

**NIWOT SANITATION DISTRICT**  
Niwot, Colorado

**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 and 2023**

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## **Independent Auditor's Report**

Board of Directors  
Niwot Sanitation District  
Niwot, Colorado

### ***Opinion***

We have audited the accompanying financial statements of the Niwot Sanitation District (District) as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's 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 financial position of the Niwot Sanitation District, as of December 31, 2024 and 2023, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***Responsibility of Management for the Financial Statements***

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

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

## ***Auditor's Responsibility for the Audit of the Financial Statements***

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

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

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV through IX, the Schedule of the Proportionate Share of the Net Pension Liability/(Asset) on page 30, and the Schedule of District Pension Contributions on page 31, the Schedule of the Proportionate Share of the Collective Net OPEB Liability on page 32, and the Schedule of District OPEB Contributions on page 33 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
June 13, 2025

**NIWOT SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2024 and 2023**

Our discussion and analysis of Niwot Sanitation District's (District) financial performance provides an overview of the District's financial activities for the fiscal years ended December 31, 2024 and 2023. Please read it in conjunction with the District's basic financial statements which begin on page 1.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 4-29 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information consisting of: the Schedule of the Proportionate Share of the Net Pension Liability/(Asset) on page 30, and the Schedule of District Pension Contributions on page 31, the Schedule of the Proportionate Share of the Collective Net OPEB Liability on page 32, and the Schedule of District OPEB Contributions on page 33 of this report. Also included is supplementary information consisting of the Schedule of General and Administrative Expenses and Sewer Operating Expenses, the Schedule of Revenues, Expenditures and Changes in Funds Available – Budget and Actual (Budgetary Basis) and the Reconciliation of Budgetary Basis to Statement of Revenues, Expenses and Changes in Fund Net Position, which can be found on pages 34 through 37 of this report.

**NIWOT SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2024 and 2023**

**FINANCIAL SUMMARY AND ANALYSIS**

**Net Position**

**2024**

As noted earlier, net position may serve as a useful indicator of the District's financial condition. As noted in the following table, in 2024 the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$16,182,153. Current assets increased by \$13,311,752 or 134.5% and net capital assets increased by \$10,332,156 or 194.6%, and overall assets increased by \$23,643,908. During 2024 the District issued \$19,120,000 of Wastewater Revenue Bonds, Series 2024 for the construction of a new Wastewater Treatment Plant. As of December 31, 2024, there was \$11,979,868 of unspent bond proceeds, including accumulated interest thereon, which increased the current assets. The District spent significant bond proceeds on construction of the new Plant, which resulted in a significant increase in capital assets. See the Capital Asset and Debt Administration section below for more information on capital assets and the District's long-term obligations. Current liabilities increased by \$2,020,546 or 250.2% because of higher accounts payable at yearend related to the District's ongoing capital asset construction project at the end of 2024. Additionally, the current portion of the bonds payable and the amortization of the bond premium are also reflected in the current liabilities. Noncurrent liabilities increased by \$19,749,214 due to the issues of the bonds previously mentioned. Deferred outflows of resources, net pension and OPEB liabilities (reported as noncurrent assets or liabilities) and deferred inflows of resources varied due to the changes in the PERA pension and the Health Care Trust Fund for the year ended December 31, 2024, as recorded by the District in accordance with the Governmental Accounting Standards Board Statements No. 68 and No. 75. These changes were a result of the PERA Pension and OPEB financial results, actuarial determined projections, and changes in the District's proportionate share of the PERA Pension and OPEB liabilities, deferred outflows of resources, and deferred inflows of resources.

**2023**

As noted in the table below, in 2023 the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$14,348,272. Current assets increased by \$170,652 or 1.8%, noncurrent assets decreased by \$17,456, and net capital assets increased by \$552,994 or 11.6%, and overall assets increased by \$706,190 or 4.9%. Capital assets, net, increased due to current capital asset additions were more than current capital asset depreciation. See the Capital Asset Administration section below for more information on capital assets. Current liabilities increased by \$748,593 or 1268.1% because of higher accounts payable at yearend related to the District's capital asset additions in 2023 than there was at the end of 2022. Deferred outflows of resources, net pension and OPEB liabilities (reported as noncurrent assets or liabilities) and deferred inflows of resources varied due to the changes in the PERA pension and the Health Care Trust Fund for the year ended December 31, 2023, as recorded by the District in accordance with the Governmental Accounting Standards Board Statements No. 68 and No. 75. These changes were a result of the PERA Pension and OPEB financial results, actuarial determined projections, and changes in the District's proportionate share of the PERA Pension and OPEB liabilities, deferred outflows of resources, and deferred inflows of resources.

**NIWOT SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2024 and 2023**

**NET POSITION**

	December 31,		
	2022	2023	2024
<b>ASSETS</b>			
Current assets	\$ 9,726,873	\$ 9,897,525	\$ 23,209,277
Noncurrent assets	17,456	-	-
Capital assets, net	4,756,071	5,309,065	15,641,221
Total assets	<u>14,500,400</u>	<u>15,206,590</u>	<u>38,850,498</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to Pension	105,300	97,762	48,878
Deferred outflows related to OPEB	7,671	18,583	23,317
Total deferred outflows of resources	<u>112,971</u>	<u>116,345</u>	<u>72,195</u>
<b>LIABILITIES</b>			
Current liabilities	59,034	807,627	2,828,173
Noncurrent liabilities	13,647	162,724	19,911,938
Total liabilities	<u>72,681</u>	<u>970,351</u>	<u>22,740,111</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to Pension	151,286	761	18
Deferred inflows related to OPEB	4,821	3,551	411
Total deferred outflows of resources	<u>156,107</u>	<u>4,312</u>	<u>429</u>
<b>NET POSITION</b>			
Net investment in capital assets	4,756,071	5,309,065	7,208,670
Restricted	2,184	2,325	2,278
Unrestricted	9,626,328	9,036,882	8,971,205
Total net position	<u>\$ 14,384,583</u>	<u>\$ 14,348,272</u>	<u>\$ 16,182,153</u>

**Changes in Net Position**

**2024**

As noted in the following table, the District's net position for 2024 increased by \$1,833,881. Overall revenue increased by \$2,058,676, or 130.3%. Charges for services comprised most of this increase, increasing by \$1,909,582 or 173.9%. Effective January 1, 2024, the District's bi-monthly sewer service rate increased from \$71 to \$198 per SFE, to provide funds for paying the anticipated debt service on the debt the District issued in 2024. Net investment income increased by \$139,555 due to more invested funds during 2024 as a result of the bond proceeds received. The District recognized a combined PERA Pension and OPEB income of \$102,296, compared to net loss of \$14,218 in 2023. Also, plant investment fees received in 2024 decreased when compared to 2023, as there were additional taps assessed in 2023 to a couple commercial customers of the District because of the annual commercial tap audits performed. In 2024 there were no additional taps assessed from the commercial tap audits and the District received only one other tap fee in 2024.

Total expenses increased by \$188,484, or 11.7%. Administration expenses increased minimally for 2024. Sewer operations costs decreased by \$289,268 due to lower repairs and maintenance costs for problems areas in the sewer collection lines noted during the system condition assessment performed. Also, during 2024 the District issued bonds and incurred bond issuance costs and interest expense on the outstanding bonds.

**NIWOT SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2024 and 2023**

**2023**

As noted in the following table, the District's net position for 2023 decreased by \$36,311. Overall revenue increased by \$309,944, or 24.4%. Net investment income increased by \$527,403 due to positive investing results in 2023 and a positive fair value adjustment for 2023 when compared to a negative fair value adjustment in 2022. The District recognized a combined PERA Pension and OPEB loss of \$14,218, compared to net income of \$280,064 in 2022. Also, plant investment fees received in 2023 increased when compared to 2022, additional taps assessed to a couple commercial customers of the District as a result of the annual commercial tap audits performed.

