

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

FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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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, 2023 and 2022 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, 2023 and 2022, 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. 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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
April 17, 2024

**VALLEY SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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, 2023 and 2022. 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 - 2023

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 2023 by \$2,091,224. This amount increased from 2022 to 2023 by \$347,390 or 19.9%. Current assets increased by \$446,958 from 2022 to 2023 primarily due to the increase in cash and cash equivalents as well as the higher balance in accounts receivable in 2023 due to the increase in the service fee. The decrease in capital assets of \$119,929 is due to depreciation expense of \$75,880 and the write-off of capital assets amounting to \$44,049. The decrease in total liabilities of \$60,202 is primarily due to the 2023 principal payment of \$71,267 on the outstanding CWRPDA loan (See Note 5).

**VALLEY SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Net Position - 2022

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 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

	December 31,		
	2023	2022	2021
ASSETS			
Current assets	\$ 1,654,912	\$ 1,207,954	\$ 1,118,224
Noncurrent assets:			
Capital cost sharing receivable, long-term	282,809	311,650	339,925
Capital assets, net	2,964,893	3,084,822	3,107,132
Total assets	<u>4,902,614</u>	<u>4,604,426</u>	<u>4,565,281</u>
LIABILITIES			
Current liabilities	112,653	100,155	115,084
Long-term liabilities	2,378,437	2,451,137	2,522,404
Total liabilities	<u>2,491,090</u>	<u>2,551,292</u>	<u>2,637,488</u>
DEFERRED INFLOWS OF RESOURCES	<u>320,300</u>	<u>309,300</u>	<u>291,400</u>
NET POSITION			
Net investment in capital assets	513,756	562,418	514,865
Restricted	87,084	76,010	71,352
Unrestricted	1,490,384	1,105,406	1,050,176
Total net position	<u>\$ 2,091,224</u>	<u>\$ 1,743,834</u>	<u>\$ 1,636,393</u>

Changes in Net Position - 2023

As noted in the table below, the District's net position increased by \$347,390. Total revenues increased by \$353,037 from 2022 to 2023. Charges for services increased by \$150,005 or 105.3% due to the increase in the service fee rate from 15% to 30% of each customers' City of Englewood sewer bill (See Note 8). Capital contributions reported in 2023 of \$149,000 represents a capacity fee received from Sheridan Sanitation District No.1 (SSD1) in accordance with a sewer connection agreement (See Note 8). Total expenses increased by \$113,088 or 31.1% from 2022 to 2023. This change is due to the increase in the scheduled sewer maintenance in accordance with the preventative maintenance program and higher maintenance and utility costs related to the operation of the lift station. Additionally, the 2023 capital project involving the relocation and

**VALLEY SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

installation of 336 feet of 21-inch PVC sanitary sewer pipe in W. Oxford Ave, was canceled due to the discovery of methane gas and resulting safety conditions. Costs incurred to date including \$44,049 reported in construction in progress at December 31, 2022 were written-off as a loss on disposal of assets.

Changes in Net Position - 2022

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.

CHANGES IN NET POSITION

	Years Ended December 31,		
	2023	2022	2021
REVENUES			
Program revenues:			
Charges for services	\$ 292,489	\$ 142,484	\$ 88,375
General revenues:			
Property taxes	308,773	291,872	292,430
Specific ownership taxes	19,896	15,562	19,839
Investment earnings	47,039	13,686	957
Capital cost sharing interest revenue	6,722	7,278	6,290
Capital contributions	149,000	-	62
Total revenues	823,919	470,882	407,953
EXPENSES			
Sewer operations	302,523	226,429	204,027
Administration	75,751	81,642	71,754
Interest expense	49,856	51,265	52,646
Loss on disposal of assets	44,049	-	-
Other	4,350	4,105	4,102
Total expenses	476,529	363,441	332,529
CHANGE IN NET POSITION	347,390	107,441	75,424
NET POSITION - BEGINNING OF YEAR	1,743,834	1,636,393	1,560,969
NET POSITION - END OF YEAR	<u>\$2,091,224</u>	<u>\$1,743,834</u>	<u>\$1,636,393</u>

