

**GREEN MOUNTAIN WATER
AND SANITATION DISTRICT
JEFFERSON COUNTY, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS'
REPORT**

DECEMBER 31, 2023



Crady, Puca & Associates

Certified Public Accountants & Consultants

**GREEN MOUNTAIN WATER AND SANITATION DISTRICT
JEFFERSON COUNTY, COLORADO**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Green Mountain Water and Sanitation District

Opinions

We have audited the accompanying financial statements of the business-type activities of the Green Mountain Water and Sanitation District as of and for the year ended December 31, 2023, and related notes to the financial statements, which collectively comprise Green Mountain Water and Sanitation District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Green Mountain Water and Sanitation District as of December 31, 2023, and the respective changes in its financial position and its cash flows 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Green Mountain Water and Sanitation 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 Green Mountain Water and Sanitation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Green Mountain Water and Sanitation 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 Green Mountain Water and Sanitation District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iii through viii and the pension schedules on pages 38-41 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 Green Mountain Water and Sanitation District's basic financial statements. The budgetary schedules on pages 42-43 are presented for purposes of additional analysis and are 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 budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior Year Summarized Comparative Information

The prior year summarized comparative information has been derived from the District's 2022 financial statements, and in our report dated June 13, 2023, we expressed an unmodified opinion on those statements. The information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Crady, Puca & Associates

Aurora, Colorado
June 11, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Green Mountain Water and Sanitation District's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the basic financial statements and the notes to financial statements to enhance their understanding of the District's financial performance.

Green Mountain Water and Sanitation District operates as a quasi-municipal corporation and political subdivision of the State of Colorado operating as a water and sewer service provider serving approximately 10,300 water and sewer connections in parts of Lakewood and Jefferson County.

The District purchases its water through a Master Meter contract with the Denver Water, and purchases wastewater treatment services via a Special Connector agreement through Metro Water Recovery.

The District derives its revenues from the sales of water and sewer service, and related tap and connection charges. The District prioritizes customer service and budgets funds annually for capital water and wastewater system improvements.

The District provides its employees with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by the Public Employees' Retirement Association of Colorado (PERA).

The District remains dedicated to providing a safe, reliable water supply and safe, consistent wastewater services, and to maintaining adequate reserves for emergencies. The District has upheld its commitment to its customers through its proven track record of minimal service interruptions, no bonded indebtedness, and no property tax assessment.

Financial Highlights

- Assets of the District exceeded its liabilities at the close of the fiscal year by \$57,847,237 (net position). Of this amount, \$25,169,343 (unrestricted net position) may be used to meet the District's ongoing obligations to its citizens and creditors.
- The District's total net position increased by \$2,936,117 over the prior fiscal year due to a reduction in costs as well as an overall increase in interest income earned on investments.
- Operating revenues from water and sewer operations decreased \$854,341 compared to the prior year due to a 11.38% (162,873,000 gallons) decrease in water consumption.
- Operating expenses decreased \$633,630 from the prior year due mainly to the significant decrease in water and sewer consumption. Office expense increased due to mail ballot election costs. Legal fees increased \$243,761 with litigation costs from the Big Sky appeal.
- Non-Operating revenues increased \$132,901 from the prior year largely due to favorable interest rates for investment income.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Overview of the Financial Statements

Green Mountain Water and Sanitation District's basic financial statements included in this report are those of a special purpose government engaged in a business-type activity, providing water and sanitation services. The statements are comprised of two components: 1) basic financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Basic Financial Statements. The basic financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. This statement can be found on page 1.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). The statement reports the District's operating and non-operating revenue by source along with operating and non-operating expenses and capital contributions. This statement can be found on page 2.

The *Statement of Cash Flows* reports the District's cash flows from operating activities, investing, capital and non-capital activities. This statement can be found on page 3.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 4-37.

Other information provide certain supplementary information concerning the District's pension and OPEB plans as well as a budgetary comparison statement to demonstrate compliance with the budget. Supplementary information can be found on pages 38-43.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Green Mountain Water and Sanitation District, assets exceeded liabilities by \$57,847,237 (net position) at the close of the most recent fiscal year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

Statement of Net Position

	December 31,	
	2023	2022
Current and Noncurrent assets	\$ 26,924,427	\$ 26,561,920
Capital assets, net	32,677,894	30,938,909
Total assets	59,602,321	57,500,829
Deferred outflows of resources	831,941	297,093
Current liabilities	737,156	1,222,335
Noncurrent liabilities	1,613,542	129,328
Total liabilities	2,350,698	1,351,663
Deferred inflows of resources	236,327	1,535,139
Net position:		
Net investment in capital assets	32,677,894	30,938,909
Unrestricted	25,169,343	23,972,211
Net position	\$ 57,847,237	\$ 54,911,120

Unrestricted net position of \$25,169,343 is available for future expansion and major repair costs such as emergency water and sewer main breaks. Deferred inflows decreased \$1,298,812 and Deferred outflows increased \$534,848 primarily due to deferred costs related to the pension plan. Non-current liabilities increased due to a large change to the District's share on the net pension liability as well as the addition of the subscription liability.

The District has 56.5% of its net position invested in capital assets (e.g., water and sewer distribution systems, buildings, vehicles, and equipment). The District uses these capital assets to provide services to citizens; consequently, net position is *not* available for future spending.

Effective January 1, 2023, GASB Statement No. 96 became effective. The new standard clarifies Subscription-based Information Technology Arrangements (SBITA). The District did have arrangements in 2023 that qualified as SBITAs which resulted in a right-to-use subscription asset and a subscription liability.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

Changes in Net Position

	December 31,	
	2023	2022
Operating revenues:		
Water and sewer operations	\$ 15,768,202	\$ 16,516,473
Other income	251,325	131,818
Non-operating revenues:		
Interest income	1,147,441	330,087
System development fees	63,740	428,550
Cost sharing revenue	250,000	-
Insurance Recoveries	37,097	50,000
Pension income adjustment	6,028	433,929
Loss on asset disposal	(132,005)	(3,166)
Total Revenues	17,391,828	17,887,691
Operating Expenses:		
Water and sewer costs	8,813,180	9,535,984
Employee costs	2,139,167	2,043,501
Legal and accounting	457,360	213,599
Lobbyist	27,500	-
Pumping and utilities	346,333	327,678
Engineering	122,380	100,642
Administrative and general	617,720	476,110
Maintenance and repairs	342,517	301,938
Contracted Labor	172,073	296,297
Interest Expense	2,014	-
Depreciation	1,415,467	1,793,592
Total Operating Expenses	14,455,711	15,089,341
Change in net position	2,936,117	2,798,350
Net position - beginning	54,911,120	52,112,770
Net position - ending	\$ 57,847,237	\$ 54,911,120

Water and sewer operations decreased due to less consumption. Administrative and general increased due to the addition of the regular election in 2023. Interest rates for the District's pooled investments increased significantly through 2023 resulting in higher interest income. System development fees were less in 2023 due to less taps being purchased.

