

**SAN LUIS VALLEY
WATER CONSERVANCY DISTRICT**

FINANCIAL STATEMENTS

December 31, 2023



**Wall,
Smith,
Bateman** Inc.
Certified Public Accountants

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
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December 31, 2023

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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Board of Directors
San Luis Valley Water Conservancy District
Alamosa, Colorado

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the San Luis Valley Water Conservancy District (the District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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

Certified Public Accountants

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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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the General Fund and major special revenue fund budgetary comparison information, pension and other post-employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Enterprise Fund budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Enterprise Fund budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 17, 2024

**SAN LUIS VALLEY
WATER CONSERVANCY DISTRICT
BASIC FINANCIAL STATEMENTS**

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
STATEMENT OF NET POSITION
December 31, 2023

	Primary Government		TOTAL
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and Cash Equivalents	\$ 563,475	\$ 2,029,803	\$ 2,593,278
Cash Reserved for CWCB Loan	-	53,682	53,682
Accounts Receivable	-	45,765	45,765
Due from Other Governments	224,143	-	224,143
Property Taxes Receivable	208,685	-	208,685
Accrued Interest Receivable	521	-	521
Lease Receivable	7,756	-	7,756
Inventory			
Water Rights	-	2,251,274	2,251,274
Water Rights in Process	-	8,303	8,303
Prepaid Expense	14,514	1,262	15,776
Long-term Assets			
Capital Assets not Being Depreciated	-	29,236	29,236
Capital Assets, Net of Accumulated Depreciation	-	1,054,619	1,054,619
TOTAL ASSETS	1,019,094	5,473,944	6,493,038
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	18,280	92,118	110,398
OPEB	811	4,038	4,849
TOTAL DEFERRED OUTFLOWS OF RESOURCES	19,091	96,156	115,247
LIABILITIES			
Accounts Payable	185,816	41,293	227,109
Unearned Grant Revenue	140,125	-	140,125
Deferred Revenue	-	3,072	3,072
Long-term Liabilities			
Note Payable Due Within One Year	-	29,679	29,679
Note Payable Due in More than One Year	-	930,418	930,418
Net Pension Liability	27,002	177,693	204,695
Net OPEB Liability	2,760	10,676	13,436
TOTAL LIABILITIES	355,703	1,192,831	1,548,534
DEFERRED INFLOWS OF RESOURCES			
Pensions	957	2,423	3,380
OPEB	899	3,968	4,867
Unavailable Revenue - Property Taxes	208,685	-	208,685
Unavailable Revenue - Leases	7,756	-	7,756
TOTAL DEFERRED INFLOWS OF RESOURCES	218,297	6,391	224,688
NET POSITION			
Net Investment in Capital Assets	-	1,083,855	1,083,855
Restricted for:			
TABOR	7,339	-	7,339
Debt Service	-	53,682	53,682
Unrestricted	456,846	3,233,341	3,690,187
TOTAL NET POSITION	\$ 464,185	\$ 4,370,878	\$ 4,835,063

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Primary Government</u>
Primary Government							
Governmental Activities							
General Government	\$ 160,070	\$ 7,676	\$ -	\$ -	\$ (152,394)	\$ -	\$ (152,394)
Colorado Rio Grande Restoration Foundation Fund	937,334	-	911,096	-	(26,238)	-	(26,238)
Total Governmental Activities	<u>1,097,404</u>	<u>7,676</u>	<u>911,096</u>	<u>-</u>	<u>(178,632)</u>	<u>-</u>	<u>(178,632)</u>
Business-Type Activities							
Water	448,583	614,781	-	-	-	166,198	166,198
Total Business-Type Activities	<u>448,583</u>	<u>614,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,198</u>	<u>166,198</u>
Total Primary Government	<u>\$ 1,545,987</u>	<u>\$ 622,457</u>	<u>\$ 911,096</u>	<u>\$ -</u>	<u>(178,632)</u>	<u>166,198</u>	<u>(12,434)</u>
General Revenues							
Taxes							
General Property Taxes - Net					197,122	-	197,122
Specific Ownership Taxes					27,957	-	27,957
Other Taxes					7,744	-	7,744
Interest Income					848	7,790	8,638
Miscellaneous					3,541	-	3,541
Total General Revenues					<u>237,212</u>	<u>7,790</u>	<u>245,002</u>
Transfers					<u>(50,000)</u>	<u>50,000</u>	<u>-</u>
Change in Net Position					8,580	223,988	232,568
Net Position - Beginning of Year					<u>455,605</u>	<u>4,146,890</u>	<u>4,602,495</u>
Net Position - End of Year					<u>\$ 464,185</u>	<u>\$ 4,370,878</u>	<u>\$ 4,835,063</u>