Total expenses increased by \$586,696, or 57.0%. Administration expenses increased by \$50,917, primarily due \$81,445 of plant investment fees and sewer fees refunded to a commercial customer during 2023. The District had received inaccurate readings received from local water district for a commercial customer since 2020 which resulted in the District assessing additional plant investment fees in prior years when it should not have. This also resulted in over billings by the District of sewer fees during the same time period, which were also refunded. Sewer operating expenses increased by \$535,779 due primarily to higher maintenance and repair costs to problems areas in the sewer collection lines noted during the system condition assessment performed. Sludge removal was higher in 2023 due to using a dewatering process instead of land application was done in 2022. The dewatering process is a more expensive process when compared to land application.

**CHANGES IN NET POSITION**

	Years Ended December 31,		
	2022	2023	2024
<b>REVENUES</b>			
Program revenues:			
Charges for services	\$ 1,087,149	\$ 1,098,298	\$ 3,007,880
Capital grants and contributions	62,620	125,440	19,600
General revenues:			
Net investment income (loss)	(159,614)	367,789	507,344
Net PERA pension and OPEB adjustment income/(loss)	280,064	(11,364)	104,015
Total revenues	1,270,219	1,580,163	3,638,839
<b>EXPENSES</b>			
Administration	219,915	270,832	274,247
Sewer operations	809,863	1,345,642	1,056,374
Bond interest expense and bond issuance costs	-	-	474,337
Total expenses	1,029,778	1,616,474	1,804,958
<b>CHANGE IN NET POSITION</b>	240,441	(36,311)	1,833,881
<b>NET POSITION - BEGINNING OF YEAR</b>	14,144,142	14,384,583	14,348,272
<b>NET POSITION - END OF YEAR</b>	\$ 14,384,583	\$ 14,348,272	\$ 16,182,153

**BUDGETARY HIGHLIGHTS**

During 2024 the District's budget was amended increasing the total appropriations from \$11,527,793 to \$31,155,559 to account for the 2024 Wastewater Revenue Bonds issued and the anticipated capital expenditures for the new Wastewater Treatment Plant. The final appropriated expenditures were \$31,155,559 and the actual expenditures were \$12,119,833. The District appropriates all revenues and accumulated funds available, even though

**NIWOT SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2024 and 2023**

anticipated expenditures are budgeted at lower amounts. Therefore there is a significant difference between the actual expenditures and the appropriated expenditures, which is included in the contingency under in the expenditures section. For 2024, the actual capital outlay was \$10,631,124, or \$3,131,124 more than budgeted, however this negative variance was offset by an overall positive variance for the contingency line item. Final budgeted revenue was \$22,999,692 (including \$20,000,000 of bond proceeds) and actual revenue was \$23,792,862. The District had net investment income of \$507,344, resulting in a favorable budget variance of \$507,344. Additionally, bond issuance proceeds were \$258,038 more than anticipated, resulting in a positive variance from final budgeted amounts.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The District's changes in capital assets for the years ended December 31, 2024 and 2023 are as follows:

	<b>CAPITAL ASSETS (net of accumulated depreciation)</b>				
	<b>2022</b>	<b>Change</b>	<b>2023</b>	<b>Change</b>	<b>2024</b>
Land and property rights	\$ 341,677	\$ -	\$ 341,677	\$ -	\$ 341,677
Construction in progress	94,418	860,078	954,496	10,631,124	11,585,620
Treatment plant	1,879,862	(146,260)	1,733,602	(146,260)	1,587,342
Administration building	57,663	(6,033)	51,630	(6,034)	45,596
Service equipment & office furniture and equipment	48,120	(8,582)	39,538	(8,376)	31,162
Transmission/collection lines	1,988,130	(128,320)	1,859,810	(120,409)	1,739,401
Roadway and grounds	346,201	(17,889)	328,312	(17,889)	310,423
Total	<u>\$ 4,756,071</u>	<u>\$ 552,994</u>	<u>\$ 5,309,065</u>	<u>\$ 10,332,156</u>	<u>\$ 15,641,221</u>

During 2024, the District completed the design for the new Wastewater Treatment Plant and construction began in the fall. The total incurred for the net Wastewater Treatment Plant project in 2024 was \$10,631,124, which has been added to construction in progress as the construction continued into 2025.

During 2023, the District spent \$860,078 on the design of a new Wastewater Treatment Plant.

Additional information on the District's capital assets can be found in Note 4 of this report.

**Long-Term Obligations**

During 2024 the District issued the Wastewater Revenue Bonds, Series 2024 in the par amount of \$19,120,000 to partially fund the Wastewater Treatment Plant upgrade project. During 2024, the District paid the scheduled interest payment on the bonds. There was no scheduled principal payment due during 2024 on the bonds.

Additional information on the District's long-term obligations can be found in Note 5 of this report.

**NIWOT SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2024 and 2023**

**ECONOMIC FACTORS NEXT YEAR'S BUDGET AND RATES**

The District continues to be funded by primarily user charges, plant investment fees and investment earnings. The District does not levy a property tax. The District's \$198 per SFE sewer fee rate was not increased from 2024. Total budgeted revenues (excluding beginning balance) for 2025 are \$2,999,692. Expenditures are budgeted for \$15,337,800, including \$1,200,000 for debt service on the Wastewater Revenue Bonds, Series 2024, \$12,000,000 for the continued construction on the Wastewater Treatment Plant replacement project, and \$1,000,000 for capital improvements on sewer lines. The total appropriated expenditures for 2025 is \$12,931,911.

**REQUESTS FOR INFORMATION**

The financial report is designed to provide a general overview of Niwot Sanitation District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Manager, 7395 N. 95th St., Niwot, CO 80504.

## **BASIC FINANCIAL STATEMENTS**

**NIWOT SANITATION DISTRICT  
STATEMENTS OF NET POSITION  
December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents - Unrestricted	\$ 1,692,923	\$ 3,044,435
Cash and cash equivalents - Restricted	11,979,868	-
Investments - Unrestricted	8,732,440	6,435,944
Accounts receivable:		
Customers - Service charges	510,192	169,737
Customers - Plant investment fees	53,900	107,800
Interest receivable	80,976	18,224
Prepaid expenses	17,396	16,902
Inventory	104,483	104,483
Prepaid bond insurance premium	37,099	-
Total current assets	<u>23,209,277</u>	<u>9,897,525</u>
<b>CAPITAL ASSETS</b>		
Land and property rights	341,677	341,677
Construction in progress	11,585,620	954,496
Treatment plant	4,925,537	4,925,537
Administration building	199,762	199,762
Service equipment & office furniture and equipment	393,903	393,903
Transmission/collection lines	5,561,397	5,561,397
Roadway and grounds	369,332	369,332
	<u>23,377,228</u>	<u>12,746,104</u>
Less accumulated depreciation and amortization	(7,736,007)	(7,437,039)
Total capital assets	<u>15,641,221</u>	<u>5,309,065</u>
Total assets	<u>38,850,498</u>	<u>15,206,590</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to PERA Pension	48,878	97,762
Deferred outflows related to PERA OPEB	23,317	18,583
Total deferred outflows of resources	<u>72,195</u>	<u>116,345</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 38,922,693</u>	<u>\$ 15,322,935</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,886,966	\$ 807,627
Retainage payable	522,285	-
Bond interest payable	67,923	-
Bonds payable and bond premium - current	350,999	-
Total current liabilities	<u>2,828,173</u>	<u>807,627</u>
<b>NONCURRENT LIABILITIES</b>		
Bonds payable and bond premium - noncurrent	19,893,496	-
Net PERA Pension liability	17,119	152,642
Net PERA OPEB liability	1,323	10,082
Total noncurrent liabilities	<u>19,911,938</u>	<u>162,724</u>
Total liabilities	<u>22,740,111</u>	<u>970,351</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to PERA Pension	18	761
Deferred inflows related to PERA OPEB	411	3,551
Total deferred inflows of resources	<u>429</u>	<u>4,312</u>
<b>NET POSITION</b>		
Net investment in capital assets	7,208,670	5,309,065
Restricted for Disadvantaged Customer Assistance	2,278	2,325
Unrestricted	8,971,205	9,036,882
Total net position	<u>16,182,153</u>	<u>14,348,272</u>
<b>TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 38,922,693</u>	<u>\$ 15,322,935</u>