Budgetary Highlights

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of capital outlay in addition to operations and non-operating revenue. Depreciation and pension expense are not reflected in the budget since they do not affect funds available.

In total, the District budgeted 2023 revenue in the amount of \$18,773,296 but instead revenue amounted to \$17,517,805. The variance was caused by a large decrease in water consumption.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

Budgeted expenditures amounted to \$20,651,111 and actual expenditures amounted to \$16,556,618. The variance is primarily due to capital projects being delayed and/or deferred to 2024 as well as decreased water consumption.

Capital Assets

The District's net investment in capital assets as of December 31, 2023 and 2022 was as follows:

Capital Assets

	December 31,	
	2023	2022
Land and land improvements	\$ 271,261	\$ 271,261
Construction in progress	1,551,150	1,326,969
Transmission and distribution system	40,303,214	40,130,533
Sanitation system	17,668,477	15,442,679
Buildings and grounds	1,535,746	1,530,577
Vehicles	1,762,279	1,473,052
Office equipment	545,815	554,534
Repair and maintenance equipment	803,836	777,114
Intangibles: Right-to-use subscription	93,744	-
Total capital assets	64,535,522	61,506,719
Accumulated depreciation	(31,841,308)	(30,567,810)
Amortization	(16,320)	-
Net capital assets	\$ 32,677,894	\$ 30,938,909

Additional information relating to the District's capital assets activity can be found in Note 3 on page 13 of the audit report.

Economic Factors and Next Year's Budget

- The District monitors all proposed legislation along with legal counsel and Special District Association representatives. At this time, no legislation that poses significant negative impact to the District is foreseen.
- Inflation within the District is anticipated to be at or near the Denver metropolitan rate.
- The District has budgeted a 4.48% increase in volumetric water costs and 10.36% increase in service charges from Denver Water.
- \$5,112,500 has been budgeted in 2024 for capital improvements and equipment.
- In 2024, the District Budget shows an increase of \$229,677 to capital reserves that funds future capital improvements.
- Total expenditures for 2024 are budgeted at \$19,857,955.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

District Manager
Green Mountain Water and Sanitation District
13919 West Utah Avenue,
Lakewood, Colorado 80228

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Statement of Net Position
December 31, 2023
(With Summarized Financial Information as of December 31, 2022)

	<u>2023</u>	<u>2022</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 24,164,377	\$ 23,782,247
Accounts receivable	2,314,998	2,217,220
Prepaid expenses	316,597	285,003
Other assets and receivables	47,732	26,264
Total current assets	<u>26,843,704</u>	<u>26,310,734</u>
Noncurrent assets:		
Capital assets:		
Capital assets, not being depreciated	1,822,411	1,598,230
Capital assets, being depreciated, net	30,855,483	29,340,679
Total capital	<u>32,677,894</u>	<u>30,938,909</u>
Net pension asset	-	165,413
HRA deposits	80,723	85,773
Total noncurrent assets	<u>32,758,617</u>	<u>31,190,095</u>
Total assets	<u>59,602,321</u>	<u>57,500,829</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows related to pension	804,387	265,653
Deferred outflows related to OPEB	27,554	31,440
Total deferred outflows of resources	<u>831,941</u>	<u>297,093</u>
LIABILITIES:		
Current liabilities:		
Accounts payable	587,203	1,099,443
Retainage payable	-	5,654
Accrued wages and compensated absences	95,566	101,201
Subscription liability, current	23,658	-
Other liabilities and deposits	30,729	16,037
Total current liabilities	<u>737,156</u>	<u>1,222,335</u>
Noncurrent liabilities:		
Subscription liability	45,656	-
Net pension liability	1,451,124	-
Net OPEB liability	116,762	129,328
Total noncurrent liabilities	<u>1,613,542</u>	<u>129,328</u>
Total liabilities	<u>2,350,698</u>	<u>1,351,663</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	178,532	1,474,332
Deferred inflows related to OPEB	57,795	60,807
Total deferred inflows of resources	<u>236,327</u>	<u>1,535,139</u>
NET POSITION		
Net investment in capital assets	32,677,894	30,938,909
Unrestricted	25,169,343	23,972,211
Total net position	<u>\$ 57,847,237</u>	<u>\$ 54,911,120</u>

The accompanying notes are an integral part of these statements.

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2023
(With Summarized Financial Information for the Year Ended December 31, 2022)

	2023	2022
Operating revenues:		
Charges for water and sewer services	\$ 11,960,289	\$ 12,814,630
Service fee	3,807,913	3,701,843
Meter sales	2,250	10,228
Other operating income	248,450	116,015
Water and sewer inspection fees	625	5,575
Total operating revenues	<u>16,019,527</u>	<u>16,648,291</u>
Operating expenses:		
Water purchased	6,084,719	6,704,622
Sewer treatment contract	2,728,461	2,831,362
Salaries and wages	1,670,877	1,602,185
Employee benefits and taxes	468,290	441,316
District manager contract	-	59,986
Repairs and maintenance - contracted	172,073	236,311
Pumping and utilities	346,333	327,678
UNCC Locates	10,606	8,002
Meters	8,560	4,158
Engineering	122,380	100,642
District repairs, maintenance and grounds	210,108	148,163
Office expense	460,386	336,724
Automobile	113,243	141,615
Legal and accounting	457,360	213,599
Lobbyist	27,500	-
Directors fees	9,900	9,100
Insurance	147,434	130,286
Interest expense	2,014	-
Total operating expenses	<u>13,040,244</u>	<u>13,295,749</u>
Operating income before depreciation and amortization	2,979,283	3,352,542
Depreciation and amortization	1,415,467	1,793,592
Net income from operations	<u>1,563,816</u>	<u>1,558,950</u>
Non-operating revenues (expenses):		
Interest income	1,147,441	330,087
System development fees	63,740	428,550
Cost sharing revenue	250,000	-
Insurance recoveries	37,097	50,000
Pension income adjustment	6,028	433,929
Loss on asset disposal	(132,005)	(3,166)
Total non-operating revenues (expenses)	<u>1,372,301</u>	<u>1,239,400</u>
Change in net position	<u>2,936,117</u>	<u>2,798,350</u>
Net position, beginning of year	<u>54,911,120</u>	<u>52,112,770</u>
Net position, end of year	<u>\$ 57,847,237</u>	<u>\$ 54,911,120</u>

The accompanying notes are an integral part of these statements.

