)	
Current portion of loan payable		71,267	
Deferred inflows of resources		(309,300)	
		<u><u>\$ 841,491</u></u>	

**VALLEY SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2022**

Revenue (budgetary basis)	\$ 498,601
Capital cost sharing principal received	<u>(27,719)</u>
Revenues per Statement of Revenues, Expenses and Changes in Fund Net Position	<u>470,882</u>
Expenditures (budgetary basis)	410,994
Capital outlay	(52,984)
Depreciation	75,294
Debt principal payments	<u>(69,863)</u>
Expenses per Statement of Revenues, Expenses and Changes in Fund Net Position	<u>363,441</u>
Change in net position per Statement of Revenues, Expenses and Changes in Fund Net Position	<u><u>\$ 107,441</u></u>

OTHER INFORMATION

VALLEY SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2022

\$2,700,000
General Obligation Loan
Dated May 7, 2019
Interest rate 2.0%

Year Ending December 31,	Principal Due May 1 and November 1	Interest Due May 1 and November 1	Total
2023	\$ 71,267	\$ 50,094	\$ 121,361
2024	72,700	48,661	121,361
2025	74,161	47,199	121,360
2026	75,652	45,709	121,361
2027	77,172	44,189	121,361
2028	78,724	42,637	121,361
2029	80,306	41,055	121,361
2030	81,920	39,440	121,360
2031	83,567	37,794	121,361
2032	85,246	36,115	121,361
2033	86,960	34,401	121,361
2034	88,707	32,654	121,361
2035	90,490	30,870	121,360
2036	92,309	29,052	121,361
2037	94,165	27,196	121,361
2038	96,057	25,304	121,361
2039	97,988	23,373	121,361
2040	99,958	21,403	121,361
2041	101,967	19,394	121,361
2042	104,017	17,344	121,361
2043	106,107	15,254	121,361
2044	108,240	13,121	121,361
2045	110,416	10,945	121,361
2046	112,635	8,726	121,361
2047	114,899	6,461	121,360
2048	117,209	4,152	121,361
2049	119,565	1,796	121,361
	<u>\$ 2,522,404</u>	<u>\$ 754,339</u>	<u>\$ 3,276,743</u>

**VALLEY SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy		Mills Levied		Total Property Taxes		Percentage Collected to Levied
	Arapahoe	Denver	Operations	Debt	Levied	Collected	
			Mill Levy	Mill Levy			
2012	\$ 43,889,410	\$ 9,563,790	2.493		\$ 133,259	\$ 132,334	99.3%
2013	\$ 43,954,180	\$ 9,574,890	2.493		\$ 133,448	\$ 130,966	98.1%
2014	\$ 42,781,080	\$ 9,150,070	2.493		\$ 129,464	\$ 129,801	100.3%
2015	\$ 44,024,171	\$ 9,814,650	2.493		\$ 134,220	\$ 132,382	98.6%
2016	\$ 54,855,722	\$ 11,716,860	2.126 (A)		\$ 141,533	\$ 141,251	99.8%
2017	\$ 55,013,885	\$ 11,770,940	2.265 (B)		\$ 151,269	\$ 151,981	100.5%
2018	\$ 62,887,874	\$ 13,584,410	2.054 (C)		\$ 157,074	\$ 156,067	99.4%
2019	\$ 65,734,822	\$ 16,643,840	2.009 (D)	0.122	\$ 175,549	\$ 175,074	99.7%
2020	\$ 80,809,755	\$ 20,257,090	1.673 (E)	0.699	\$ 239,731	\$ 237,465	99.1%
2021	\$ 81,353,760	\$ 20,226,340	1.693 (F)	1.195	\$ 293,363	\$ 292,430	99.7%
2022	\$ 88,594,721	\$ 20,900,870	1.648 (G)	1.018	\$ 291,915	\$ 291,872	100.0%
Estimated for year ending December 31, 2023	\$ 87,698,869	\$ 20,394,810	1.742 (H)	1.123	\$ 309,688		

NOTE: Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

- (A) - Includes a temporary mill levy reduction of .367 mills.
- (B) - Includes a temporary mill levy reduction of .228 mills.
- (C) - Includes a temporary mill levy reduction of .439 mills.
- (D) - Includes a temporary mill levy reduction of .496 mills plus abatements of .012 mills.
- (E) - Includes a temporary mill levy reduction of .822 mills plus abatements of .002 mills.
- (F) - Includes a temporary mill levy reduction of .807 mills plus abatements of .007 mills.
- (G) - Includes a temporary mill levy reduction of .868 mills plus abatements of .023 mills.
- (H) - Includes a temporary mill levy reduction of .751 mills.