

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

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

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## Independent Auditor's Report

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

### **Opinion**

We have audited the accompanying financial statements of Valley 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 Valley 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 VIII 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.

### ***Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements. The supplemental information, listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. 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 supplemental information, as listed in the table of contents is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Information***

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

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

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
March 19, 2025

**VALLEY SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

Our discussion and analysis of Valley Sanitation District's (District) financial performance provides an overview of the District's financial activities for the fiscal years ended December 31, 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference reported as net position. This statement provides useful information regarding the financial position of the District. Over time, increases and decreases in net position can serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Nonfinancial factors should also be considered to assess the overall financial position of the District.

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

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

**FINANCIAL SUMMARY AND ANALYSIS**

**Net Position - 2024**

The District's assets exceed liabilities plus deferred inflows of resources in 2024 by \$2,323,281. This amount increased from 2023 to 2024 by \$232,057 or 11.1%. Current assets increased by 7.2% or \$118,332 from 2023 to 2024 primarily due to the increase in cash and cash equivalents as well as the higher balance in accounts receivable in 2024 due to the increase in the service fee revenue due from the City of Englewood (See Note 8). The increase in capital assets of \$67,425 is due to capital additions amounting to \$146,247 exceeding depreciation expense of \$78,822. The decrease in total liabilities of \$59,985 is primarily due to the 2024 principal payment of \$72,700 on the outstanding CWRPDA loan (See Note 5).

**VALLEY SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**Net Position - 2023**

As noted earlier, net position may serve as a useful indicator of the District's financial position. As noted in the table below, the District's assets exceed liabilities plus deferred inflows of resources in 2023 by \$2,091,224. This amount increased from 2022 to 2023 by \$347,390 or 19.9%. Current assets increased by \$446,958 from 2022 to 2023 primarily due to the increase in cash and cash equivalents as well as the higher balance in accounts receivable in 2023 due to the increase in the service fee. The decrease in capital assets of \$119,929 is due to depreciation expense of \$75,880 and the write-off of capital assets amounting to \$44,049. The decrease in total liabilities of \$60,202 is primarily due to the 2023 principal payment of \$71,267 on the outstanding CWRPDA loan (See Note 5).

**NET POSITION**

	<b>December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>			
Current assets	\$ 1,773,244	\$ 1,654,912	\$ 1,207,954
Noncurrent assets:			
Capital cost sharing receivable, long-term	273,524	282,809	311,650
Capital assets, net	3,032,318	2,964,893	3,084,822
Total assets	<u>5,079,086</u>	<u>4,902,614</u>	<u>4,604,426</u>
<b>LIABILITIES</b>			
Current liabilities	126,829	112,653	100,155
Long-term liabilities	2,304,276	2,378,437	2,451,137
Total liabilities	<u>2,431,105</u>	<u>2,491,090</u>	<u>2,551,292</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>324,700</u>	<u>320,300</u>	<u>309,300</u>
<b>NET POSITION</b>			
Net investment in capital assets	653,881	513,756	562,418
Restricted	98,351	87,084	76,010
Unrestricted	1,571,049	1,490,384	1,105,406
Total net position	<u><u>\$ 2,323,281</u></u>	<u><u>\$ 2,091,224</u></u>	<u><u>\$ 1,743,834</u></u>

**Changes in Net Position - 2024**

The District's net position increased by \$232,057. Total revenues decreased by \$96,069 from 2023 to 2024. Capital contributions decreased by \$144,200. In 2024, capital contributions included system development fees amounting to \$4,800. In 2023, the District received a capacity fee amounting to \$149,000 from Sheridan Sanitation District No.1 (SSD1) as detailed below. Total expenses increased \$19,264 or 4.0% from 2023 to 2024. The increase in sewer operations of \$66,260 is due to labor and material costs amounting to \$25,112 required to raise manholes after the City and County of Denver performed overlay repairs. Additionally, significant repairs to the lift station were required during 2024 after a pump component broke and control systems failed resulting in extensive water damage to electrical components. Most of these costs were recovered by insurance reimbursement of \$29,214.