GREEN MOUNTAIN WATER AND SANITATION DISTRICT

Statement of Cash Flows

For the Year Ended December 31, 2023

(With Summarized Financial Information for the Year Ended December 31, 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from customers	\$ 15,921,749	\$ 16,586,690
Cash paid to suppliers of goods and services	(10,766,351)	(11,526,714)
Cash paid to employees for services	(2,363,461)	(2,242,543)
Net cash provided by operating activities	<u>2,791,937</u>	<u>2,817,433</u>
Cash flows from non-capital and related financing activities:		
Insurance proceeds	<u>37,097</u>	<u>50,000</u>
Net cash provided by non-capital and related financing activities	<u>37,097</u>	<u>50,000</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(3,998,395)	(303,379)
Insurance proceeds from capital asset impairment	100,000	-
Subscription liability payments	(24,430)	-
Deposits received related to capital projects	14,740	(4,550)
Cost sharing revenue	250,000	-
System investment fees	63,740	428,550
Net cash provided by (used in) capital financing activities	<u>(3,594,345)</u>	<u>120,621</u>
Cash flows from investing activities:		
Interest on cash and investments	<u>1,147,441</u>	<u>329,807</u>
Net cash provided by investing activities	<u>1,147,441</u>	<u>329,807</u>
Net increase in cash and cash equivalents	382,130	3,317,861
Cash and cash equivalents, beginning of year	<u>23,782,247</u>	<u>20,464,386</u>
Cash and cash equivalents, end of year	<u>\$ 24,164,377</u>	<u>\$ 23,782,247</u>
Reconciliation of operating income to net cash provided by operations		
Operating income	<u>\$ 1,563,816</u>	<u>\$ 1,558,950</u>
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	1,415,467	1,793,592
Pension income adjustment	6,028	433,929
(Increase) decrease in:		
Receivables	(119,246)	(68,552)
Prepaid expenses	(31,594)	(158,708)
HRA deposit	5,050	7,227
Pension asset	165,413	(165,413)
Deferred outflows- pension and OPEB	(534,848)	262,563
(Decrease) increase in:		
Accounts payable	187,788	(108,807)
Accrued payable and payroll liabilities	(5,683)	(1,459)
Net pension and OPEB liability	1,438,558	(1,062,710)
Deferred inflows- pension and OPEB	(1,298,812)	326,821
Total adjustments	<u>1,228,121</u>	<u>1,258,483</u>
Net cash provided by operating activities	<u>\$ 2,791,937</u>	<u>\$ 2,817,433</u>
Noncash capital activities:		
Right-to-use subscription asset acquired with subscription liability	\$ 93,744	\$ -
Capital assets acquired with accounts and retainage payable	-	705,682
Asset impairment	(132,005)	(3,166)

The accompanying notes are an integral part of these statements.

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

The accounting and reporting policies of the Green Mountain Water and Sanitation District, Jefferson County, Colorado, (the District), conform to accounting principles generally accepted in the United States of America (US GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies consistently applied in the preparation of the accompanying financial statements.

Reporting Entity

The District is a statutory, single-purpose, Special District governed by a five-member Board of Directors pursuant to provisions of the Colorado Special District Act, C.R.S. Title 32. Qualified electors in the District elect the members of the Board. As required by US GAAP, these financial statements present the activities of the District which is legally separate and financially independent of other state and local governments.

The District provides water and sanitation services for its service area, which is located in Jefferson County, Colorado.

The District complies with GASB accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. It defines component units as legally separate entities for which the elected officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

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

In May 1996, the District's Board passed a resolution recognizing the District as a "water activity enterprise" under Article X, Section 20 of the Colorado Constitution.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The District's financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. Enterprise funds are used by governments to report any activity for which a fee is charged to external users for goods or services.

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The District distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations, the delivery of water and wastewater treatment services and related service charges. Operating expenses for the District include costs of sales and services, operating expenses, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions. Investment income and tap fees are recorded as non-operating revenues. Contributed assets from developers are recorded as contributions when received.

Assets, Liabilities, Deferred Outflows/Inflow of Resources, and Net Position

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with original maturities of three months or less from the date of acquisition, to be cash equivalents.

Investments

Certain investments are reported at fair value and are classified as current or non-current based on their maturity date. Investments held in local government investment pools are reported at net asset value or amortized cost, as applicable, as allowed under US GAAP.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its investments within the fair value hierarchy established by US GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Revenues/Receivables

Revenues are generated from water services, wastewater collection, and service charges. The District utilizes cycle billings. Commercial customers are billed monthly. Residential customers are billed in two cycles, every other month on a rotating basis.

The District bills and accrues an estimated amount of revenues for sales unbilled at the end of each reporting period. The unbilled amount plus any amounts billed to customers but not yet received by the District, are recorded as accounts receivable.

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflow of Resources, and Net Position (continued)

Revenues/Receivables (continued)

The District's receivables are due from commercial and residential customers within the District service area. The District's policy for collections is limited to the right to discontinue service and place liens on property. The District has determined that no allowance is necessary at December 31, 2023, based on historical collection experience.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital Assets

Capital assets include land, construction in progress, transmission and distribution system, sanitation system, buildings and grounds, office equipment, repairs and maintenance equipment, and vehicles. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. Capital expenditures for projects are capitalized as constructed. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized.

Capital assets, excluding land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Transmission and distribution system	10-50
Sanitation system	10-50
Buildings and grounds	5-40
Office equipment	5-10
Repairs and maintenance equipment	5-10
Vehicles	5-10

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying asset.