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

**NIWOT SANITATION DISTRICT  
STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
Years Ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>OPERATING REVENUE</b>		
Charges for services	\$ 3,007,880	\$ 1,098,298
Total operating revenue	3,007,880	1,098,298
<b>OPERATING EXPENSES</b>		
Administration	274,247	270,832
Sewer operations	1,056,374	1,345,642
Total operating expenses	1,330,621	1,616,474
<b>OPERATING GAIN (LOSS)</b>	1,677,259	(518,176)
<b>NONOPERATING REVENUE (EXPENSE)</b>		
Net investment income (loss)	507,344	367,789
Bond interest expense	(253,921)	-
Bond issuance costs	(220,416)	-
PERA Pension income/(loss) adjustment	87,382	(27,111)
PERA OPEB income/(loss) adjustment	16,633	15,747
Total nonoperating revenue (expense)	137,022	356,425
<b>GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	1,814,281	(161,751)
<b>CAPITAL CONTRIBUTIONS</b>		
Plant investment fees	19,600	125,440
Total capital contributions	19,600	125,440
<b>CHANGE IN NET POSITION</b>	1,833,881	(36,311)
<b>NET POSITION - BEGINNING OF YEAR</b>	14,348,272	14,384,583
<b>NET POSITION - END OF YEAR</b>	\$ 16,182,153	\$ 14,348,272

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

**NIWOT SANITATION DISTRICT  
STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 2,667,425	\$ 1,105,709
Payments to vendors	(1,115,980)	(1,248,936)
Payments to employees	(15,376)	(14,319)
Net cash provided (required) by operating activities	1,536,069	(157,546)
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Capital asset purchases	(8,930,291)	(200,636)
Plant investment fees received	73,500	21,460
Bond proceeds (net of bond issuance costs)	20,000,000	-
Bond interest paid	(199,018)	-
Net cash provided (required) by capital financing activities	10,944,191	(179,176)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(12,067,816)	(6,694,386)
Maturity of investments	9,811,192	7,199,988
Interest received	404,720	250,365
Net cash provided (required) by investing activities	(1,851,904)	755,967
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	10,628,356	419,245
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	3,044,435	2,625,190
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 13,672,791</b>	<b>\$ 3,044,435</b>
<b>RECONCILIATION OF OPERATING GAIN TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>		
Operating gain (loss)	\$ 1,677,259	\$ (518,176)
Adjustments to reconcile gain (loss) from operations to net cash provided by operating activities:		
Depreciation	298,968	307,084
Effects of changes in operating assets and liabilities:		
Accounts receivable - Customers	(340,455)	7,411
Prepaid expenses	(494)	(16,902)
Inventory	-	(31,027)
Accounts payable	(99,209)	90,210
Payroll taxes and employee benefits payable	-	3,854
Net cash provided (required) by operating activities	\$ 1,536,069	\$ (157,546)

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

**NIWOT SANITATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Niwot Sanitation District (District), was created as a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Niwot, Colorado. The District's purpose is to provide for the design, acquisition, installation and construction of a complete sanitary sewer system, wastewater treatment and disposal works and facilities, and all necessary or proper equipment and appurtenances incident thereto. The District is also responsible for the operation and maintenance of said facilities and responsible for compliance with all pertinent state and federal regulations regarding the operation of the District facilities. The District is governed by an elected Board of Directors.

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

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

The District does not have any authorized but unissued debt.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of Accounting**

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and loans is recorded as a reduction in liabilities. Tap fees and contributed assets from developers are recorded as capital contributions when received.

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary

**NIWOT SANITATION DISTRICT**  
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net position of the Public Employees' Retirement Association of Colorado (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. PERA investments are reported at fair value.

For purposes of measuring the net other post-employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by PERA and additions to/deductions from HCTF's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. PERA investments are reported at fair value.

**Operating Revenues and Expenses**

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

**Budgets**

In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. For budgetary purposes, the District adopts budgets for a General Fund and Capital Improvements Fund. However, for financial reporting the operations of the District are reported as a single proprietary enterprise fund. The District amended the appropriated expenditures for the year ended December 31, 2024.

**Cash Equivalents**

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

**Accounts Receivable**

Accounts receivable consist of uncollected water and sewer service revenue. Due to the District's broad powers of collection, no allowance for uncollectible water and sewer service revenue receivables has been reported.

**Prepaid Expenses**

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

**NIWOT SANITATION DISTRICT  
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**Inventory**

Inventory is valued at cost using the first in, first out method. Inventory consists of spare parts and expendable supplies held for future consumption or capitalization. The cost is recorded as an expense as inventory items are consumed.

**Capital Assets**

Capital assets, which include property, plant, buildings, equipment, and infrastructure assets (transmission lines), are reported in the statement of net position. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Capital assets are recorded at cost except for those assets contributed to the District which are recorded at stated acquisition value as of the date of contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Treatment plant	5 - 35 years
Administration building	7 - 35 years
Service equipment	5 - 35 years
Transmission/collection lines	10 - 50 years
Roadways and grounds	7 - 25 years

**Accrued General Leave**

It is the District's policy that employees begin accruing vacation upon hire, however amounts accumulated in one calendar year are not available for use until subsequent calendar year. Any accrued vacation not used when available will be forfeited unless there are extenuating, compelling reasons. Employees who terminate their employment with accrued but unused vacation shall be paid at their current regular rate of pay for such vacation time. For 2024 and 2023, the District had no employees qualifying for accrual of general leave.

**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) until that time. The District has recognized deferred outflows of resources in accordance with presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* (GASB 68) and for GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75).

In addition to liabilities, the statement of net position and fund balance sheet 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 an inflow of resources (revenue) until that time. The District has also recognized deferred inflows of resources in accordance with presentation requirements for GASB 68 and for GASB 75.

**NIWOT SANITATION DISTRICT  
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**Bond Original Issue Premium, Bond Issue Costs, Prepaid Bond Insurance**

In the financial statements, bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed in the period incurred. In the financial statements, prepaid bond insurance premiums are reported as a deferred charge and are amortized over the term of the related debt using the straight line method.

**Estimates**

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

**Plant Investment Fees and Surcharge Fees**

The District imposes a Plan Investment Fee of \$16,600 per sewer tap sold and a Surcharge Fee of \$3,000 per sewer tap sold. Plant investment fees and surcharge fees are recorded as capital contributions when received. During 2024, the District collected one Plant Investment Fee and one Surcharge Fee for a combined \$19,600.

**Reclassifications**

For comparability, certain 2023 amounts have been reclassified where appropriate to conform with the 2024 financial statement presentation.