**VALLEY SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**Changes in Net Position - 2023**

As noted in the table below, the District's net position increased by \$347,390. Total revenues increased by \$353,037 from 2022 to 2023. Charges for services increased by \$150,005 or 105.3% due to the increase in the service fee rate from 15% to 30% of each customers' City of Englewood sewer bill (See Note 8). Capital contributions reported in 2023 of \$149,000 represents a capacity fee received from SSD1 in accordance with a sewer connection agreement (See Note 8). Total expenses increased by \$113,088 or 31.1% from 2022 to 2023. This change is due to the increase in the scheduled sewer maintenance in accordance with the preventative maintenance program and higher maintenance and utility costs related to the operation of the lift station. Additionally, the 2023 capital project involving the relocation and installation of 336 feet of 21-inch PVC sanitary sewer pipe in W. Oxford Ave, was canceled due to the discovery of methane gas and resulting safety conditions. Costs incurred to date including \$44,049 reported in construction in progress at December 31, 2022 were written-off as a loss on disposal of assets.

	<b>CHANGES IN NET POSITION</b>		
	<b>Years Ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>			
Program revenues:			
Charges for services	\$ 288,088	\$ 292,489	\$ 142,484
General revenues:			
Property taxes	319,321	308,773	291,872
Specific ownership taxes	18,594	19,896	15,562
Investment earnings	61,677	47,039	13,686
Insurance proceeds	29,215	-	-
Capital cost sharing interest revenue	6,155	6,722	7,278
Capital contributions	4,800	149,000	-
Total revenues	<u>727,850</u>	<u>823,919</u>	<u>470,882</u>
<b>EXPENSES</b>			
Sewer operations	368,783	302,523	226,429
Administration	73,956	75,751	81,642
Interest expense	48,419	49,856	51,265
Loss on disposal of assets	-	44,049	-
Other	4,635	4,350	4,105
Total expenses	<u>495,793</u>	<u>476,529</u>	<u>363,441</u>
<b>CHANGE IN NET POSITION</b>	<u>232,057</u>	<u>347,390</u>	<u>107,441</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>2,091,224</u>	<u>1,743,834</u>	<u>1,636,393</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$2,323,281</u></u>	<u><u>\$2,091,224</u></u>	<u><u>\$1,743,834</u></u>

**VALLEY SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**BUDGETARY HIGHLIGHTS**

Total revenue was budgeted at \$705,979 for 2024, and actual revenue was \$756,691, which resulted in a positive budget variance of \$50,712. Other service charges actual revenue exceeded the budget by \$31,121. The District received an insurance reimbursement of \$29,214 for costs incurred at the lift station related to the damaged electrical components mentioned above. Actual interest income exceeded the budget by \$11,417 due to the average yield on investments being higher than projected during 2024. Total actual expenditures were \$635,918 or \$50,418 under budget. In addition to budgeting for emergency reserve amounting to \$37,700, the District budgeted an additional 15% of total operating expenses equal to \$53,970 to cover unanticipated costs. Lift station maintenance of \$67,741 exceeded the budget amount by \$58,616. This negative variance relates to the costs incurred to repair the electronic components that sustained water damage as well as additional visits to the lift station required for various maintenance tasks performed by Platte Canyon Water and Sanitation District (See Note 8). Actual capital expenditures amounted to \$146,247, \$32,747 more than the budgeted amount. The capital sewer project for the lining of a main and rehabilitation of manholes was budgeted at \$101,000. The actual cost of the project amounted to \$136,089. Details of the 2024 budget to actual results can be found on page 15 of this report.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The District's investment in capital assets at December 31, 2024, 2023, and 2022 amounted to \$3,032,318, \$2,964,893 and \$3,084,822, (net of accumulated depreciation), respectively.

Analysis of changes in capital assets from 2023 to 2024 is as follows:

	<u>2024</u>	<u>2023</u>	<u>Percentage Change</u>
Wastewater system	\$ 3,032,318	\$ 2,964,893	2%
Total net capital assets	<u>\$ 3,032,318</u>	<u>\$ 2,964,893</u>	

The District incurred costs related to the lining of 1,152 feet of 8-inch sewer mains and 664 feet of a 10-inch sewer main and rehabilitation of five manholes totaling \$136,089 and lift station improvements amounted to \$10,158. Depreciation expense in 2024 amounted to \$78,822.

**VALLEY SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

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

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

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

**Debt**

The District issued a loan on May 7, 2019 in the amount of \$2,700,000 with the Colorado Water Resource Power and Development Authority for the funding of the outfall sewer project. During 2024 and 2023, principal and interest payments on the loans were made as required. Details of the long-term debt obligations are presented in Note 5.