**VALLEY SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

BUDGETARY HIGHLIGHTS

Total revenue was budgeted at \$616,156 for 2023, and actual revenue was \$852,194, which resulted in a positive budget variance of \$236,038. The District sewer service surcharge actual revenue exceeded the budget by \$40,761 and actual interest income exceeded the budget by \$30,999 due to increases in interest rates during 2023. As mentioned above, the District received a capacity fee from SSD1 amounting to \$149,000 which was not budgeted. Total actual expenditures were \$427,867 or \$422,719 under budget. In addition to budgeting for emergency reserve amounting to \$24,060, the District budgeted an additional 15% of total operating expenses equal to \$47,630 to cover unanticipated costs. The District budgeted \$340,000 for the planned relocation of a sewer main. The project has been delayed until the District can explore alternate improvement plans for the rehabilitation of this pipe. Costs incurred during 2023 amounting to \$39,945 were expensed and reported as repairs remedial/emergency. Details of the 2023 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, 2023, 2022, and 2021 amounted to \$2,964,893, \$3,084,822, and \$3,107,132, (net of accumulated depreciation), respectively.

Analysis of changes in capital assets from 2022 to 2023 is as follows:

	<u>2023</u>	<u>2022</u>	<u>Percentage Change</u>
Construction in progress	\$ -	\$ 44,049	-100%
Wastewater system	<u>2,964,893</u>	<u>3,040,773</u>	-2%
Total net capital assets	<u><u>\$ 2,964,893</u></u>	<u><u>\$ 3,084,822</u></u>	

As mentioned above, costs related to the planned 2023 capital replacement project were written-off and reported as a loss on disposal of capital assets. Depreciation expense in 2023 amounted to \$75,880.

**VALLEY SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

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.

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 2023 and 2022, 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 2024 is projected to be \$705,979 which includes the following revenue sources: property tax revenue for operations of \$199,186, property tax revenue for debt service of \$121,361, specific ownership tax revenue of \$20,836, investment earnings of \$50,260, sewer service surcharge revenue of \$256,144, capital project cost sharing revenue of \$35,034, maintenance cost sharing of \$20,050, and other revenue of \$3,108. Total expenditures for 2024 are budgeted at \$686,336 with \$359,805 for operations, \$121,361 for debt service, 113,500 for one capital sewer project and lift station improvements, and \$91,670 for contingencies and emergency reserves. Total revenue is expected to exceed expenditures by \$19,643.

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, 2023 and 2022**

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,021,117	\$ 712,474
Due from county treasurer	1,420	1,101
Prepaid expenses	18,183	16,004
Accounts receivable:		
Sewer service surcharge	259,893	135,380
Other	3,950	4,175
Accrued interest receivable	1,208	1,245
Capital cost sharing receivable, current	28,841	28,275
Property taxes receivable	320,300	309,300
Total current assets	1,654,912	1,207,954
Noncurrent assets		
Capital cost sharing receivable, long-term	282,809	311,650
Capital assets		
Construction in progress	-	44,049
Wastewater system	3,836,710	3,836,710
Equipment	1,571	1,571
Less accumulated depreciation and amortization	(873,388)	(797,508)
Total capital assets	2,964,893	3,084,822
Total noncurrent assets	3,247,702	3,396,472
TOTAL ASSETS	4,902,614	4,604,426
LIABILITIES		
Current liabilities		
Accounts payable	28,783	20,480
Accrued interest payable	8,170	8,408
Deposits from developers	3,000	-
Current portion of loan payable	72,700	71,267
Total current liabilities	112,653	100,155
Long-term liabilities		
Loan Payable, net of current portion	2,378,437	2,451,137
TOTAL LIABILITIES	2,491,090	2,551,292
DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue	320,300	309,300
TOTAL DEFERRED INFLOWS OF RESOURCES	320,300	309,300
NET POSITION		
Net investment in capital assets	513,756	562,418
Restricted:		
Operation and maintenance reserve	79,384	69,710
Emergency reserve	7,700	6,300
Unrestricted	1,490,384	1,105,406
TOTAL NET POSITION	\$ 2,091,224	\$ 1,743,834