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of December 31, 2024 and 2023 are classified in the accompanying financial statements as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents - Unrestricted	\$ 1,692,923	\$ 3,044,435
Cash and cash equivalents - Restricted	11,979,868	-
Total cash and cash equivalents	<u>13,672,791</u>	<u>3,044,435</u>
Investments - Unrestricted	<u>8,732,440</u>	<u>6,435,944</u>
Total investments	<u>8,732,440</u>	<u>6,435,944</u>
Total cash and cash equivalents and investments	<u>\$ 22,405,231</u>	<u>\$ 9,480,379</u>

**Cash Deposits**

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

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

As of December 31, 2024, the District had cash deposits with a bank balance of \$1,732,955 and a carrying balance of \$1,730,880. As of December 31, 2023, the District had cash deposits with a bank balance of \$3,087,747 and a carrying balance of \$3,044,435.

**Investments**

The District has formally adopted an investment policy. The adopted policy effectively adopted the provisions of the Colorado State Statutes which allow for the following investments:

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

In addition to the provisions adopted above, the investment policy limits securities issued by the United States government and investments issued by the Government National Mortgage Association (GNMA) to investments with final maturity dates not to exceed ten years from the date of purchase. The investment policy also provides for investment objectives, defines and delegates the authority for making investment decisions of the District's funds, defines competitive bidding requirements for the purchase of investments through broker/dealers, defines authorized depositories, and defines investment reporting requirements.

The District does not have a policy that addresses limitations on the amount that can be invested in any one issuer for most of its investments. The District's concentrations of investments are disclosed below.

As of December 31, 2024 the District had the following investments:

<b>Investment</b>	<b>Carrying Amount</b>	<b>Weighted Average Maturity</b>	<b>Percentage of Portfolio</b>
US Treasury Bills	\$ 5,468,058	.63 years	26.4%
US Treasury Notes	1,490,490	1.29 years	7.2%
FHLMC	453,557	17.28 years	2.2%
FNMA	607,201	17.27 years	2.9%
GNMA	262,552	18.01 years	1.3%
Negotiable Certificates of Deposit	450,583	Less than 1 year	2.2%
Money market mutual funds	11,941,911	Less than 50 days	57.8%
	<u>\$ 20,674,352</u>		<u>100.0%</u>

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

<b>Investment</b>	<b>Carrying Amount</b>	<b>Weighted Average Maturity</b>	<b>Percentage of Portfolio</b>
US Treasury Bills	\$ 2,536,302	Less than 1 year	39.4%
US Treasury Notes	1,371,682	Less than 1 year	21.3%
FHLMC	651,155	17.49 years	10.1%
FNMA	829,557	18.16 years	12.9%
GNMA	325,134	18.86 years	5.1%
Negotiable Certificates of Deposit	722,114	1 year or less	11.2%
	<u>\$ 6,435,944</u>		<u>100.0%</u>

Due to the nature of the Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), and Government National Mortgage Association (GNMA) investments, the District experiences actual maturities significantly shorter than stated above, and generally less than three years.

**Money Market Mutual Funds**

As of December 31, 2024 the District held investments of \$11,940,000 in the Fidelity Investments Money Market Treasury Only fund (Fidelity) and \$1,911 in the Allspring Government Money Market fund (Allspring). The Fidelity fund invests in U.S Treasury Bills, U.S. Treasury Coupons and U.S. Treasury Inflation-Protected Securities. The Allspring fund invests in U.S. Treasury debt, U.S. Treasury repurchase agreements, and U.S. Agency obligations. Both the Fidelity fund and Allspring fund are rated AAAM by Standard & Poor's and AAA-mf by Moody's.

**Investment Valuation**

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments in the US Treasury Bills, US Treasury Notes, FHLMC, FNMA, GNMA and Negotiable Certificates of Deposit are valued using Level 1 inputs.

The District's investments in the Fidelity and Allspring funds are measured using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments.

**Restricted Cash and Cash Equivalents**

As of December 31, 2024, the District had \$11,979,868 of cash and cash equivalents, representing unspent bond proceeds, which is restricted for use for the construction of the new Wastewater Treatment Plant.

**Designated Cash and Cash Equivalents and Designated Investments**

The Board of Directors initially designated cash of \$220,000 as of December 31, 1987 to fund future capital expenditures. Since 1987, the District has accumulated additional amounts from additional transfers from operating accounts, charges for services, capital contributions and net investment earnings, net of any capital improvement expenditures. As of December 31, 2024 and 2023, the designated cash and cash equivalents and investments were \$8,062,855 and

**NIWOT SANITATION DISTRICT**  
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\$8,463,287, respectively. It is intended that all capitalized additions to capital assets and significant repairs and maintenance of capital assets will be paid for from these board designated assets.

Additionally, as of December 31, 2024 the District had designated \$1,239,481 of cash and cash equivalents for the payment of future debt service on the Wastewater Revenue Bonds, Series 2024 (See Note 5).

**NOTE 4 - CAPITAL ASSETS**

The following is an analysis of the changes in capital assets for the year ended December 31, 2024:

	<b>Balance December 31, 2023</b>	<b>Additions</b>	<b>Disposals/ Retirements</b>	<b>Balance December 31, 2024</b>
Capital assets, not being depreciated:				
Land and property rights	\$ 341,677	\$ -	\$ -	\$ 341,677
Construction in progress	954,496	10,631,124	-	11,585,620
Total capital assets, not being depreciated	<u>1,296,173</u>	<u>10,631,124</u>	<u>-</u>	<u>11,927,297</u>
Capital assets, being depreciated:				
Treatment plant	4,925,537	-	-	4,925,537
Administration building	199,762	-	-	199,762
Service equipment & office furniture and equipment	393,903	-	-	393,903
Transmission/collection lines	5,561,397	-	-	5,561,397
Roadway and grounds	369,332	-	-	369,332
Total capital assets being depreciated	<u>11,449,931</u>	<u>-</u>	<u>-</u>	<u>11,449,931</u>
Less accumulated depreciation for:				
Treatment plant	(3,191,935)	(146,260)	-	(3,338,195)
Administration building	(148,132)	(6,034)	-	(154,166)
Service equipment & office furniture and equipment	(354,365)	(8,376)	-	(362,741)
Transmission/collection lines	(3,701,587)	(120,409)	-	(3,821,996)
Roadway and grounds	(41,020)	(17,889)	-	(58,909)
Total accumulated depreciation	<u>(7,437,039)</u>	<u>(298,968)</u>	<u>-</u>	<u>(7,736,007)</u>
Total capital assets being depreciated, net	<u>4,012,892</u>	<u>(298,968)</u>	<u>-</u>	<u>3,713,924</u>
Total capital assets, net	<u>\$ 5,309,065</u>	<u>\$ 10,332,156</u>	<u>\$ -</u>	<u>\$ 15,641,221</u>

**NIWOT SANITATION DISTRICT  
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The following is an analysis of the changes in capital assets for the year ended December 31, 2023:

	<b>Balance December 31, 2022</b>	<b>Additions</b>	<b>Disposals/ Retirements</b>	<b>Balance December 31, 2023</b>
Capital assets, not being depreciated:				
Land and property rights	\$ 341,677	\$ -	\$ -	\$ 341,677
Construction in progress	94,418	860,078	-	954,496
Total capital assets, not being depreciated	<u>436,095</u>	<u>860,078</u>	<u>-</u>	<u>1,296,173</u>
Capital assets, being depreciated:				
Treatment plant	4,925,537	-	-	4,925,537
Administration building	199,762	-	-	199,762
Service equipment & office furniture and equipment	393,903	-	-	393,903
Transmission/collection lines	5,561,397	-	-	5,561,397
Roadway and grounds	369,332	-	-	369,332
Total capital assets being depreciated	<u>11,449,931</u>	<u>-</u>	<u>-</u>	<u>11,449,931</u>
Less accumulated depreciation for:				
Treatment plant	(3,045,675)	(146,260)	-	(3,191,935)
Administration building	(142,099)	(6,033)	-	(148,132)
Service equipment & office furniture and equipment	(345,783)	(8,582)	-	(354,365)
Transmission/collection lines	(3,573,267)	(128,320)	-	(3,701,587)
Roadway and grounds	(23,131)	(17,889)	-	(41,020)
Total accumulated depreciation	<u>(7,129,955)</u>	<u>(307,084)</u>	<u>-</u>	<u>(7,437,039)</u>
Total capital assets being depreciated, net	<u>4,319,976</u>	<u>(307,084)</u>	<u>-</u>	<u>4,012,892</u>
Total capital assets, net	<u>\$ 4,756,071</u>	<u>\$ 552,994</u>	<u>\$ -</u>	<u>\$ 5,309,065</u>

**NOTE 5 – LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2024:

	<b>Balance December 31, 2023</b>	<b>Additions</b>	<b>Retirements/ Amortization</b>	<b>Balance December 31, 2024</b>	<b>Due Within One Year</b>
Wastewater Revenue					
Bonds, Series 2024:					
Bonds	\$ -	\$ 19,120,000	\$ -	\$ 19,120,000	\$ 290,000
Bond Premium	-	1,138,038	(13,543)	1,124,495	60,999
	<u>\$ -</u>	<u>\$ 20,258,038</u>	<u>\$ (13,543)</u>	<u>\$ 20,244,495</u>	<u>\$ 350,999</u>

On September 11, 2024 the District issued \$19,120,000 of Wastewater Revenue Bonds, Series 2024. The bonds bear interest at rates ranging from 4.040% to 5.000. The bonds were issued to provide funding for the construction of a new Wastewater Treatment Plant. The bonds require interest payments on June 1 and December 1 and principal payments on December 1 each year, with the initial interest payment beginning on December 1, 2024 and initial principal payment beginning on December 1, 2025. The bonds maturing on or before December 1, 2034 are not subject to redemption prior to their respective maturity dates. The bonds maturing on or

**NIWOT SANITATION DISTRICT  
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after December 1, 2035 are subject to redemption prior to maturity at the option of the District, in whole or in part, and if in part, in such order of maturity as the District determines and by lot within any maturity in such manner as the paying agent determines, on December 31, 2034, and on any date thereafter, at a redemption price equal to par plus accrued interest to the redemption date, with no redemption premium. The bonds maturing on December 1, 2044, December 1, 2049, and December 1, 2054 are subject to mandatory sinking fund redemption.

The bonds are special, limited obligations of the District. The bonds do not constitute a general obligation of the District, nor do they constitute a lien on any properties owned by or located within the boundaries of the District other than the net revenue. The net revenue is defined as the gross revenue (subject to certain exemptions) of the District after deducting the operations and maintenance expenses (subject to certain exemptions). The District has covenanted to maintain, enforce and collect rates, fees, plant investment fees, availability fees and charges for services sufficient to pay the operation and maintenance expenses and create net revenues in an amount equal to not less than 110% of the amount necessary to pay the principal and interest on the bonds when due. As of December 31, 2024 the District was in compliance with this requirement.

The District purchased a municipal bond insurance policy from Build America Mutual Assurance Company. The policy guarantees the scheduled payment of principal and interest on the bonds when due.

The District's scheduled bond maturities are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 290,000	\$ 895,581	\$ 1,185,581
2026	305,000	881,081	1,186,081
2027	320,000	865,831	1,185,831
2028	340,000	849,831	1,189,831
2029	355,000	832,831	1,187,831
2030-2034	2,060,000	3,879,407	5,939,407
2035-2039	2,630,000	3,310,407	5,940,407
2040-2044	3,350,000	2,590,707	5,940,707
2045-2049	4,205,000	1,737,156	5,942,156
2050-2054	5,265,000	669,075	5,934,075
	<u>\$ 19,120,000</u>	<u>\$ 16,511,907</u>	<u>\$ 35,631,907</u>

**NOTE 6 - NET POSITION**

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

The net investment in capital assets consists of capital assets, net of accumulated depreciation and if applicable reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2024 and 2023 the District's net investment in capital assets was \$7,208,670 and \$5,309,065, respectively.

**NIWOT SANITATION DISTRICT  
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The restricted net position consists of donations received from existing District customers that is restricted to provide financial assistance to other District customers with paying their sewer service bills. As of December 31, 2024 and 2023, the District had \$2,278 and \$2,325, respectively, restricted for the Disadvantaged Customer Assistance program.

**NOTE 7 - RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, as amended from time to time, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2024. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

**NOTE 8 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO**

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the District are provided with pensions through the 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 annual financial report (ACFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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*Benefits provided as of December 31, 2024.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% 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.

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.

*Contribution provisions.* Eligible employees and the District and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. Section 24-51-401, *et seq* and C.R.S. Section 24-51-513. For the period January 1, 2023 through December 31, 2024, eligible employees were required to contribute 9.00% of their PERA-includable salary.

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The employer contribution requirements during the period of January 1, 2023 through December 31, 2024 are summarized in the table below:

	January 1, 2023 Through December 31, 2023	January 1, 2024 Through December 31, 2024
Employer Contribution Rate	11.00%	11.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the LGDTF	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Section 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. Section 24-51-415	0.06%	0.08%
Total Employer Contribution Rate to the LGDTF	<u>13.74%</u>	<u>13.76%</u>

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$1,606 and \$2,815 for the years ended December 31, 2024 and 2023, respectively.

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

As of December 31, 2024 and 2023, the District reported a liability/(asset) of \$17,119 and \$152,642, respectively, for its proportionate share of the LGDTF net pension liability/(asset). The December 31, 2024 net pension (asset) for the LGDTF was measured as of December 31, 2023. Standard update procedures were used to roll-forward the total net pension liability/(asset) to December 31, 2024. The December 31, 2023 net pension liability for the LGDTF was measured as of December 31, 2022. Standard update procedures were used to roll-forward the total net pension liability/(asset) to December 31, 2023. The District's December 31, 2024 and 2023 proportions of the net pension liability/(asset) were based on contributions to the LGDTF for the calendar years 2023 and 2022, respectively, to the total contributions from participating employers.

As of the December 31, 2023 measurement date, the District's proportion was .0023321%, which was a decrease of .0128931% from its proportion measured as of December 31, 2022. As of the December 31, 2022 measurement date, the District's proportion was .0152252%, which was a decrease of .0051342% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2024, the District recognized net pension income of \$85,867. For the year ended December 31, 2023, the District recognized net pension expense of \$29,758.

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As of December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 926	\$ (18)
Change in proportion and differences between contributions recognized and proportionate share of contributions	4,999	-
Net difference between projected and actual earnings on pension plan investments	41,347	-
Contributions subsequent to the measurement date	1,606	-
Total	\$ 48,878	\$ (18)

The \$1,606 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. 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>	
2025	\$ 42,299
2026	2,117
2027	4,216
2028	(1,378)
	\$ 47,254

*Actuarial assumptions.* The total pension liability in the December 31, 2022 actuarial valuation was determined using the following 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 (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 <sup>1</sup>	Financed by the Annual Increase Reserve (AIR)

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

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The total pension liability for the LGDTF, as of the December 31, 2023 measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. Section 24-51-313, of Tri-County Health Department as a PERA affiliated employer, effective December 31, 2022.