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

Total revenue in 2025 is projected to be \$707,489 which includes the following revenue sources: property tax revenue for operations of \$203,452, property tax revenue for debt service of \$121,350, specific ownership tax revenue of \$21,112, investment earnings of \$55,450, sewer service surcharge revenue of \$268,612, capital project cost sharing revenue of \$14,900, maintenance cost sharing of \$19,505, and other revenue of \$3,108. Total expenditures for 2025 are budgeted at \$563,876 with \$341,935 for operations, \$121,361 for debt service, \$7,700 for lift station improvements, and \$92,880 for contingencies and emergency reserves. Total revenue is expected to exceed expenditures by \$143,613.

**REQUESTS FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

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

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,135,520	\$ 1,021,117
Due from county treasurer	1,406	1,420
Prepaid expenses	17,936	18,183
Accounts receivable:		
Sewer service surcharge	280,518	259,893
Other	2,709	3,950
Accrued interest receivable	1,170	1,208
Capital cost sharing receivable, current	9,285	28,841
Property taxes receivable	324,700	320,300
Total current assets	1,773,244	1,654,912
<b>Noncurrent assets</b>		
Capital cost sharing receivable, long-term	273,524	282,809
<b>Capital assets</b>		
Wastewater system	3,972,799	3,836,710
Equipment	11,729	1,571
Less accumulated depreciation and amortization	(952,210)	(873,388)
Total capital assets	3,032,318	2,964,893
Total noncurrent assets	3,305,842	3,247,702
<b>TOTAL ASSETS</b>	<b>5,079,086</b>	<b>4,902,614</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	44,740	28,783
Accrued interest payable	7,928	8,170
Deposits from developers	-	3,000
Current portion of loan payable	74,161	72,700
Total current liabilities	126,829	112,653
<b>Long-term liabilities</b>		
Loan Payable, net of current portion	2,304,276	2,378,437
<b>TOTAL LIABILITIES</b>	<b>2,431,105</b>	<b>2,491,090</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred property tax revenue	324,700	320,300
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>324,700</b>	<b>320,300</b>
<b>NET POSITION</b>		
Net investment in capital assets	653,881	513,756
Restricted:		
Operation and maintenance reserve	89,951	79,384
Emergency reserve	8,400	7,700
Unrestricted	1,571,049	1,490,384
<b>TOTAL NET POSITION</b>	<b>\$ 2,323,281</b>	<b>\$ 2,091,224</b>

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

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

	<b>2024</b>	<b>2023</b>
<b>OPERATING REVENUE</b>		
Sewer service surcharge	\$ 253,467	\$ 250,761
IGA maintenance cost share	29,607	31,009
Other charges for services	5,014	10,719
Total operating revenue	288,088	292,489
<b>OPERATING EXPENSES</b>		
Sewer operations	368,783	302,523
Administration	73,956	75,751
Total operating expenses	442,739	378,274
<b>OPERATING LOSS</b>	(154,651)	(85,785)
<b>NONOPERATING REVENUE (EXPENSE)</b>		
Property taxes	319,321	308,773
Specific ownership taxes	18,594	19,896
Net investment income	61,677	47,039
Insurance proceeds	29,215	-
Interest expense	(48,419)	(49,856)
Capital cost sharing interest revenue	6,155	6,722
Loss on disposal of capital assets	-	(44,049)
County treasurer's fees	(4,635)	(4,350)
Total nonoperating revenue (expense)	381,908	284,175
<b>GAIN BEFORE CONTRIBUTIONS</b>	227,257	198,390
<b>CAPITAL CONTRIBUTIONS</b>		
System development fees	4,800	-
Capacity fee	-	149,000
Total capital contributions	4,800	149,000
<b>CHANGE IN NET POSITION</b>	232,057	347,390
<b>NET POSITION - BEGINNING OF YEAR</b>	2,091,224	1,743,834
<b>NET POSITION - END OF YEAR</b>	<b>\$ 2,323,281</b>	<b>\$ 2,091,224</b>