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2023

	GENERAL FUND	COLORADO RIO GRANDE RESTORATION FOUNDATION FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	\$ 344,673	\$ 218,802	\$ 563,475
Accounts Receivable	-	-	-
Property Taxes Receivable	208,685	-	208,685
Due From Other Governments	2,772	221,371	224,143
Due From Other Funds	-	-	-
Leases Receivable	7,756	-	7,756
Accrued Interest	521	-	521
Prepaid Expense	14,514	-	14,514
TOTAL ASSETS	\$ 578,921	\$ 440,173	\$ 1,019,094
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 6,505	\$ 179,311	\$ 185,816
Due to Other Funds	-	-	-
Unearned Grant Revenue	-	140,125	140,125
TOTAL LIABILITIES	6,505	319,436	325,941
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	208,685	-	208,685
Unavailable Revenue - Leases	7,756	-	7,756
TOTAL DEFERRED INFLOWS OF RESOURCES	216,441	-	216,441
FUND BALANCE			
Nonspendable:	14,514	-	14,514
Restricted:			
TABOR	7,339	-	7,339
Assigned:			
Special Revenue Fund	-	120,737	120,737
Unassigned	334,122	-	334,122
TOTAL FUND BALANCE	355,975	120,737	476,712
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 578,921	\$ 440,173	\$ 1,019,094

The accompanying notes are an integral part of this financial statement.

**SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
For the Year Ended December 31, 2023**

Total governmental fund balances	\$	476,712
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Deferred results and contributions to pension and OPEB plans made after the measurement date are not recorded as expenditures in the governmental funds but must be deferred in the statement of net position.</p>		19,091
<p>Net pension and OPEB liabilities are not due and payable in the current period and are not reported in the funds.</p>		(29,762)
<p>Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time. These are not reported in the funds.</p>		(1,856)
		(1,856)
Net position of governmental activities	\$	464,185
		464,185

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
For the Year Ended December 31, 2023

	GENERAL FUND	COLORADO RIO GRANDE RESTORATION FOUNDATION FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes			
Current Property Taxes, Net	\$ 197,122	\$ -	\$ 197,122
Specific Ownership Taxes	27,957	-	27,957
Delinquent Taxes and Interest	7,744	-	7,744
Total Taxes	232,823	-	232,823
Other Revenues			
Grant Revenues	-	818,501	818,501
Cash Contributions	-	92,595	92,595
Lease Income	7,676	-	7,676
Miscellaneous Income	3,541	-	3,541
Interest Income	594	254	848
Total Other Revenues	11,811	911,350	923,161
TOTAL REVENUES	244,634	911,350	1,155,984
EXPENDITURES			
Salaries and Fringe Benefits	20,251	256,661	276,912
Directors' Fees	12,200	-	12,200
Travel	14,353	17,829	32,182
Administration	25,389	12,848	38,237
Professional Services	31,725	10,980	42,705
Insurance	8,858	3,923	12,781
Public Relations	7,482	-	7,482
Other	1,440	-	1,440
Training/ Education	25,460	-	25,460
Cooperative Projects	1,000	-	1,000
Equipment	5,847	-	5,847
Special Projects	6,197	-	6,197
Water Conservation Projects	-	635,093	635,093
TOTAL EXPENDITURES	160,202	937,334	1,097,536
Excess (deficiency) of revenues over expenditures	84,432	(25,984)	58,448
OTHER FINANCING SOURCES (USES)			
Transfers to Other Funds	(69,198)	-	(69,198)
Transfers from Other Funds	-	19,198	19,198
TOTAL OTHER FINANCING SOURCES (USES)	(69,198)	19,198	(50,000)
Net Change in Fund Balance	15,234	(6,786)	8,448
Fund Balance, Beginning of Year	340,741	127,523	468,264
Fund Balance, End of Year	\$ 355,975	\$ 120,737	\$ 476,712

The accompanying notes are an integral part of this financial statement.

**SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023**

Net change in fund balances - total governmental funds	\$	8,448
<p>Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension and OPEB expenditures.</p>		
		132
Change in net position of governmental activities	\$	8,580

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
PROPRIETARY FUND
STATEMENT OF NET POSITION
December 31, 2023

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 2,029,803
Cash Reserved for CWCB Loan	53,682
Accounts Receivable	45,765
Prepaid Expense	1,262
Inventory: Water Rights	2,251,274
Total Current Assets	4,381,786

Noncurrent Assets

Inventory: Water Rights in Process	8,303
Capital Assets not Being Depreciated	29,236
Capital Assets, Net of Accumulated Depreciation	1,054,619
Total Noncurrent Assets	1,092,158