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

Post-retirement non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

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

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

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

Disabled mortality assumptions for members 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, 2022, valuation were based on the 2020 experience analysis for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

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

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

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

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	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 AAP 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.
- 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.
- Beginning with the December 31, 2023 measurement date, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.
- As of the December 31, 2023 measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective

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December 31, 2022. As of the December 31, 2023 year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023 and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24.967 million and \$1.033 million, respectively.

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 proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate share of the net pension liability/(asset)	<u>\$ 33,554</u>	<u>\$ 17,119</u>	<u>\$ 3,351</u>

*Pension plan fiduciary net position.* Detailed information about the LGDTF's fiduciary net position is available in PERA's annual comprehensive financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Defined Contribution Pension Plans**

Voluntary Investment Program (PERAPlus 401(k) Plan)

*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 PERAPlus 401(k) Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the PERAPlus 401(k) Plan. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* - The PERAPlus 401(k) Plan 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. In addition, the District does not match employee contributions. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the years ended December 31, 2024 and 2023, no contributions were made by program members.

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**NOTE 9 – POST RETIREMENT HEALTHCARE BENEFITS**

**Defined Benefit Other Postemployment Benefit (OPEB) Plan**

**Summary of Significant Accounting Policies**

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

**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 Colorado Revised Statutes (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 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](http://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 health benefits program 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.

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*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 maximum service-based 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 District were \$207 and \$1,272 for the years ended December 31, 2023 and 2022, respectively.

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

As of December 31, 2024 and 2023, the District reported liabilities of \$1,323 and \$10,082, respectively, for its proportionate share of the net OPEB liabilities. The net OPEB liabilities for the HCTF were measured as of December 31, 2023 and 2022, respectively. The total OPEB

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liability used to calculate the net OPEB liability as of the December 31, 2023 measurement date was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2024. The total OPEB liability used to calculate the net OPEB liability as of the December 31, 2022 measurement date 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, 2023.

The District's December 31, 2024 and 2023 proportions of the net OPEB liability were based on contributions to the HCTF for the calendar years 2023 and 2022, respectively, to the total contributions from participating employers.

As of the December 31, 2023 measurement date, the District's proportion was 0.0001854%, which was a decrease of 0.0010495% from its proportion measured as of December 31, 2022. As of the December 31, 2022 measurement date, the District's proportion was 0.0012349%, which was a decrease of 0.0003478% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2024, the District recognized OPEB income of \$16,426. For the year ended December 31, 2023, the District recognized OPEB income of \$15,540. As of 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>
Difference between expected and actual experience	\$ -	\$ (271)
Net difference between projected and actual earnings on OPEB plan investments	41	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	23,141	-
Changes in assumptions or other Inputs	16	(140)
Contributions subsequent to the measurement date	119	-
Total	<u>\$ 23,317</u>	<u>\$ (411)</u>

The \$119 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31

2025	\$ 5,882
2026	6,630
2027	5,177
2028	2,336
2029	1,890
2030	872
	<u>\$ 22,787</u>

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*Actuarial assumptions.* The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	<b>Trust Fund</b>			
	<b>State Division</b>	<b>School Division</b>	<b>Local Government Division</b>	<b>Judicial Division</b>
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%	7.25%	7.25%	7.25%
Discount rate	7.25%	7.25%	7.25%	7.25%
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy	0.00%	0.00%	0.00%	0.00%
PERACare Medicare plans <sup>1</sup>	7.00% in 2023, gradually decreasing to 4.50% in 2033			
Medicare Part A premiums	3.50% in 2023, gradually increasing to 4.50% in 2035			
DPS benefit structure:				
Service-based premium subsidy	0.00%	0.00%	0.00%	0.00%
PERACare Medicare plans	N/A	N/A	N/A	N/A
Medicare Part A premiums	N/A	N/A	N/A	N/A

<sup>1</sup> - UnitedHealthcare MAPD PPO plans are 0.00% for 2023

Each year the per capita health care costs are developed by plan option; currently based on 2023 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.

<b>Age-Related Morbidity Assumptions</b>		
<b>Participant Age</b>	<b>Annual Increase (Male)</b>	<b>Annual Increase (Female)</b>
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

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Sample Age	MAPD PPO #1 with Medicare Part A Retiree/spouse		MAPD PPO #2 with Medicare Part A Retiree/spouse		MAPD HMO (Kaiser) with Medicare Part A Retiree/spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 1,692	\$ 1,406	\$ 579	\$ 481	\$ 1,913	\$ 1,589
70	\$ 1,901	\$ 1,573	\$ 650	\$ 538	\$ 2,149	\$ 1,778
75	\$ 2,100	\$ 1,653	\$ 718	\$ 566	\$ 2,374	\$ 1,869

Sample Age	MAPD PPO #1 without Medicare Part A Retiree/spouse		MAPD PPO #2 without Medicare Part A Retiree/spouse		MAPD HMO (Kaiser) without Medicare Part A Retiree/spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 6,469	\$ 5,373	\$ 4,198	\$ 3,487	\$ 6,719	\$ 5,581
70	\$ 7,266	\$ 6,011	\$ 4,715	\$ 3,900	\$ 7,546	\$ 6,243
75	\$ 8,026	\$ 6,319	\$ 5,208	\$ 4,101	\$ 8,336	\$ 6,593

The 2023 Medicare Part A premium is \$506 (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, 2022, 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 used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

**NIWOT SANITATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

Mortality assumptions used in the December 31, 2022 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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 upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

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

Post-retirement non-disabled 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 were 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.

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.

**NIWOT SANITATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

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

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 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- 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.

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.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

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

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

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

**NIWOT SANITATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

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

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

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 1,285	\$ 1,323	\$ 1,365

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, 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.

**NIWOT SANITATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate share of the net OPEB liability	\$ 1,563	\$ 1,323	\$ 1,118

*OPEB plan fiduciary net position.* Detailed information about the HCTF's fiduciary net position is available in PERA's annual comprehensive financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS**

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

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of the District's activities qualify as an Enterprise within the meaning of TABOR.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and many of the provisions, including the calculation of fiscal year spending limits, growth factors, and qualification as an Enterprise, may require judicial interpretation.

**NIWOT SANITATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

**NOTE 11 - COMMITMENTS**

The District has entered into a \$27,000,000 contract for the construction of a new Wastewater Treatment Plant. As of December 31, 2024 there was \$16,554,295 remaining on the contract.