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

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

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 268,704	\$ 168,201
Payments to vendors	(345,110)	(288,022)
Payments to employees	(5,603)	(5,588)
Net cash required by operating activities	(82,009)	(125,409)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal paid on long-term debt	(72,700)	(71,267)
Interest paid on long-term debt	(48,661)	(50,094)
Capital cost sharing contributions	35,034	35,034
Capacity fee received	4,800	149,000
Capital asset purchases	(146,247)	340
Net cash provided (required) by capital financing activities	(227,774)	63,013
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property and specific ownership taxes received	337,929	328,350
Insurance proceeds	29,215	-
County treasurer's fees paid	(4,635)	(4,350)
Net cash provided by noncapital financing activities	362,509	324,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	61,677	47,039
Net cash provided by noncapital financing activities	61,677	47,039
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	114,403	308,643
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	1,021,117	712,474
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,135,520	\$ 1,021,117
<b>RECONCILIATION OF OPERATING LOSS TO CASH FLOWS REQUIRED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (154,651)	\$ (85,785)
Adjustments to reconcile loss from operations to net cash required by operating activities:		
Depreciation	78,822	75,880
Effects of changes in operating assets and liabilities:		
Prepaid expenses	247	(2,179)
Accounts receivable	(19,384)	(124,288)
Accounts payable	15,957	7,963
Deposits from developers	(3,000)	3,000
Net cash required by operating activities	\$ (82,009)	\$ (125,409)
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>		
Loss on abandoned project	\$ -	\$ (44,049)

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

**VALLEY SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

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

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

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

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

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

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

**Operating Revenues and Expenses**

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

**Restricted Resources**

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

**VALLEY SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**Budgets**

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

**Property Taxes**

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

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

**Cash Equivalents**

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

**Prepaid Expenses**

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

**Receivables**

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

**Capital Assets**

Capital assets are recorded at cost except for those assets which have been contributed which are stated at estimated fair value at the date of contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

**VALLEY SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

Wastewater system  
Equipment

7- 50 years  
5 years

**Deferred Outflows/Inflows of Resources**

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

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

**Estimates**

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

**Capital Contributions**

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

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of December 31, 2024 and 2023 were comprised of the following:

	<u>2024</u>	<u>2023</u>
Deposits with financial institutions	\$ 1,301	\$ 1,572
Investments	1,134,219	1,019,545
	<u>\$1,135,520</u>	<u>\$1,021,117</u>

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	<u>\$1,135,520</u>	<u>\$1,021,117</u>

**VALLEY SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**Cash Deposits**

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

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

As of December 31, 2024, the District had cash deposits, with a bank balance of \$3,906 and a carrying balance of \$1,301. As of December 31, 2023, the District had cash deposits, with a bank balance and carrying balance of \$1,572.

**Investments**

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

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

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

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

**Interest Rate Risk**

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

**VALLEY SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

As of December 31, 2024 and 2023, the District had the following investments:

<u>Investment</u>	<u>Rating</u>	<u>Maturity</u>	<u>Investments at NAV</u>	
			<u>2024</u>	<u>2023</u>
COLOTRUST PLUS+	AAAm	Weighted average under 60 days	<u>\$1,134,219</u>	<u>\$1,019,545</u>

**COLOTRUST**

At December 31, 2024 and 2023, the District has invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST PRIME and COLOTRUST PLUS+ and COLOTRUST EDGE. The portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST PLUS+ and COLOTRUST EDGE may also invest in the highest rated commercial paper. The District's funds are invested in the COLOTRUST PLUS+ portfolio.

**Investment Valuation**

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

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

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**VALLEY SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 4 – CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2024 follows:

	<b>Balance December 31, 2023</b>	<b>Additions</b>	<b>Disposals/ Retirements</b>	<b>Balance December 31, 2024</b>
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets, being depreciated:				
Wastewater system	3,836,710	136,089	-	3,972,799
Equipment	1,571	10,158	-	11,729
Total capital assets being depreciated	3,838,281	146,247	-	3,984,528
Less accumulated depreciation for:				
Wastewater system	(871,817)	(77,467)	-	(949,284)
Equipment	(1,571)	(1,355)	-	(2,926)
Total accumulated depreciation	(873,388)	(78,822)	-	(952,210)
Total capital assets being depreciated, net	2,964,893	67,425	-	3,032,318
Total capital assets, net	<u>\$ 2,964,893</u>	<u>\$ 67,425</u>	<u>\$ -</u>	<u>\$ 3,032,318</u>