TOTAL ASSETS

5,473,944

DEFERRED OUTFLOWS OF RESOURCES

Pensions	92,118
OPEB	4,038
	96,156

TOTAL DEFERRED OUTFLOWS OF RESOURCES

96,156

LIABILITIES

Current Liabilities

Accounts Payable	41,293
Unearned Revenue	3,072
Current Portion Note Payable - CWCB	29,679
Total Current Liabilities	74,044

Long Term Liabilities

Note Payable - CWCB	930,418
Net Pension Liability	177,693
Net OPEB Liability	10,676
Total Long Term Liabilities	1,118,787

TOTAL LIABILITIES

1,192,831

DEFERRED INFLOWS OF RESOURCES

Pension	2,423
OPEB	3,968
	6,391

TOTAL DEFERRED INFLOWS OF RESOURCES

6,391

NET POSITION

Net Investment in Capital Assets	1,083,855
Restricted for Debt Service	53,682
Unrestricted	3,233,341
	4,370,878

TOTAL NET POSITION

\$ 4,370,878

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Year Ended December 31, 2023

OPERATING REVENUES	
Sale of Water	\$ 229,687
Administration Revenue	30,906
Annual Assessments	354,188
Other	-
	-
TOTAL OPERATING REVENUES	614,781
OPERATING EXPENSES	
Salary and Fringe Benefits	172,872
Reservoir Storage Rent	30,253
Professional Services	74,232
Project Maintenance	65,449
Recharge Project / Conveyance Fee	51,700
Depreciation Expense	28,326
Other	1,025
	1,025
TOTAL OPERATING EXPENSES	423,857
Operating Income (Loss)	190,924
NONOPERATING REVENUES (EXPENSES)	
Interest Income	7,790
Interest Expense	(24,726)
	(24,726)
TOTAL NONOPERATING REVENUES (EXPENSES)	(16,936)
Income (Loss) Before Operating Transfers	173,988
Transfers from Other Fund	50,000
	50,000
Change in Net Position	223,988
Net Position, Beginning of Year	4,146,890
Net Position, End of Year	\$ 4,370,878

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from sale of water	\$ 286,099
Cash received from annual assessments	354,188
Cash received from administrative revenue	30,906
Cash paid for cost of water sold	(4,174)
Cash paid for salaries and fringe benefits	(173,602)
Cash paid for reservoir storage rent	(30,253)
Cash paid for professional services	(89,823)
Cash paid for project maintenance	(65,449)
Cash paid for recharge project	(25,544)
Cash paid for other expenses	(27,181)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	255,167

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash Received from Other Funds	50,000
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	50,000

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Interest payment	(24,726)
Principal payment	(28,956)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(53,682)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Income	7,790
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	7,790

Net Increase (Decrease) in Cash and Cash Equivalents	259,275
Cash and Cash Equivalents, Beginning of Year	1,824,210
Cash and Cash Equivalents, End of Year	\$ 2,083,485

Reconciliation to the Statement of Net Position

Cash and Cash Equivalents	\$ 2,029,803
Cash Reserved for CWCB Loan	53,682
Total Cash on the Statement of Net Position	\$ 2,083,485

Reconciliation of income (loss) from operations to net cash provided (used) by operating activities

Operating Income (Loss)	\$ 190,924
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	28,326
Pension and Other Postemployment Benefit Expense	(681)
(Increase) Decrease in Accounts Receivable	(25,214)
(Increase) Decrease in Prepaid Expense	(1,262)
(Increase) Decrease in Water Rights	77,452
Increase (Decrease) in Accounts Payable	(14,378)
Net Cash Provided (Used) by Operating Activities	\$ 255,167

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the San Luis Valley Water Conservancy District (the District) reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*. The District's significant accounting policies are described below.

REPORTING ENTITY

Primary Governments

The San Luis Valley Water Conservancy District was formed in accordance with Colorado Statute 148-1-1 on November 14, 1949. The District is governed by a Board of Directors who are appointed by the 12th Judicial District Judge.

Component Units

The District's combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District
- The organization is financially accountable to the District
- The organization receives or holds funds that are for the benefit of the District; and the District has access to a majority of the funds held; and the funds that are accessible are also significant to the District

Based on the aforementioned criteria, the Colorado Rio Grande Restoration Foundation, a separate legal entity, was blended in the financial statements as a special revenue fund. There are no other component units included in the financial statements of the District, since no others were discovered to fall within the oversight responsibility based on the preceding criteria.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the District. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.
- Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds and proprietary funds. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

- The ***General Fund*** is the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The ***Colorado Rio Grande Restoration Foundation Fund*** accounts for the revenues and expenditures for the restoration, improvement, preservation, and protection of the Rio Grande River, its riparian areas, related plant and animal life, and other natural resources, to the benefit of users of the Rio Grande and its communities.