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, 2023 and 2022

	2023	2022
OPERATING REVENUE		
Sewer service surcharge	\$ 250,761	\$ 122,531
IGA maintenance cost share	31,009	14,949
Other charges for services	10,719	5,004
Total operating revenue	292,489	142,484
OPERATING EXPENSES		
Sewer operations	302,523	226,429
Administration	75,751	81,642
Total operating expenses	378,274	308,071
OPERATING LOSS	(85,785)	(165,587)
NONOPERATING REVENUE (EXPENSE)		
Property taxes	308,773	291,872
Specific ownership taxes	19,896	15,562
Net investment income	47,039	13,686
Interest expense	(49,856)	(51,265)
Capital cost sharing interest revenue	6,722	7,278
Loss on disposal of capital assets	(44,049)	-
County treasurer's fees	(4,350)	(4,105)
Total nonoperating revenue (expense)	284,175	273,028
GAIN BEFORE CONTRIBUTIONS	198,390	107,441
CAPITAL CONTRIBUTIONS		
Capacity fee	149,000	-
Total capital contributions	149,000	-
CHANGE IN NET POSITION	347,390	107,441
NET POSITION - BEGINNING OF YEAR	1,743,834	1,636,393
NET POSITION - END OF YEAR	\$ 2,091,224	\$ 1,743,834

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, 2023 and 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 168,201	\$ 108,955
Payments to vendors	(288,022)	(245,847)
Payments to employees	(5,588)	(5,611)
Net cash required by operating activities	(125,409)	(142,503)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on long-term debt	(71,267)	(69,863)
Interest paid on long-term debt	(50,094)	(51,498)
Capital cost sharing contributions	35,034	35,034
Capacity fee received	149,000	-
Capital asset purchases	340	(53,324)
Net cash provided (required) by capital financing activities	63,013	(139,651)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property and specific ownership taxes received	328,350	307,907
County treasurer's fees paid	(4,350)	(4,105)
Net cash provided by noncapital financing activities	324,000	303,802
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	47,039	13,686
Net cash provided by noncapital financing activities	47,039	13,686
NET INCREASE IN CASH AND CASH EQUIVALENTS	308,643	35,334
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	712,474	677,140
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,021,117	\$ 712,474
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS REQUIRED BY OPERATING ACTIVITIES		
Operating loss	\$ (85,785)	\$ (165,587)
Adjustments to reconcile loss from operations to net cash required by operating activities:		
Depreciation	75,880	75,294
Effects of changes in operating assets and liabilities:		
Prepaid expenses	(2,179)	(2,921)
Accounts receivable	(124,288)	(33,529)
Accounts payable	7,963	(15,760)
Deposits from developers	3,000	-
Net cash required by operating activities	\$ (125,409)	\$ (142,503)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Loss on abandoned project	\$ (44,049)	\$ -

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, 2023 AND 2022**

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, 2023 AND 2022**

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

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

Wastewater system
Equipment

30 - 50 years
5 years

Deferred Outflows/Inflows of Resources

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

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

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.

Capital Contributions

System development fees and capacity fees are recorded as capital contributions when received. Lines contributed to the District are recorded as capital contributions and additions to the systems at acquisition value when received. During 2023, the District received \$149,000 from Sheridan Sanitation District No. 1 for additional capacity in a District interceptor (See Note 8).

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 and 2022 were comprised of the following:

	<u>2023</u>	<u>2022</u>
Deposits with financial institutions	\$ 1,572	\$ 1,201
Investments	1,019,545	711,273
	<u>\$1,021,117</u>	<u>\$ 712,474</u>

The cash and investments are classified in the accompanying financial statements as of December 31, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	<u>\$1,021,117</u>	<u>\$ 712,474</u>

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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.