Compensated absences

It is the District's policy to permit employees to accumulate earned but unused paid time off, subject to certain limits in amounts. Accumulated, unpaid time is accrued when incurred.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflow of Resources, and Net Position (continued)

Net Pension Asset and Net Pension Liability

The District reports a net pension asset or liability related to pension plans that are administered as trusts as required under GASB. GASB requires local governments to recognize, as an asset or liability, their long-term obligation/benefit for pension benefits. See Note 4 for additional information.

Net OPEB Asset and Net OPEB Liability

The District reports a net Other Postemployment Benefit (“OPEB”) asset or liability related to OPEB plans that are administered as trusts as required under GASB. GASB requires local governments to recognize, as an asset or liability, their long-term obligation/benefit for OPEB benefits. See Note 5 for additional information.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category, *deferred outflows of resources related to pensions and OPEB*. See Notes 4 and 5 for additional information.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as inflow of resources (revenue) until that time frame. The District has two items that qualify for reporting in this category, *deferred inflows of resources related to pensions and OPEB*. See Notes 4 and 5 for additional information. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Net Position

The District classifies net position into three components:

- Net position invested in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consists of assets that are restricted by the District’s creditors, by state enabling legislation, by grantors (both federal and state), and by other contributors.
- Unrestricted net position – all remaining items of net position are reported in this category.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflow of Resources, and Net Position (continued)

Net Position (continued)

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

Estimates

The preparation of financial statements in conformity with US GAAP requires District management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates, and such differences could be material.

Recently Issued Accounting Pronouncements

For the year ended December 31, 2023, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines subscription-based information technology arrangements (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. As a result, the District's financial statements have been modified to reflect the implementation of the new standard.

Comparative Data

The financial statements contain certain prior year summarized comparative information. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. Reclassifications made in prior year have no impact on total net position or change in net position.

2. Stewardship, Compliance and Accountability

Budgetary Information

The District's budget is adopted on a basis consistent with US GAAP with the following exceptions: depreciation and amortization, and pension and OPEB income/expense is not budgeted, capital outlays and employer pension and OPEB contributions are treated as expenses for budget purposes; budget excludes gain/loss on asset disposals and investments, and capital contributions. State law requires the District to adopt annual appropriated budgets for all funds.

The District conforms to the following procedures, in compliance with Colorado Revised Statutes, in establishing the budgetary data reflected in the financial statements:

Prior to October 15 of each year, the District Administrator (not an elected official) submits a proposed operating budget for the fiscal year commencing the following January 1 to the Board of Directors (elected officials). The operating budget, for the fund, includes proposed expenses and the means of financing them.

After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopts the proposed budget and an appropriating resolution, which legally appropriates expenditures for the upcoming year.

After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated revenues in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient. The budget is only amended in conformity with Colorado Revised Statutes which allows the District to amend the budget and adopt a supplementary appropriation if money for a specific purpose, other than ad valorem taxes, becomes available to meet a contingency.

Tax, Spending and Debt Limitations

Article X, Section 20, of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains, tax, spending, and revenue and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's "fiscal year spending" adjusted for allowable increases based upon inflation and local growth. "Fiscal year spending" is generally defined as expenditures plus reserve increase with certain exceptions. Revenue in excess of the "fiscal year spending" limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of "fiscal year spending" (excluding bonded debt service). Local governments are not allowed to use emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Notes to Financial Statements
December 31, 2023

2. Stewardship, Compliance and Accountability (continued)

Tax, Spending and Debt Limitations (continued)

On May 14, 1996, the District's Board of Directors established a Water Activity Enterprise ("Enterprise") in accordance with the provisions of Article 45.1, Title 37, C.R.S., in order to exclude the Enterprise from the provisions of TABOR. The Enterprise is operated and maintained as a government-owned business, and manages, operates, uses, maintains, and conducts all water activities, services, and facilities of the District. The Enterprise has authority to use, operate, improve, extend, enlarge, repair, replace, acquire, dispose of, encumber, contract with respect to, and otherwise control and supervise all water activity facilities and property of the District, and is wholly owned by the District. The Board of Directors of the District is the Governing Board of the Enterprise.

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

The Enterprise does not have the power to levy or assess any tax which is subject to TABOR or direct the District to exercise its taxing power on behalf of the Enterprise. Rates for water activity services and facilities provided by the Enterprise are established by the Governing Board, approved by the Board of Directors, and collected and enforced in accordance with state law. The Enterprise is established to separately account for all revenue and expenditures of the Enterprise. The Enterprise prepares an annual budget and accounts for its activities.

Because the District qualifies as an enterprise fund, the District's management believes it is excluded from the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions may not become fully understood without judicial review.

3. Detailed Notes Concerning the Fund

Cash and Investments

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

Cash and cash equivalents:	
Bank deposits and cash on hand	\$ 57,198
Money market fund	4,468,019
Government investment pools	19,639,160
Total cash and cash equivalents	\$ <u>24,164,377</u>

3. Detailed Notes Concerning the Fund (continued)

Cash and Investments (continued)

Custodial Credit Risk: The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is 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 equal to 102% of the aggregate uninsured deposits.

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

The District follows state statutes for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments

The District has adopted a formal investment policy, which is more restrictive than the Colorado Revised Statutes (CRS), that specifies investment instruments meeting defined rating and risk criteria in which the District may invest. The allowed investment instruments may include but are not limited to:

- Certain money market funds
- Certificates of deposit
- Negotiable certificates of deposits
- Local government investment pools

Government investment pools: The District invests in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established by state statute for local governmental entities to pool surplus assets. As an investment pool, CSAFE operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. CSAFE offers two accounts, CSAFE Cash and CSAFE Colorado Core (Colorado Core).

At December 31, 2023, the District invested \$919,235 in CSAFE Cash and \$14,611,403 in Colorado Core. There are no unfunded commitments and no redemption notice period for either investment.

CSAFE Cash records its investments at amortized cost and the District records its investment in CSAFE at net asset value (NAV) using the amortized cost method. Purchases and redemptions are available daily at a NAV of \$1.00 per share. CSAFE Cash limits its investments to those allowed by state statute; the portfolio has a weighted average maturity of 60 days or less. A designated custodial bank provides safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal function of CSAFE Cash. The custodian's internal records segregate investments owned by the participating governments. At December 31, 2023, CSAFE Cash had a credit rating of AAmmf by Fitch Ratings.