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

**REQUIRED SUPPLEMENTAL INFORMATION**

**NIWOT SANITATION DISTRICT**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)**  
**PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND**  
**LAST TEN YEARS**

<b>Measurement Date Year Ended December 31,</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
District's Proportion of the Net Pension Liability/(Asset)	0.0023321%	0.0152252%	0.0203595%	0.0353668%	0.0320342%	0.0347073%	0.0358287%	0.0358389%	0.0365344%	0.0399138%
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ 17,119	\$ 152,642	\$ (17,456)	\$ 184,306	\$ 234,295	\$ 436,344	\$ 398,927	\$ 483,947	\$ 402,456	\$ 357,751
District's Covered Payroll	\$ 20,487	\$ 125,309	\$ 151,491	\$ 249,711	\$ 220,602	\$ 227,643	\$ 226,028	\$ 217,229	\$ 207,486	\$ 218,710
Proportionate Share of Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	83.56%	121.81%	11.52%	73.81%	106.21%	191.68%	176.49%	222.78%	193.97%	163.57%
Calculation of Collectvie Net Pension Liability/(Asset):										
Total Pension Liability	\$6,131,113,000	\$5,895,159,000	\$5,758,380,000	\$5,715,765,000	\$5,324,353,000	\$5,228,602,000	\$5,396,516,000	\$5,123,847,000	\$4,762,090,000	\$4,647,777,000
Plan Fiduciary Net Position	5,397,072,000	4,892,596,000	5,844,117,000	5,194,638,000	4,592,962,000	3,971,389,000	4,283,086,000	3,773,506,000	3,660,509,000	3,751,468,000
Net Pension Liability/(Asset)	<u>\$ 734,041,000</u>	<u>\$1,002,563,000</u>	<u>\$ (85,737,000)</u>	<u>\$ 521,127,000</u>	<u>\$ 731,391,000</u>	<u>\$1,257,213,000</u>	<u>\$1,113,430,000</u>	<u>\$1,350,341,000</u>	<u>\$1,101,581,000</u>	<u>\$ 896,309,000</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.03%	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.65%	76.87%	80.72%

**Notes to Required Supplementay Information**

**Note 1 - Significant Changes in Plan Provisions Affecting Trends in Actuarial Information**

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023 and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were \$24.967 million and \$1.033 million, respectively.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

**Note 2 - Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information**

- There were no changes made to the actuarial methods or assumptions.

**NIWOT SANITATION DISTRICT  
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended December 31,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually Required Contribution	\$ 1,606	\$ 2,815	\$ 16,779	\$ 19,997	\$ 32,284	\$ 27,972	\$ 28,865	\$ 28,660	\$ 27,545	\$ 26,309
Contributions in Relation to the Contractually Required Contribution	(1,606)	(2,815)	(16,779)	(19,997)	(32,284)	(27,972)	(28,865)	(28,660)	(27,545)	(26,309)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 11,670	\$ 20,487	\$ 125,309	\$ 151,491	\$ 249,711	\$ 220,602	\$ 227,643	\$ 226,028	\$ 217,229	\$ 207,459
Contributions as a Percentage of Covered Payroll	13.76%	13.74%	13.39%	13.20%	12.93%	12.68%	12.68%	12.68%	12.68%	12.68%

**NIWOT SANITATION DISTRICT**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY**  
**HEALTH CARE TRUST FUND OPEB PLAN**  
**LAST SEVEN YEARS**

<b>Measurement Date Year Ended December 31,</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
District's Proportion of the Collective Net OPEB Liability/(Asset)	0.0001854%	0.0012349%	0.0015827%	0.0027003%	0.0024535%	0.0026916%	0.0027841%
District's Proportionate Share of the Collective Net OPEB Liability/(Asset)	\$ 1,323	\$ 10,082	\$ 13,647	\$ 25,659	\$ 27,577	\$ 36,620	\$ 36,182
District's Covered Payroll	\$ 20,487	\$ 125,309	\$ 151,491	\$ 249,711	\$ 220,602	\$ 227,643	\$ 226,028
Proportionate Share of Collective Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	6.46%	8.05%	9.01%	10.28%	12.50%	16.09%	16.01%
Calculation of Collective Net OPEB Liability:							
Total OPEB Liability	\$1,325,637,000	\$1,329,183,000	\$1,423,054,000	\$1,413,526,000	\$1,488,508,000	\$1,639,734,000	\$1,575,822,000
Plan Fiduciary Net Position	611,911,000	512,704,000	560,749,000	463,301,000	364,510,000	279,192,000	276,222,000
Net OPEB Liability	<u>\$ 713,726,000</u>	<u>\$ 816,479,000</u>	<u>\$ 862,305,000</u>	<u>\$ 950,225,000</u>	<u>\$1,123,998,000</u>	<u>\$1,360,542,000</u>	<u>\$1,299,600,000</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%

**NOTE:** Information for the prior three years was not available to report.

**Notes to Required Supplementary Information**

**Note 1 - Significant Changes in Plan Provisions Affecting Trends in Actuarial Information**

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023 and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were \$24.967 million and \$1.033 million, respectively.

- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

**Note 2 - Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information**

- There were no changes made to the actuarial methods or assumptions.

**NIWOT SANITATION DISTRICT  
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
HEALTH CARE TRUST FUND OPEB PLAN  
LAST EIGHT FISCAL YEARS**

<u>Fiscal Year Ended December 31,</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily Required Contribution	\$ 119	\$ 209	\$ 1,278	\$ 1,545	\$ 2,547	\$ 2,250	\$ 2,322	\$ 2,305
Contributions in Relation to the Statutorily Required Contribution	<u>(119)</u>	<u>(209)</u>	<u>(1,278)</u>	<u>(1,545)</u>	<u>(2,547)</u>	<u>(2,250)</u>	<u>(2,322)</u>	<u>(2,305)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 11,670	\$ 20,487	\$ 125,309	\$ 151,491	\$ 249,711	\$ 220,602	\$ 227,643	\$ 226,028
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

**NOTE:** Information for the prior two years was not available to report.

**SUPPLEMENTARY INFORMATION**

**NIWOT SANITATION DISTRICT**  
**SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES AND**  
**SEWER OPERATING EXPENSES**  
**Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>General and Administrative Expenses</b>		
Contract services	\$ 162,728	\$ 65,152
Salaries and wages	3,870	12,035
Payroll taxes and employee benefits	3,706	4,114
Insurance expense	16,902	18,958
Miscellaneous	8,114	11,402
Human resource development	7,237	6,196
Accounting and auditing fees	8,800	8,400
Postage	7,836	8,398
Directors' fees	7,800	7,300
Office supplies and expense	12,260	10,946
Election	-	372
Legal fees	7,416	6,218
Telephone expense	3,473	3,491
Computer expense	6,976	7,377
Utilities expense	4,288	3,712
Dues and subscriptions	1,150	3,625
Plant investment/surcharge fees and service fees refunds	-	81,445
Depreciation	11,691	11,691
Total general and administrative expenses	<u>\$ 274,247</u>	<u>\$ 270,832</u>
<b>Sewer Operating Expenses</b>		
Contract services	\$ 188,157	\$ 258,635
Salaries and wages	-	1,152
Payroll taxes and employee benefits	-	872
Maintenance and repair	210,661	451,025
Line cleaning and root foam	130,594	100,652
Operating supplies and fees	27,050	16,122
Small equipment	-	1,390
Vehicle expense	5,078	5,752
Sludge removal	100,000	103,700
Utilities expense	94,305	98,475
Telephone expense	4,340	3,491
Licenses and permits - State	4,632	4,720
Lab expense	4,280	4,263
Depreciation	287,277	295,393
Total sewer operating expenses	<u>\$ 1,056,374</u>	<u>\$ 1,345,642</u>