Proprietary fund financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and cash flows. The District's only proprietary fund is the Enterprise Fund, used to account for the District's water rights, water sales, and water purchases. Revenues are derived from the District's water sales and annual assessments. Expenses include the cost of water sold, water storage fees, and professional services.

The proprietary fund is accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.

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- Current-year contributions, administrative expenses, and premium payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between governmental activities and business-type activities, which are presented as internal balances and eliminated in the total primary government column.

ASSETS, LIABILITIES, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash

The District's cash and cash equivalents are considered to be cash in bank, certificates of deposit and liquid investments with an initial maturity of three months or less.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The District's property taxes are collected by the County Treasurer who remits monthly receipts to the District. Property tax revenue is recognized when received by the County Treasurer.

Uncollected property taxes that became an enforceable lien January 1, 2023 have been recorded in the financial statements as an asset and a corresponding unavailable revenue.

Inventories

Purchased inventories are stated at cost and consist of water rights and augmentation plans owned by the District.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital Assets which include a building and furniture and equipment are reported in the business-type activity column in the financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the estimated useful lives of 5-20 years.

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Unearned Grant Revenue

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

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

Certain amounts related to pensions must be deferred.

Pensions

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

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

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net Investment in capital assets* - consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.

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- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported by classification based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance* - amounts that cannot be spent because they are not in spendable form, such as inventory and prepaid expenditures.
- *Restricted Fund Balance* - amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* - amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of Directors, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* - amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Directors or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance* - amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment actions.

Encumbrances

The District does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

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Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Leases

Leases are defined by the general government as the right to use an underlying asset. As a lessor, the District recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and the deferred inflow of resources at the beginning of the lease term. Periodic amortization of the discount on the receivable is reported as interest revenue for that period. Deferred inflows of resources are recognized as lease income based on the interest method.

New Accounting Pronouncements

During fiscal year 2023, the District adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, that establishes that a SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in exchange or exchange-like transaction. This standard requires governmental entities to record a subscription liability and an intangible right-to-use subscription asset for those contracts for the subscription term. This standard does not have a material effect on the financial statements of the District.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The San Luis Valley Water Conservancy District follows the procedures outlined in the Financial Management Manual – A Guide for Colorado Local Governments – when preparing annual budgets for each fund. Budget procedures include:

- 1) Preparation of budget documents by administrative staff shall be submitted to the Board no later than October 15th of each year.
- 2) Publication of a notice stating that the budget is available for public inspection.
- 3) Discussion of the budget in a meeting open to the public.
- 4) Adoption of the budget in a public meeting by appropriate resolution.

Formal budgetary integration is employed as a management control device for all funds of the District. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget, if applicable.

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Stewardship

The Colorado Rio Grande Restoration Foundation is a 501(c)(3) nonprofit, therefore no budget was adopted during 2023.

NOTE 3 CASH AND DEPOSITS

A summary of Cash and Deposits for the District are as follows:

Cash in Banks and on Hand	\$	2,646,960
Total cash and deposits on the statement of net position	\$	2,646,960

Colorado State Statutes govern the District’s deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, \$1,439,823 of the District’s deposits totaling \$2,753,700 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

NOTE 4 PROPERTY TAXES RECEIVABLE

At December 31, 2023, the District had an estimated property tax receivable in the General Fund of approximately \$208,685.

NOTE 5 ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2023, consisted of the following:

Enterprise Fund - Assessments Receivable	\$	95,661
Less: Allowance for Doubtful Accounts		(49,896)
Total Accounts Receivable	\$	45,765

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NOTE 6 LEASES RECEIVABLE

The District leases office space to two separate entities. The District has recognized a lease receivable as of December 31, 2023 for the terms of the individual leases using a discount rate of 1.04%. Both leases expire in 2024. The District recognized \$7,676 of lease revenue and \$124 of interest income during the year ended December 31, 2023. As of December 31, 2023, the District’s receivable for lease payments was \$7,756. Also, the District has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of December 31, 2023, the balance of the deferred inflow of resources was \$7,756.

NOTE 7 DUE FROM OTHER GOVERNMENTS

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

As of December 31, 2023, the District had \$224,143 due from federal, state, or local governments, reflected as due from other governments in the accompanying basic financial statements.

NOTE 8 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Transfers

Interfund transfers for the year ended December 31, 2023, were as follows:

Transfer Out	Transfer In	Amount
General Fund	Colorado Rio Grande Restoration Foundation Fund	\$ 19,198
General Fund	Enterprise Fund	50,000
		\$ 69,198

These transfers were made to support the Colorado Rio Grande Restoration Foundation Fund and the Enterprise Fund.