3. Detailed Notes Concerning the Fund (continued)

Investments (continued)

Colorado Core records its investments at fair value and the District records its investment in Colorado Core at net asset value (NAV). Purchases and redemptions are available daily at a NAV of \$2.00 per share with redemptions limited to three per month. Colorado Core limits its investments to those allowed by state statute; the portfolio has a weighted average maturity of 180 days or less. A designated custodial bank provides safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal function of Colorado Core. The custodian's internal records segregate investments owned by the participating governments. At December 31, 2023, Colorado Core had a credit rating of AA Af/S1 by Fitch Ratings.

The District invests in the Colorado Local Governmental Liquid Asset Trust (COLOTRUST), a local government investment vehicle established for local governmental entities in Colorado to pool surplus funds. COLOTRUST offers three investment options, one of which is COLOTRUST PLUS+. At December 31, 2023, the District invested \$4,108,522 in COLOTRUST PLUS+.

As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, certain repurchase agreements, and collateralized bank deposits, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments.

COLOTRUST PLUS+ records its investment at fair value and the District records its investment in COLOTRUST PLUS+ using NAV. There are no unfunded commitments and there is no redemption notice period. The weighted average maturity is 60 days or less. At December 31, 2023, COLOTRUST PLUS+ had a credit rating of AA Am by Standard & Poor's.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with CRS, the District's investment policy manages its exposure to declines in fair value by limiting the average maturity of its investments to five years or less.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's money market fund is not rated and is included in cash and cash equivalents in the above table. The local government investment pools ratings are included above.

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Notes to Financial Statements
December 31, 2023

3. Detailed Notes Concerning the Fund (continued)

Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land and land improvements	\$ 271,261	\$ -	\$ -	\$ 271,261
Construction in progress	1,326,969	2,888,660	(2,664,479)	1,551,150
Total capital assets, not being depreciated	<u>1,598,230</u>	<u>2,888,660</u>	<u>(2,664,479)</u>	<u>1,822,411</u>
Capital assets being depreciated:				
Transmission and distribution system	40,130,533	438,681	(266,000)	40,303,214
Sanitation system	15,442,679	2,225,798	-	17,668,477
Buildings and grounds	1,530,577	6,479	(1,310)	1,535,746
Office equipment	554,534	-	(8,719)	545,815
Repairs and maintenance equipment	777,114	41,210	(14,488)	803,836
Vehicles	1,473,052	356,364	(67,137)	1,762,279
Intangibles:				
Right-to-use subscription	-	93,744	-	93,744
	<u>59,908,489</u>	<u>3,162,276</u>	<u>(357,654)</u>	<u>62,713,111</u>
Less accumulated depreciation for:				
Transmission and distribution system	(19,124,838)	(887,421)	37,240	(19,975,019)
Sanitation system	(8,273,017)	(288,147)	-	(8,561,164)
Buildings and grounds	(881,674)	(39,280)	1,310	(919,644)
Office equipment	(500,592)	(25,795)	8,719	(517,668)
Repairs and maintenance equipment	(671,852)	(29,168)	14,488	(686,532)
Vehicles	(1,115,837)	(129,336)	63,892	(1,181,281)
Intangibles:				
Right-to-use subscription	-	(16,320)	-	(16,320)
	<u>(30,567,810)</u>	<u>(1,415,467)</u>	<u>125,649</u>	<u>(31,857,628)</u>
Total capital assets being depreciated, net	<u>29,340,679</u>	<u>1,746,809</u>	<u>(232,005)</u>	<u>30,855,483</u>
Total capital assets, net	\$ <u>30,938,909</u>	\$ <u>4,635,469</u>	\$ <u>(2,896,484)</u>	\$ <u>32,677,894</u>

Long Term Debt

As of December 31, 2023, the District has no authorized but unissued debt.

Subscription-Based Information Technology Arrangements (SBITAs)

The District has obtained the right to use software under provisions of certain subscription-based information technology arrangements. The SBITAs expire at various dates through 2027.

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Notes to Financial Statements
December 31, 2023

3. Detailed Notes Concerning the Fund (continued)

Subscription-Based Information Technology Arrangements (SBITAs) (continued)

The following schedule details the minimum subscription payments to maturity for the subscription liability as of December 31, 2023:

Year ending December 31,	Principal	Interest	Total
2024	\$ 23,658	\$ 2,786	\$ 26,444
2025	24,741	1,703	26,444
2026	12,421	847	13,268
2027	8,494	382	8,876
	<u>\$ 69,314</u>	<u>\$ 5,718</u>	<u>\$ 75,032</u>

4. Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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.

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.

4. Defined Benefit Pension Plan (continued)

General Information about the Pension Plan (continued)

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.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

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

In all cases the service retirement benefit is limited to 100% 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 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 are generally eligible to 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 1.00% 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 determined 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.

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Notes to Financial Statements
December 31, 2023

4. Defined Benefit Pension Plan (continued)

General Information about the Pension Plan (continued)

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: Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for January 1, 2022 through December 31, 2023 are summarized in the table below:

	January 1, 2022 through June 30, 2022	July 1, 2022 through December 31, 2022	January 1, 2023 through December 31, 2023
Employee contribution** (all employees except State Troopers)	8.5%	9.0%	9.0%

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

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

	January 1, 2022 through June 30, 2022	July 1, 2022 through December 31, 2022	January 1, 2023 through December 31, 2023
Employer contribution rate	10.50%	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)%	(1.02)%
Amount apportioned to the LGDTF	9.48%	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.03%	0.03%	0.06%
Total employer contribution rate to the LGDTF*	13.21%	13.71%	13.74%

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

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Notes to Financial Statements
December 31, 2023

4. Defined Benefit Pension Plan (continued)

General Information about the Pension Plan (continued)

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 \$211,969 for the year ended December 31, 2023.

Pension Liability/(Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2023, the District reported a pension liability of \$1,451,124 for its proportionate share of the LGDTF net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total pension liability to December 31, 2022. The District's proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers to the LGDTF.

As of December 31, 2022, the District's proportion was .1447%, which was an decrease of .0482% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the District recognized pension income of \$6,028. As of December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Change in proportionate share	\$ -	\$ 171,297
Difference between expected and actual experience	-	7,235
Net difference between projected and actual earnings on plan investments	592,418	-
Changes of assumptions or other inputs	-	-
Contributions subsequent to the measurement date	211,969	-
Total	\$ <u>804,387</u>	\$ <u>178,532</u>

Contributions of \$211,969 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction in the net pension liability in the year ending 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:

<u>Year ending December 31,</u>	
2024	\$ (211,012)
2025	60,928
2026	216,855
2027	347,115
Total	\$ <u>413,886</u>

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Notes to Financial Statements
December 31, 2023

4. Defined Benefit Pension Plan (continued)

General Information about the Pension Plan (continued)

Actuarial assumptions. The total pension 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% – 11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

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

The total pension liability 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, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, therefore no disaffiliation dollars were reflected in the FNP as of 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.