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, 2023, the District had cash deposits, with a bank balance and carrying balance of \$1,572. As of December 31, 2022, the District had cash deposits, with a bank balance of \$1,293 and a carrying balance of \$1,201.

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.

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

As of December 31, 2023 and 2022, the District had the following investments:

<u>Investment</u>	<u>Rating</u>	<u>Maturity</u>	<u>Investments at NAV</u>	
			<u>2023</u>	<u>2022</u>
		Weighted average		
COLOTRUST PLUS+	AAAm	under 60 days	<u>\$1,019,545</u>	<u>\$ 711,273</u>

COLOTRUST

At December 31, 2023 and 2022, 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, 2023 AND 2022**

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance December 31, 2022	Additions	Disposals/ Retirements	Balance December 31, 2023
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	3,836,710	-	-	3,836,710
Equipment	1,571	-	-	1,571
Total capital assets being depreciated	3,838,281	-	-	3,838,281
Less accumulated depreciation for:				
Wastewater system	(795,937)	(75,880)	-	(871,817)
Equipment	(1,571)	-	-	(1,571)
Total accumulated depreciation	(797,508)	(75,880)	-	(873,388)
Total capital assets being depreciated, net	3,040,773	(75,880)	-	2,964,893
Total capital assets, net	<u>\$ 3,084,822</u>	<u>\$ (75,880)</u>	<u>\$ 44,049</u>	<u>\$ 2,964,893</u>

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>

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the period ending December 31, 2023:

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023	Current Portion
Direct borrowing:					
CWRPDA Loan	\$ 2,522,404	\$ -	\$ 71,267	\$ 2,451,137	\$ 72,700

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

A description of the long-term obligation as of December 31, 2023, 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, 2023 and 2022, the District has a reserve of \$79,384 and \$69,710, 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
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
2029-2033	417,999	188,805	606,804
2034-2038	461,728	145,076	606,804
2039-2043	510,037	96,768	606,805
2044-2048	563,399	43,405	606,804
2049	119,565	1,796	121,361
	<u>\$ 2,451,137</u>	<u>\$ 704,245</u>	<u>\$ 3,155,382</u>

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6 - NET POSITION

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

The net 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, 2023 and 2022, the District had a net investment in capital assets of \$513,756 and \$562,418, 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, 2023, and 2022, the District's restricted net position was \$7,700 and \$6,300 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 \$79,384 and \$69,710, as of December 31, 2023 and December 31, 2022 respectively, as required by loan covenants (see Note 5).

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.

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.

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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. The amount of the surcharge was increased to 15% effective January 1, 2022 and 30% effective January 1, 2023. Sewer service surcharge revenue amounted to \$250,761 and \$122,531 in 2023 and 2022, 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 2023 and 2022 amounted to \$189,667 and \$156,293, 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 2023 and 2022, Columbine reimbursed the District \$31,009 and \$14,949 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 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, 2023, the District has received a total of \$74,500 under this agreement consisting of \$42,890 of principal and \$31,610 of interest. The balance of the long-term receivable as of December 31, 2023 is \$291,911.

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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 2023 and 2022, 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 2023, the District has received a total of \$78,976 under this agreement consisting of \$77,033 of principal and \$1,943 of interest. The balance of the long-term receivable as of December 31, 2023 is \$19,739.

Sheridan Sanitation District No. 1

On October 18, 2023, the District entered into a sewer connection agreement with Sheridan Sanitation District No. 1 (SSD1). This agreement reaffirmed that in 1996, SSD1 conveyed 1,350 feet of 10" sewer main which was incorporated into the Valley Interceptor owned and maintained by the District. Additionally, SSD1's capacity in the Valley Interceptor was agreed to be limited to 165 tap connections. The current agreement authorizes an additional 159 tap connections bringing SSD1's total capacity in the Valley Interceptor to 324 taps. The original 165 taps are currently in use and the agreement allocated 149 for a housing development known as Bonsai Flats.