**NIWOT SANITATION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2024**

	<b>Operations Fund</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Operating revenues:				
Sewer charges	\$ 1,252,152	\$ 2,552,152	\$ 2,558,730	\$ 6,578
Plant investment fees, including surcharges	-	-	-	-
Processing fees and miscellaneous charges	15,000	15,000	20,610	5,610
Miscellaneous	4,000	4,000	-	(4,000)
Nonoperating revenues:				
Net investment income (loss)	-	-	-	-
Other financing sources:				
Bond proceeds	-	-	-	-
Total Revenues	1,271,152	2,571,152	2,579,340	8,188
<b>EXPENDITURES</b>				
Administration:				
Contract services	149,000	149,000	162,728	(13,728)
Salaries and wages	15,000	15,000	3,870	11,130
Directors' fees	8,400	8,400	7,800	600
Payroll taxes and employee benefits	3,200	3,200	3,706	(506)
Insurance	21,000	21,000	16,902	4,098
Miscellaneous	6,000	6,000	8,114	(2,114)
Human resource development	10,000	10,000	7,237	2,763
Auditing	8,800	8,800	8,800	-
Postage	6,000	6,000	7,836	(1,836)
Office supplies	10,500	10,500	12,260	(1,760)
Legal fees	9,000	9,000	7,416	1,584
Telephone	3,500	3,500	3,473	27
Computer	8,000	8,000	6,976	1,024
Utilities	3,200	3,200	4,288	(1,088)
Dues and subscriptions	2,500	2,500	1,150	1,350
Total administration	264,100	264,100	262,556	1,544
Sewer collection:				
Contract services	33,000	33,000	33,914	(914)
Maintenance and repairs	30,000	30,000	37,663	(7,663)
Line cleaning, inspection and root foam	120,000	120,000	130,594	(10,594)
Operating supplies	7,500	7,500	2,148	5,352
Vehicle	3,000	3,000	2,404	596
Engineering	5,000	5,000	-	5,000
Total sewer collection	198,500	198,500	206,723	(8,223)
Sewer treatment:				
Contract services	165,000	165,000	154,243	10,757
Maintenance and repairs	25,000	25,000	26,963	(1,963)
Operating supplies	27,000	27,000	24,902	2,098
Sludge removal	100,000	100,000	100,000	-
Licenses and permits - State	5,200	5,200	4,632	568
Utilities	140,000	140,000	94,305	45,695
Telephone	4,000	4,000	4,340	(340)
Vehicle	5,000	5,000	2,674	2,326
Lab	4,000	4,000	4,280	(280)
Total sewer treatment	475,200	475,200	416,339	58,861
Debt service:				
Bond interest	-	200,000	199,018	982
Bond issuance costs and prepaid bond insurance premium	-	-	258,038	(258,038)
Total debt service	-	200,000	457,056	(257,056)
Capital outlay:				
Wastewater Treatment Plant	-	-	-	-
Lines	-	-	-	-
Total capital outlay	-	-	-	-
Contingency	1,555,061	2,675,827	-	2,675,827
Total expenditures	2,492,861	3,813,627	1,342,674	2,470,953
<b>NET CHANGE IN FUNDS AVAILABLE</b>	(1,221,709)	(1,242,475)	1,236,666	2,479,141
<b>FUNDS AVAILABLE - BEGINNING OF YEAR</b>	1,221,709	1,242,475	1,217,280	(25,195)
<b>FUNDS AVAILABLE - END OF YEAR</b>	\$ -	\$ -	\$ 2,453,946	\$ 2,453,946

(Continued)

**NIWOT SANITATION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2024**

(Continued)

Capital Improvements Fund				Total (Memorandum Only)			
Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget
\$ 250,000	\$ 428,540	\$ 428,540	\$ -	\$ 1,502,152	\$ 2,980,692	\$ 2,987,270	\$ 6,578
178,540	-	19,600	19,600	178,540	-	19,600	19,600
-	-	-	-	15,000	15,000	20,610	5,610
-	-	-	-	4,000	4,000	-	(4,000)
-	-	507,344	507,344	-	-	507,344	507,344
-	20,000,000	20,258,038	258,038	-	20,000,000	20,258,038	258,038
428,540	20,428,540	21,213,522	784,982	1,699,692	22,999,692	23,792,862	793,170
-	-	-	-	149,000	149,000	162,728	(13,728)
-	-	-	-	15,000	15,000	3,870	11,130
-	-	-	-	8,400	8,400	7,800	600
-	-	-	-	3,200	3,200	3,706	(506)
-	-	-	-	21,000	21,000	16,902	4,098
-	-	-	-	6,000	6,000	8,114	(2,114)
-	-	-	-	10,000	10,000	7,237	2,763
-	-	-	-	8,800	8,800	8,800	-
-	-	-	-	6,000	6,000	7,836	(1,836)
-	-	-	-	10,500	10,500	12,260	(1,760)
-	-	-	-	9,000	9,000	7,416	1,584
-	-	-	-	3,500	3,500	3,473	27
-	-	-	-	8,000	8,000	6,976	1,024
-	-	-	-	3,200	3,200	4,288	(1,088)
-	-	-	-	2,500	2,500	1,150	1,350
-	-	-	-	264,100	264,100	262,556	1,544
-	-	-	-	33,000	33,000	33,914	(914)
-	-	146,035	(146,035)	30,000	30,000	183,698	(153,698)
-	-	-	-	120,000	120,000	130,594	(10,594)
-	-	-	-	7,500	7,500	2,148	5,352
-	-	-	-	3,000	3,000	2,404	596
-	-	-	-	5,000	5,000	-	5,000
-	-	146,035	(146,035)	198,500	198,500	352,758	(154,258)
-	-	-	-	165,000	165,000	154,243	10,757
-	-	-	-	25,000	25,000	26,963	(1,963)
-	-	-	-	27,000	27,000	24,902	2,098
-	-	-	-	100,000	100,000	100,000	-
-	-	-	-	5,200	5,200	4,632	568
-	-	-	-	140,000	140,000	94,305	45,695
-	-	-	-	4,000	4,000	4,340	(340)
-	-	-	-	5,000	5,000	2,674	2,326
-	-	-	-	4,000	4,000	4,280	(280)
-	-	-	-	475,200	475,200	416,339	58,861
1,387,200	-	-	-	1,387,200	200,000	199,018	982
-	-	-	-	-	-	258,038	(258,038)
1,387,200	-	-	-	1,387,200	200,000	457,056	(257,056)
-	6,000,000	10,631,124	(4,631,124)	-	6,000,000	10,631,124	(4,631,124)
1,000,000	1,500,000	-	1,500,000	1,000,000	1,500,000	-	1,500,000
1,000,000	7,500,000	10,631,124	(3,131,124)	1,000,000	7,500,000	10,631,124	(3,131,124)
6,647,732	19,841,932	-	19,841,932	8,202,793	22,517,759	-	22,517,759
9,034,932	27,341,932	10,777,159	16,564,773	11,527,793	31,155,559	12,119,833	19,035,726
(8,606,392)	(6,913,392)	10,436,363	17,349,755	(9,828,101)	(8,155,867)	11,673,029	19,828,896
7,306,392	6,913,392	7,872,618	959,226	8,528,101	8,155,867	9,089,898	934,031
\$ (1,300,000)	\$ -	\$ 18,308,981	\$ 18,308,981	\$ (1,300,000)	\$ -	\$ 20,762,927	\$ 20,762,927

Funds available is computed as follows:

Current assets	\$ 23,209,277
Less prepaid bond insurance premium	(37,099)
Current liabilities	(2,828,173)
Add interest payable	67,923
Add bonds payable and bond premium - current	350,999
	\$ 20,762,927

**NIWOT SANITATION DISTRICT  
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF  
REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
Year Ended December 31, 2024**

Revenue (budgetary basis)	\$ 23,792,862
Bond proceeds	(20,258,038)
PERA Pension adjustment income	87,382
PERA OPEB adjustment income	16,633
Revenues per Statement of Revenues, Expenses and Changes in Fund Net Position	3,638,839
Expenditures (budgetary basis)	12,119,833
Depreciation	298,968
Capital outlay	(10,631,124)
Prepaid bond insurance	(37,622)
Change in bond interest payable	67,923
Amortization of bond premium	(13,543)
Amortization of prepaid bond insurance premium	523
Expenses per Statement of Revenues, Expenses and Changes in Fund Net Position	1,804,958
Change in net position per Statement of Revenues, Expenses and Changes in Fund Net Position	\$ 1,833,881