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.

4. Defined Benefit Pension Plan (continued)

General Information about the Pension Plan (continued)

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.

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, valuation 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 every four to 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:

4. Defined Benefit Pension Plan (continued)

General Information about the Pension Plan (continued)

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	100.00%	

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

Discount rate: The discount rate used to measure the total pension liability was 7.25%. 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 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 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.

4. Defined Benefit Pension Plan (continued)

General Information about the Pension Plan (continued)

- The AIR balance was excluded from the initial FNP, 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 FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, LGDTF's 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 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 pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the District's 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%) or 1-percentage-point higher (8.25%) than the current rate:

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1 % Increase (8.25%)
\$ 2,436,072	\$ 1,451,124	\$626,560

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

5. **Postemployment Benefits other than Pensions (OPEB)**

Summary of Significant Accounting Policies

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

General Information about the 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 C.R.S., as amended and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available ACFR that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

5. **Postemployment Benefits other than Pensions (OPEB) (continued)**

General Information about the OPEB Plan (continued)

PERA Benefit Structure: The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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.

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

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

Contributions: Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% 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 \$15,626 for the year ended December 31, 2023.

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
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5. Postemployment Benefits other than Pensions (OPEB) continued

General Information about the OPEB Plan (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: As of December 31, 2023, the District reported a liability of \$116,762 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 .0143%, which was a decrease of .0007% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023 the District recognized OPEB expense of \$3,934. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Change in proportionate share	\$ 2,904	\$ 16,671
Difference between expected and actual experience	15	28,237
Net difference between projected and actual earnings on OPEB plan investments	7,132	-
Changes of assumptions or other inputs	1,877	12,887
Contributions subsequent to the measurement date	15,626	-
Total	\$ <u>27,554</u>	\$ <u>57,795</u>

\$15,626 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 ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending December 31,</u>	
2024	\$ (16,519)
2025	(14,777)
2026	(6,504)
2027	(2,647)
2028	(4,422)
Thereafter	(998)
Total	\$ <u>(45,867)</u>

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Notes to Financial Statements
December 31, 2023

5. Postemployment Benefits other than Pensions (OPEB) continued

General Information about the OPEB Plan (continued)

Actuarial assumptions: The total OPEB liability in the December 31, 2021 actuarial valuation for the 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, members other than state troopers ¹ :	
State Division	3.30%-10.90%
School Division	3.40%-11.00%
Local Government Division	3.20%-11.30%
Judicial Division	2.80%- 5.30%
Salary increases, including wage inflation, state troopers:	
State Division	3.20%-12.40%
School Division	n/a
Local Government Division	3.20%-12.40%
Judicial Division	n/a
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%
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
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

The total pension liability for the HCTF, 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, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, therefore no disaffiliation dollars were reflected in the FNP as of December 31, 2022, measurement date.

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Notes to Financial Statements
December 31, 2023

6. Postemployment Benefits other than Pensions (OPEB) continued

General Information about the OPEB Plan (continued)

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.

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

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Notes to Financial Statements
December 31, 2023

5. Postemployment Benefits other than Pensions (OPEB) continued

General Information about the OPEB Plan (continued)

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 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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. 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:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.00%	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%

5. Postemployment Benefits other than Pensions (OPEB) continued

General Information about the OPEB Plan (continued)

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, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the HCTF, but developed using a headcount-weighted basis. 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.

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

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median 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 on 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 mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division was based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

5. Postemployment Benefits other than Pensions (OPEB) continued

General Information about the OPEB Plan (continued)

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.

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.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used 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 per capita health care costs and their related trend rates are analyzed and updated annually by PERA 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 total OPEB liability, 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.

5. Postemployment Benefits other than Pensions (OPEB) (continued)

General Information about the OPEB Plan (continued)

The actuarial assumptions used in the December 31, 2021, valuation 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 PERA's Board during the November 20, 2020, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

As of the most recent 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	100.00%	

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

5. Postemployment Benefits other than Pensions (OPEB) (continued)

General Information about the OPEB Plan (continued)

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	\$113,457	\$116,762	\$120,358

* For the January 1, 2023, plan year.

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 of dollars 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.

5. Postemployment Benefits other than Pensions (OPEB) (continued)

General Information about the OPEB Plan (continued)

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 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%)
\$135,362	\$116,762	\$100,853

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

6. Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description - Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. For the year ended December 31, 2023, there were no employer matching contributions under the Plan. Employees are immediately vested in their own contributions and investment earnings.

Defined Contribution Retirement Plan (PERA DC Plan)

Plan Description – Eligible employees of the LGDTF that were hired on or after January 1, 2019, have the option to participate in the LGDTF, a cost-sharing multiple-employer defined benefit pension plan, or the Defined Contribution Retirement Plan (PERA DC Plan).

The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The PERA DC Plan is also included in PERA's ACFR as referred to above.

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6. Defined Contribution Pension Plan (continued)

Defined Contribution Retirement Plan (PERA DC Plan) (continued)

Funding Policy – All participating employees in the PERA DC Plan and the District are required to contribute a percentage of the participating employees' PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates for the period January 1, 2022 through December 31, 2023 are summarized in the tables below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through December 31, 2023
Employee contribution rates:			
All employees except State Troopers	8.50%	9.00%	9.00%
Employer contribution rates:			
On behalf of participating employees	10.00%	10.00%	10.00%

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

Additionally, the employers are required to contribute to AED, SAED, and other statutory amounts for employees other than State Troopers to the LGDTF, as follows:

	January 1, 2022 through June 30, 2022	July 1, 2022 through December 31, 2022	January 1, 2023 through December 31, 2023
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%
Automatic Adjustment Provision (AAP), as specified in C.R.S. § 24- 51-413	0.50%	1.00%	1.00%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.03%	0.03%	0.06%
Total employer contribution rate to the LGDTF	4.23%	4.73%	4.76%

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

6. Defined Contribution Pension Plan (continued)

Defined Contribution Retirement Plan (PERA DC Plan) (continued)

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50% vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10%. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. For the year ending December 31, 2023, participating employees in the PERA DC Plan contributed \$2,804 and the District recognized expense of \$3,115 for the PERA DC Plan.