In accordance with the agreement, SSD1 must remit to the District a capacity fee in the amount of \$1,000 for each allowable sewer tap connection made to the system. During 2023, the District received a total capacity fee of \$149,000 for the 149 tap connections allocated to Bonsai Flats. As of December 31, 2023, there are 10 remaining taps to be issued under the agreement.

**VALLEY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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 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, 2023

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	\$ 309,660	\$ 308,773	\$ (887)
Specific ownership tax	15,739	19,896	4,157
Interest income	16,040	47,039	30,999
Sewer service surcharge	210,000	250,761	40,761
Capacity fee	-	149,000	149,000
Other service charges	3,108	10,719	7,611
Maintenance cost sharing	26,575	31,009	4,434
Capital cost sharing receivable - principal	28,275	28,275	-
Capital cost sharing receivable - interest	6,759	6,722	(37)
Total revenues	<u>616,156</u>	<u>852,194</u>	<u>236,038</u>
EXPENDITURES			
Maintenance and repairs	158,180	152,422	5,758
Repairs remedial/emergency	20,000	40,445	(20,445)
Engineering	10,000	-	10,000
Lift station maintenance	6,800	11,658	(4,858)
Lift station utilities	15,875	20,516	(4,641)
Administrative expenses	45,000	35,522	9,478
Advertising and publication	165	145	20
Legal	10,000	4,495	5,505
Audit and accounting	5,000	5,400	(400)
Insurance	15,500	16,004	(504)
UNCC	3,500	1,602	1,898
Supplies	250	202	48
Directors' fees	6,000	5,500	500
Salaries and payroll taxes	5,625	5,588	37
Treasurer fees	4,640	4,350	290
Public relations	5,000	61	4,939
Election	5,000	2,035	2,965
Other	1,000	799	201
Loan principal	71,267	71,267	-
Loan interest	50,094	49,856	238
Capital expenditures	340,000	-	340,000
Contingency	47,630	-	47,630
Emergency reserves	24,060	-	24,060
Total expenditures	<u>850,586</u>	<u>427,867</u>	<u>422,719</u>
NET CHANGE IN FUNDS AVAILABLE	(234,430)	424,327	658,757
FUNDS AVAILABLE - BEGINNING OF YEAR	<u>802,055</u>	<u>841,491</u>	<u>39,436</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 567,625</u>	<u>\$ 1,265,818</u>	<u>\$ 698,193</u>
Funds available is computed as follows:			
Current assets		\$ 1,654,912	
Current liabilities		(112,653)	
Current portion of contract receivable		(28,841)	
Current portion of loan payable		72,700	
Deferred inflows of resources		(320,300)	
		<u>\$ 1,265,818</u>	

**VALLEY SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2023**

Revenue (budgetary basis)	\$	852,194
Capital cost sharing principal received		(28,275)
Revenues per Statement of Revenues, Expenses and Changes in Fund Net Position		823,919
 Expenditures (budgetary basis)		 427,867
Loss on asset disposition		44,049
Depreciation		75,880
Debt principal payments		(71,267)
Expenses per Statement of Revenues, Expenses and Changes in Fund Net Position		476,529
 Change in net position per Statement of Revenues, Expenses and Changes in Fund Net Position	 \$	 347,390

OTHER INFORMATION

VALLEY SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2023

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

<u>Year Ending</u> <u>December 31,</u>	<u>Principal Due</u> <u>May 1 and</u> <u>November 1</u>	<u>Interest Due</u> <u>May 1 and</u> <u>November 1</u>	<u>Total</u>
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>\$ 2,451,137</u>	<u>\$ 704,245</u>	<u>\$ 3,155,382</u>

**VALLEY SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2023**

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			
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%
2023	\$ 87,698,869	\$ 20,394,810	1.742 (H)	1.123	\$ 309,688	\$ 308,773	99.7%
Estimated for year ending December 31, 2024	\$ 109,649,488	\$ 26,579,270	1.462 (I)	0.891	\$ 320,546		

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.
- (I) - Includes a temporary mill levy reduction of 1.041 mills plus abatements of .010 mills.