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NOTE 9 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ -	\$ -	\$ -	\$ -
Rock Creek Recharge Pond	29,236	-	-	29,236
Total capital assets not being depreciated	29,236	-	-	29,236
Capital assets being depreciated				
Reservoir	901,954	-	-	901,954
Building	386,123	-	-	386,123
Furniture and Equipment	28,799	-	-	28,799
Total capital assets being depreciated	1,316,876	-	-	1,316,876
Less accumulated depreciation for:				
Reservoir	9,020	9,020	-	18,040
Building	196,110	19,306	-	215,416
Furniture and Equipment	28,801	-	-	28,801
Total accumulated depreciation	233,931	28,326	-	262,257
Total Capital Assets being depreciated, net	1,082,945	(28,326)	-	1,054,619
Business-Type Activities				
Capital Assets, Net	\$ 1,112,181	\$ (28,326)	\$ -	\$ 1,083,855

NOTE 10 LONG-TERM LIABILITIES

Changes in Long-Term Debt

During the year ending December 31, 2017, the Colorado Water Conservation Board loaned the District \$1,123,574, including a loan origination fee of 1%, or \$11,124, at an interest rate of 2.50% per annum for a repayment term of 30 years, in annual installments of \$53,682 per year, of which \$24,726 was attributable to interest in fiscal year 2023. Final payment is due May 1, 2047. This loan was used to acquire water rights for the District's augmentation program. The loan is secured with all water activity enterprise revenue pledged to repay the loan. The District is required to maintain a reserve equal to the annual payment of \$53,682. As of December 31, 2023, the District was in compliance with this requirement.

The following summarizes the District's long-term liabilities for the year ended December 31, 2023:

	Balance 12/31/2022	Additions	Payments	Balance 12/31/2023	Principal Due Within One Year
Business-Type Activities					
Colorado Water					
Conservation Board	\$ 989,053	\$ -	\$ 28,956	\$ 960,097	\$ 29,679

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The annual debt service for the loan is as follows:

	Principal	Interest	Total
2024	\$ 29,680	\$ 24,002	\$ 53,682
2025	30,421	23,261	53,682
2026	31,182	22,500	53,682
2027	31,961	21,721	53,682
2028	32,760	20,921	53,681
2029-2033	176,503	91,903	268,406
2034-2038	199,698	68,709	268,407
2039-2043	225,941	42,465	268,406
2044-2047	201,951	12,773	214,724
Total	\$ 960,097	\$ 328,255	\$ 1,288,352

NOTE 11 DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Benefits provided as of December 31, 2022. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- The value of the retiring employee’s member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date

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employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. §24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determine increase that would exhaust 10% of PERA’s Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. §24-51-413.

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

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

Contributions provisions as of December 31, 2023. Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and C.R.S. § 24-51-413. Employee contribution rates for the period January 1, 2023 through December 31, 2023 are summarized in the table below:

	January 1, 2023
	Through
	<u>December 31, 2023</u>
Employee Contribution	
(all employees except State Troopers)	9.00%

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

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

	January 1, 2023 through June 30, 2023	July 1, 2023 thorough December 31, 2023
Employer Contribution Rate	11.00%	11.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-1.02%	-1.02%
Amount Apportioned to the LGDTF	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.06%	0.06%
Total Employer Contribution Rate to LGDTF	13.74%	13.74%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$24,337, for the year ended December 31, 2023.

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

The net pension liability (asset) for the LGDTF was measured as of December 31, 2022, and the total pension liability (asset) (TPL) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The District's proportion of the net pension liability (asset) was based on the District's contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers.

At December 31, 2023, the District reported a liability (asset) of \$204,695 for its proportionate share of the net pension liability (asset).

At December 31, 2022, the District's proportion was 0.0204%, which was a decrease of 0.0007 from its proportion measured as of December 31, 2021.

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For the year ended December 31, 2023, the District recognized pension expense of \$1,320. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,020
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	83,566	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,494	2,359
Contributions subsequent to the measurement date	24,337	-
Total	\$ 110,397	\$ 3,379

\$24,337 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
2024	\$ (8,771)
2025	11,898
2026	30,589
2027	48,964
2028	-
Thereafter	-
Total	\$ 82,680

Actuarial assumptions. The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.20 – 11.30 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount Rate	7.25 percent
Post-retirement benefit increases:	
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (compounded annually)	1.00%
PERA Benefit Structure hired after 12/31/06 ¹	Financed by the AIR

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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The TPL for the LGDTF, as of December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2023. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions for members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2021 valuations were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	<u>100.00%</u>	

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

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include the current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded for the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 343,632	\$ 204,695	\$ 88,382

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

NOTE 12 DEFINED BENEFITS OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

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

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member’s years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient’s eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure.