7. Other Information

Risk Management

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; and natural disasters for which the District carries commercial insurance.

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

The District pays annual premiums to the Pool for property, general liability, public official's liability and workers' compensation coverage. Members of the Pool may be required to make additional surplus contributions in the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool. Any excess funds, which the Pool determines are not needed for purposes of the Pool, may be returned to the members pursuant to a distribution formula. No distributions were made during the year ended December 31, 2023.

8. Intergovernmental Agreements

Fossil Ridge Metropolitan District No. 1

The District entered into an Intergovernmental Agreement for Extra-Territorial Sewer Service (the Agreement) with Fossil Ridge Metropolitan District No. 1 (Fossil Ridge) on January 15, 2008. The Agreement was amended and restated on November 11, 2014. Pursuant to the Agreement, Fossil Ridge will collect wastewater from its service area and deliver the wastewater to the District for conveyance to the Metropolitan Denver Wastewater Reclamation District (Metro) for disposal. Fossil Ridge is obligated to construct a sewer system designed to accommodate a minimum of 2,925 equivalent residential units (EQR), including reserve capacity in the system. The District agrees to accept up to 1,727 EQR into the District's Wastewater Collection system through January 15, 2023. The time period may be mutually extended by additional five-year periods.

All construction costs are Fossil Ridge's responsibility. Fossil Ridge will retain ownership of such sewer system and will be responsible for the maintenance, repair and replacement thereof. Fossil Ridge agrees to advance funds to the District for the actual costs incurred by the District to improve its existing sewer system in order to accept wastewater from Fossil Ridge and certain other future developments.

Fossil Ridge will pay a system development fee (SDF) and a Metro connection fee to the District for each new user connected to the Fossil Ridge Sewer System. Through 2018, the District was to rebate 50% of the SDF's collected to Fossil Ridge each month until Fossil Ridge was reimbursed for all amounts advanced to the District for improvement costs, without interest. The District charges Fossil Ridge a service fee and an operations fee for each EQR connected to the Fossil Ridge Sewer System quarterly, in arrears, in amounts equal to 1.25 times the amounts charged to the District's customers. Amounts received under the Maintenance Agreement for the year ended December 31, 2023, amounted to \$442,744 of which \$61,187 is due at yearend and is included in accounts receivable.

The District entered into an additional Intergovernmental Agreement for Maintenance and Repair of Sewer System (Maintenance Agreement) with Fossil Ridge in September 2008 and amended December 11, 2018. Under the Maintenance Agreement, the District is to provide general maintenance and repair service to the Fossil Ridge Sewer System and potentially to Green Tree Metropolitan Districts' sewer system as part of the contemplated other future developments. Fossil Ridge compensates the District for time spent by employees or contracts based on the rate schedule in the amended Maintenance Agreement, for the actual cost plus 15% for any material used, and for any other costs associated with the performance of services. For the year ended December 31, 2023, \$93,846 were received under the Maintenance Agreement, of which no amount is due at yearend.

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Notes to Financial Statements
December 31, 2023

7. Intergovernmental Agreements (continued)

City and County of Denver

In 1995, the District entered into a Water Service Agreement with the City and County of Denver. Under the terms of the agreement, Denver agrees to supply all of the water necessary to serve the full development of all land within the District's service area. The District agrees to operate its water system in accordance with Denver's operation, maintenance, and quality assurance standards, and to receive Denver's approval for new installations or changes in its water distribution system. The District further agrees to supply only Denver water through its existing system.

Service Contract – Metro Water Recovery (MWR) formerly Metro Wastewater Reclamation District

The District has an agreement with MWR for final treatment and disposal of the District's sewage. The agreement provides for annual estimated charges that are assessed through the application of a predetermined formula. Adjustments to the estimated charge will be based on meter flows, content, and actual costs. The adjustments are billed or credited to the District during the two succeeding years. The District retains responsibility for the maintenance and future construction costs of all public sanitary sewer lines and retains title to all public sanitary sewer lines in the District. The composition of the charges included in sewage treatment is as follows:

	2023
Estimate for current year	\$ 2,669,087
Adjustments (positive) negative:	
Preliminary preceding year estimate to actual	14,052
Final second preceding year estimate to actual	(3,835)
Total annual charges	\$ <u>2,679,304</u>

The 2024 sewage treatment estimate is \$2,838,078. The total net annual charge for 2024 is expected to be \$2,888,829 which includes a 2022 final adjustment of \$31,984 and a 2023 preliminary adjustment of \$18,767.

Bear Creek Water and Sanitation District

The District entered into agreements with Bear Creek Water and Sanitation District (Bear Creek) dated April 9, 1973, and June 12, 1989, related to the construction and maintenance of certain outfall sewer lines and the sale of outflow capacity. Under the terms of the agreements, Bear Creek was granted the right to purchase flow capacity and ownership of certain outflow sewer lines constructed by the District. The District is responsible for the ongoing maintenance of these lines, the costs for which are shared with Bear Creek in accordance with their respective flow capacity ownership percentages.

9. Construction commitments

As of December 31, 2023, the District had approximately \$200,000 remaining on its signed construction contract, relating to the endpoint project.

10. Contingency

The District was party to a consolidation of multiple lawsuits related to an Intergovernmental Agreement (IGA) that was terminated by the District prior to the agreement going into effect. The entire litigation was preliminarily disposed of at the trial court by a summary judgment in favor of the District. The prosecuting parties have appealed the summary judgment order and the matter is before the Colorado Court of Appeals for briefing.

The District intends to defend the cases vigorously as the District's position is that the IGA was void and unenforceable and would thereby have put the District at risk. Although the matter has been resolved wholly favorably on behalf of the District, an unfavorable ruling by the Court of Appeals will return the matter to the trial court for further proceedings. The District is unable to predict the outcome of this matter at this time and as such, no estimate of possible loss can be made.