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$1,807 for the year ended December 31, 2023.

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

At December 31, 2023, the District reported a liability of \$13,436 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the District proportion was 0.00166 percent, which was an increase of 0.0000007 from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the District recognized OPEB expense of (\$2,133). At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2	\$ 3,249
Changes of assumptions or other inputs	216	1,483
Net difference between projected and actual earnings on OPEB plan investments	821	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,003	135
Contributions subsequent to the measurement date	1,807	-
Total	\$ 4,849	\$ 4,867

\$1,807 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	
2024	\$ (853)
2025	(853)
2026	(126)
2027	354
2028	(268)
Thereafter	<u>(79)</u>
Total	\$ <u>(1,825)</u>

Actuarial assumptions. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% to 11.30%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% in 2022 gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in 2029

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 1,704	\$ 1,450	\$ 583	\$ 496	\$ 1,923	\$ 1,634
70	\$ 1,976	\$ 1,561	\$ 676	\$ 534	\$ 2,229	\$ 1,761
75	\$ 2,128	\$ 1,681	\$ 728	\$ 575	\$ 2,401	\$ 1,896

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 6,514	\$ 5,542	\$ 4,227	\$ 3,596	\$ 6,752	\$ 5,739
70	\$ 7,553	\$ 5,966	\$ 4,901	\$ 3,872	\$ 7,826	\$ 6,185
75	\$ 8,134	\$ 6,425	\$ 5,278	\$ 4,169	\$ 8,433	\$ 6,657

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in in the roll forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

Actuarial assumptions pertaining to the per capita health care costs and their related trend rates are analyzed and updated annually by the Board’s actuary, as discussed above.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	<u>100.00%</u>	

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

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

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 13,056	\$ 13,436	\$ 13,850

Discount rate. The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF's FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2023

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 15,576	\$ 13,436	\$ 11,605

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

NOTE 13 COMMITMENTS AND CONTINGENCIES

Grant Programs

The District participates in a number of federal and state programs. These programs are subject to program compliance audits by the grantors and their representatives. The amount of expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts to be immaterial.

NOTE 14 TABOR EMERGENCY RESERVE

Colorado voters passed an amendment to the State constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior year’s spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The amendment also requires that Emergency Reserves be established. These reserves must be at least three percent of fiscal year spending. This Emergency Reserve has been presented as restricted fund balance in the General Fund balance sheet and a restricted net position in the government-wide statement of net position. The entity is not allowed to use the Emergency Reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 15 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. There have been no claims from these risks for the current year or the three prior years.

**SAN LUIS VALLEY
WATER CONSERVANCY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2023

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Taxes				
Current Property Taxes, Net	\$ 193,620	\$ 193,620	\$ 197,122	\$ 3,502
Specific Ownership Taxes	25,000	25,000	27,957	2,957
Delinquent Taxes and Interest	175	175	7,744	7,569
Total Taxes	<u>218,795</u>	<u>218,795</u>	<u>232,823</u>	<u>14,028</u>
Other Revenues				
Lease Income	5,100	5,100	7,676	2,576
Miscellaneous	-	-	3,541	3,541
Interest Income	500	500	594	94
TOTAL REVENUES	<u>224,395</u>	<u>224,395</u>	<u>244,634</u>	<u>20,239</u>
EXPENDITURES				
Salaries and Fringe Benefits	20,317	20,317	20,251	66
Directors' Fees	13,400	13,400	12,200	1,200
Travel	10,000	10,000	14,353	(4,353)
Administration	25,685	25,685	25,389	296
Professional Services	29,670	29,670	31,725	(2,055)
Public Relations	10,000	10,000	7,482	2,518
Insurance	8,000	8,000	8,858	(858)
Other	-	-	1,440	(1,440)
Training/ Education	20,000	20,000	25,460	(5,460)
Cooperative Projects	11,000	11,000	1,000	10,000
Equipment	6,000	6,000	5,847	153
Special Projects	40,000	40,000	6,197	33,803
TOTAL EXPENDITURES	<u>194,072</u>	<u>194,072</u>	<u>160,202</u>	<u>33,870</u>
Excess (deficiency) of revenues over expenditures	<u>30,323</u>	<u>30,323</u>	<u>84,432</u>	<u>54,109</u>
OTHER FINANCING SOURCES (USES)				
Transfer to Other Funds	(69,395)	(69,395)	(69,198)	197
TOTAL OTHER FINANCING SOURCES (USES)	<u>(69,395)</u>	<u>(69,395)</u>	<u>(69,198)</u>	<u>197</u>
Net Change in Fund Balance	(39,072)	(39,072)	15,234	54,306
Fund Balance, Beginning of Year	<u>306,719</u>	<u>306,719</u>	<u>340,741</u>	<u>34,022</u>
Fund Balance, End of Year	<u>\$ 267,647</u>	<u>\$ 267,647</u>	<u>\$ 355,975</u>	<u>\$ 88,328</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
COLORADO RIO GRANDE RESTORATION
FOUNDATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Grant Revenues	\$ -	\$ -	\$ 818,501	\$ 818,501
Cash Contributions	-	-	92,595	92,595
Interest Income	-	-	254	254
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>911,350</u>	<u>911,350</u>
EXPENDITURES				
Salary and Fringe Benefits	-	-	256,661	(256,661)
Travel	-	-	17,829	(17,829)
Administration	-	-	12,848	(12,848)
Professional Services	-	-	10,980	(10,980)
Insurance	-	-	3,923	(3,923)
Project Planning	-	-	635,093	(635,093)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>937,334</u>	<u>(937,334)</u>
Excess (deficiency) of revenues over expenditures	-	-	(25,984)	(25,984)
OTHER FINANCING SOURCES (USES)				
Transfer From Other Funds	-	-	19,198	19,198
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>19,198</u>	<u>19,198</u>
Net Change in Fund Balance	-	-	(6,786)	(6,786)
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>127,523</u>	<u>127,523</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,737</u>	<u>\$ 120,737</u>

Notes to Required Supplementary Information

The component unit is a non-profit organization.
No budget is prepared for this organization.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PERA LGDTF PENSION PLAN
For the Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.02042%	0.02116%	0.01871%	0.01849%	0.01861%	0.01800%	0.01901%	0.02738%	0.01999%	0.20045%
District's proportionate share of the net pension liability (asset)	\$ 204,695	\$ (18,142)	\$ 97,484	\$ 135,252	\$ 233,967	\$ 200,437	\$ 256,720	\$ 301,585	\$ 179,192	\$ 164,956
District's covered payroll	\$ 177,137	\$ 166,991	\$ 157,453	\$ 131,920	\$ 127,346	\$ 122,061	\$ 113,562	\$ 115,232	\$ 155,482	\$ 109,552
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	116%	-11%	62%	103%	184%	164%	226%	262%	115%	151%
Plan fiduciary net position as a percentage of the total pension liability	83.0%	101.5%	90.9%	86.3%	76.0%	79.4%	73.6%	76.9%	80.7%	77.7%

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA LGDTF PENSION PLAN
For the Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 24,337	\$ 22,501	\$ 20,784	\$ 17,076	\$ 16,148	\$ 15,477	\$ 14,400	\$ 14,611	\$ 19,715	\$ 13,891
Contributions in relation to the contractually required contribution	(24,337)	(22,501)	(20,784)	(17,076)	(16,148)	(15,477)	(14,400)	(14,611)	(19,715)	(13,891)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 177,137	\$ 166,991	\$ 157,453	\$ 131,920	\$ 127,346	\$ 122,061	\$ 113,562	\$ 115,232	\$ 155,482	\$ 109,552
Contributions as a percentage of covered payroll	13.74%	13.47%	13.20%	12.94%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
COLORADO PERA HEALTH CARE TRUST FUND
For the Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.00165%	0.00164%	0.00143%	0.00142%	0.00144%	0.00140%	0.00146%
District's proportionate share of the net OPEB liability	\$ 13,436	\$ 14,185	\$ 13,555	\$ 15,919	\$ 19,635	\$ 18,179	\$ 18,921
District's covered payroll	\$ 177,137	\$ 166,991	\$ 157,453	\$ 131,920	\$ 127,346	\$ 122,061	\$ 113,562
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	8%	8%	9%	12%	15%	15%	17%
Plan fiduciary net position as a percentage of the total OPEB liability	38.6%	39.4%	32.8%	24.5%	17.0%	17.5%	16.7%

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
COLORADO PERA HEALTH CARE TRUST FUND
For the Years Ended December 31,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,807	\$ 1,703	\$ 1,606	\$ 1,346	\$ 1,299	\$ 1,245	\$ 1,158
Contributions in relation to the contractually required contribution	<u>(1,807)</u>	<u>(1,703)</u>	<u>(1,606)</u>	<u>(1,346)</u>	<u>(1,299)</u>	<u>(1,245)</u>	<u>(1,158)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 177,137	\$ 166,991	\$ 157,453	\$ 131,920	\$ 127,346	\$ 122,061	\$ 113,562
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years which information is available.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2023

NOTE 1 NET PENSION LIABILITY

Changes in assumptions or other inputs effective for the December 31st measurement period for the following years ended:

2022

- Required contribution increased from 10.50% to 11.00% for eligible employees.