REQUIRED SUPPLEMENTARY INFORMATION

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)
Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportionate (percentage) of the net pension liability	0.1447%	0.1929%	0.2008%	0.1961%	0.2082%	0.2198%	0.1601%	0.2190%	0.2163%	0.2090%
District's proportionate share of the net pension liability	\$ 1,451,124	\$ (165,413)	\$ 1,046,467	\$ 1,434,546	\$ 2,617,631	\$ 2,447,519	\$ 2,161,545	\$ 2,412,112	\$ 1,938,345	\$ 1,719,998
Districts' covered payroll	\$ 1,451,185	\$ 1,435,578	\$ 1,416,680	\$ 1,404,503	\$ 1,366,707	\$ 1,331,835	\$ 1,266,640	\$ 1,243,569	\$ 1,185,001	\$ 1,115,079
District's proportionate share of the net pension liability as a percentage of the covered payroll	100.00%	-11.52%	73.87%	102.14%	191.53%	183.77%	170.65%	193.97%	163.57%	154.25%
Plan fiduciary net pension as a percentage of the total pension liability	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.60%	76.90%	80.72%	77.66%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the LGTDF Pension Plan. Covered payroll is presented based on the fiscal year.

The accompanying notes are an integral part of these financial statements.

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Schedule of District Contributions - Pension
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contribution	\$ 210,486	\$ 195,513	\$ 189,496	\$ 183,302	\$ 178,091	\$ 173,299	\$ 168,876	\$ 160,610	\$ 157,685	\$ 150,258
Contributions in relation to the statutorily required contribution	210,486	195,513	189,496	183,302	178,091	173,299	168,876	160,610	157,685	150,258
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered payroll	\$ 1,531,624	\$ 1,451,185	\$ 1,435,578	\$ 1,416,680	\$ 1,404,503	\$ 1,366,707	\$ 1,331,835	\$ 1,266,640	\$ 1,243,569	\$ 1,185,001
Contribution 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%

The accompanying notes are an integral part of these financial statements.

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportionate (percentage) of the net OPEB liability	0.0143%	0.0150%	0.0153%	0.0150%	0.0161%	0.0171%	0.0123%
District's proportionate share of the net OPEB liability	\$ 116,762	\$ 129,328	\$ 145,571	\$ 168,846	\$ 219,682	\$ 221,983	\$ 159,265
Districts' covered payroll	\$ 1,451,185	\$ 1,435,578	\$ 1,416,680	\$ 1,404,503	\$ 1,366,707	\$ 1,331,835	\$ 1,266,640
District's proportionate share of the net OPEB liability as a percentage of the covered payroll	8.05%	9.01%	10.28%	12.02%	16.07%	16.67%	12.57%
Plan fiduciary net pension as a percentage of the total OPEB liability	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the HCTF OPEB Plan. Covered payroll is presented based on the fiscal year. Information earlier than 2016 was not available.

Effective for the December 31, 2022 measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Schedule of District Contributions - OPEB
Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 15,626	\$ 14,802	\$ 14,643	\$ 14,450	\$ 14,326	\$ 13,940	\$ 13,585	\$ 12,860	\$ 12,684
Contributions in relation to the statutorily required contribution	15,626	14,802	14,643	14,450	14,326	13,940	13,585	12,860	12,684
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered payroll	\$ 1,531,624	\$ 1,451,185	\$ 1,435,578	\$ 1,416,680	\$ 1,404,503	\$ 1,366,707	\$ 1,331,835	\$ 1,266,640	\$ 1,243,569
Contribution as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

* The amounts presented for each fiscal year were determined as of December 31. Information earlier than 2015 was not available.

The accompanying notes are an integral part of these financial statements.

OTHER SUPPLEMENTARY INFORMATION

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance with Final
Revenues:			
Charges for water services	\$ 8,420,632	\$ 6,486,007	\$ (1,934,625)
Charges for sewer services	3,168,461	3,259,621	91,160
Capital reserve	2,588,742	2,214,661	(374,081)
Service fee	3,789,548	3,807,913	18,365
Meter sales	-	2,250	2,250
Water and sewer inspection fees	1,500	625	(875)
Insurance recoveries	-	37,097	37,097
Other operating income	104,300	248,450	144,150
System development fees	83,395	63,740	(19,655)
Cost sharing revenue	-	250,000	250,000
Interest income	616,718	1,147,441	530,723
Total Revenues	18,773,296	17,517,805	(1,255,491)
Expenditures:			
Water purchased	7,823,523	6,084,719	1,738,804
Sewer treatment contract	2,729,304	2,728,461	843
Salaries, taxes and benefits	2,471,171	2,362,828	108,343
Repairs and maintenance - contracted	227,500	172,073	55,427
Pumping and utilities	361,450	346,333	15,117
UNCC Locates	8,500	10,606	(2,106)
Meters	15,000	8,560	6,440
Engineering	145,000	122,380	22,620
District repairs, maintenance and grounds	231,500	210,108	21,392
Office expense	517,200	460,386	56,814
Automobile	125,800	113,243	12,557
Legal and accounting	216,500	457,360	(240,860)
Lobbyist	30,000	27,500	2,500
Directors fees	12,000	9,900	2,100
Insurance	150,393	147,434	2,959
Interest expense	-	2,014	(2,014)
Capital outlay:			-
Water	1,210,000	812,331	397,669
Sewer	3,330,000	2,076,329	1,253,671
Equipment and vehicles	485,270	397,574	87,696
Office	107,000	6,479	100,521
Contingency	454,000	-	454,000
Total Expenditures	20,651,111	16,556,618	4,094,493
Excess of Revenues over Expenditures	\$ (1,877,815)	\$ 961,187	\$ 2,839,002

The accompanying notes are an integral part of these statements.

GREEN MOUNTAIN WATER AND SANITATION DISTRICT
Reconciliation of Budgetary Basis to Statement of Revenues, Expenses and Changes
in Net Position
For the Year Ended December 31, 2023

Revenue (budgetary basis)	\$ 17,517,805
Revenues per Statement of Revenues, Expenses and Changes in Net Position	<u>17,517,805</u>
Expenditures (budgetary basis)	16,556,618
Loss on asset disposal	132,005
Pension and OPEB expense (income)	(2,094)
Employer contribution adjustment	(227,595)
Depreciation and amortization	1,415,467
Capital outlay	<u>(3,292,713)</u>
Expenses per Statement of Revenues, Expenses and Changes in Net Position	<u>14,581,688</u>
Change in net position per Statement of Revenues, Expenses and Changes in Net Position	<u><u>\$ 2,936,117</u></u>

The accompanying notes are an integral part of these statements.