2021

- Required contribution increased from 10.00% to 10.50% for eligible employees.
- AI cap decreased from 1.25% to 1.00%.

2020

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumptions were changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- Post-retirement non-disabled mortality assumptions were changed to the PubG-2010 Healthy Retiree Table, adjusted as follows:
 - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Post-retirement non-disabled beneficiary mortality assumptions were changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
 - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- Disabled mortality assumptions were changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

2019 The post-retirement benefit increased to the PERA benefit structure for those hired prior to 1/1/07 was changed from 0% through 2019 and 1.5% compounded annually thereafter, to 1.25%.

2018 The Post-retirement benefit increase were changed for the PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic) from 2% to 0% through 2019 and 1.5% compounded annually thereafter.

2017 There were no changes in assumptions or other inputs this measurement period compared to the prior year.

2016

- The price inflation assumption was lowered from 2.80% to 2.40%.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- Salary increases, including wage inflation was lowered from 3.90 – 10.85 percent to 3.90 – 10.45 percent
- The long-term expected rate of return assumption was lowered from 7.50% to 7.25% per year.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2023

- The discount rate was lowered from 7.50% to 7.25%.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for actively working people, RP-2014 Healthy Annuitant Mortality Table projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 7.25%.

2015

The following program changes were made:

- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18 month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

The following methodology changes were made:

- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

2014 There were no changes in assumptions or other inputs this measurement period compared to the prior year.

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS LIABILITY

Changes in assumptions or other inputs effective for the December 31st measurement period for the following years ended:

2022

- The Medicare Part A premium increased from \$471 to \$499 per month.
- The per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.
- Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the total OPEB liability.

2021

- The Medicare Part A premium increased from \$458 to \$471 per month.

2020

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2023

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real wage growth assumption decreased from 1.10 percent per year to 0.70 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumptions for the School Division were changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- Post-retirement non-disabled mortality assumptions for the School Division were changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
 - Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Post-retirement non-disabled beneficiary mortality assumptions were changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
 - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- Disabled mortality assumptions were changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

2019

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

2018 There were no changes in assumptions or other inputs effective this measurement period compared to the prior year.

2017 The Medicare Part A premiums were raised from 3.00% to 3.25%, as well as the gradual percentage rose from 4.25% in 2023 to 5.00% in 2025.

**SAN LUIS VALLEY
WATER CONSERVANCY DISTRICT
SUPPLEMENTARY INFORMATION**

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON GAAP)
ENTERPRISE FUND

For the Year Ended December 31, 2023

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
OPERATING REVENUES				
Sale of Water	\$ 166,000	\$ 166,000	\$ 229,687	\$ 63,687
Administration Revenue	16,500	16,500	30,906	14,406
Annual Assessments	346,571	346,571	354,188	7,617
Other	-	-	-	-
TOTAL OPERATING REVENUES	<u>529,071</u>	<u>529,071</u>	<u>614,781</u>	<u>85,710</u>
OPERATING EXPENSES				
Salary and Fringe Benefits	165,050	165,050	172,872	(7,822)
Reservoir Storage Rent	30,000	30,000	30,253	(253)
Professional Services	85,000	85,000	74,232	10,768
Project Maintenance	40,000	40,000	65,449	(25,449)
Recharge Project / Conveyance Fee	45,000	45,000	51,700	(6,700)
Other	2,000	2,000	1,025	975
TOTAL OPERATING EXPENSES	<u>367,050</u>	<u>367,050</u>	<u>395,531</u>	<u>(28,481)</u>
Operating Income (Loss)	<u>162,021</u>	<u>162,021</u>	<u>219,250</u>	<u>57,229</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Income	3,150	3,150	7,790	4,640
Debt Payment	(53,682)	(53,682)	(53,675)	7
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(50,532)</u>	<u>(50,532)</u>	<u>(45,885)</u>	<u>4,647</u>
Income (Loss)- Before Operating Transfers	111,489	111,489	173,365	61,876
Transfers from Other Fund	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net Income (Loss) - Budget Basis	161,489	161,489	<u>223,365</u>	<u>\$ 61,876</u>
Add: Principal Payment on Debt			28,949	
Less: Depreciation Expense			<u>(28,326)</u>	
Net Income (Loss)			223,988	
Net Position, Beginning of Year	<u>4,120,760</u>	<u>4,120,760</u>	<u>4,146,890</u>	
Net Position, End of Year	<u>\$ 4,282,249</u>	<u>\$ 4,282,249</u>	<u>\$ 4,370,878</u>	