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

	<b>Balance December 31, 2022</b>	<b>Additions</b>	<b>Disposals/ Retirements</b>	<b>Balance December 31, 2023</b>
Capital assets, not being depreciated:				
Construction in progress	\$ 44,049	\$ -	\$ 44,049	\$ -
Total capital assets not being depreciated	44,049	-	44,049	-
Capital assets, being depreciated:				
Wastewater system	3,836,710	-	-	3,836,710
Equipment	1,571	-	-	1,571
Total capital assets being depreciated	3,838,281	-	-	3,838,281
Less accumulated depreciation for:				
Wastewater system	(795,937)	(75,880)	-	(871,817)
Equipment	(1,571)	-	-	(1,571)
Total accumulated depreciation	(797,508)	(75,880)	-	(873,388)
Total capital assets being depreciated, net	3,040,773	(75,880)	-	2,964,893
Total capital assets, net	<u>\$ 3,084,822</u>	<u>\$ (75,880)</u>	<u>\$ 44,049</u>	<u>\$ 2,964,893</u>

**VALLEY SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 5 – LONG-TERM OBLIGATIONS**

The following is an analysis of changes in long-term obligations for the period ending December 31, 2024:

	<b>Balance December 31, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2024</b>	<b>Current Portion</b>
Direct borrowing:					
CWRPDA Loan	\$ 2,451,137	\$ -	\$ 72,700	\$ 2,378,437	\$ 74,161

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

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

A description of the long-term obligation as of December 31, 2024, is as follows:

**Colorado Water Resources and Power Development Authority (CWRPDA):**

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

Per the covenant and requirements of the Loan, the District is required to maintain a three-month operating and maintenance reserve. At December 31, 2024 and 2023, the District has a reserve of \$89,951 and 79,384, respectively, and is in compliance with the covenants and requirements of the Loan.

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

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 74,161	\$ 47,199	\$ 121,360
2026	75,652	45,709	121,361
2027	77,172	44,189	121,361
2028	78,724	42,637	121,361
2029	80,306	41,055	121,361
2030-2034	426,400	180,404	606,804
2035-2039	471,009	135,795	606,804
2040-2044	520,289	86,516	606,805
2045-2049	574,724	32,080	606,804
	<u>\$ 2,378,437</u>	<u>\$ 655,584</u>	<u>\$ 3,034,021</u>

**VALLEY SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 6 - NET POSITION**

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

The net investment in capital assets, consists of capital assets, net of accumulated depreciation and if applicable, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. At December 31, 2024 and 2023, the District had a net investment in capital assets of \$653,881 and \$513,756, respectively.

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed through constitutional provisions or enabling legislation. As of December 31, 2024, and 2023, the District's restricted net position was \$8,400 and \$7,700 respectively, as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 9). Additionally, the District had restricted net position of \$89,951 and \$79,384, as of December 31, 2024 and December 31, 2023 respectively, as required by loan covenants (see Note 5).

**NOTE 7- RISK MANAGEMENT**

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

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

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

**NOTE 8 – INTERGOVERNMENTAL AGREEMENTS**

**City of Englewood**

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

**VALLEY SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

In 2015, under the sewer connectors agreement, the District directed the City to begin imposing a sewer service surcharge upon all District customers billed by the City. The amount of the surcharge was 10% of the amount billed by the City for wastewater treatment services. The amount of the surcharge was increased to 15% effective January 1, 2022 and 30% effective January 1, 2023. Sewer service surcharge revenue amounted to \$253,467 and \$250,761 in 2024 and 2023, respectively.

**Platte Canyon Water and Sanitation District**

The District has an agreement with Platte Canyon Water and Sanitation District (Platte Canyon) whereby Platte Canyon will provide administrative and sewer maintenance services for the District. Payments to Platte Canyon for these services provided during 2024 and 2023 amounted to \$234,876 and \$189,667, respectively.

**Columbine Water and Sanitation District**

The District entered into a Maintenance Cost Allocation Agreement with Columbine Water and Sanitation District (Columbine) dated February 9, 1987, whereby Columbine agreed to pay a regular maintenance and service charge to compensate the District for use of the outfall sewer line. The proportionate share was agreed to be 12.4% of the District's costs of normal operation, maintenance and administration. On March 13, 2020, the District and Columbine entered into an Amended and Restated Maintenance Cost Allocation Agreement in order to formalize the cost allocation of operation, maintenance, and administration expenses and establish annual reporting requirements and accounting responsibilities. Pursuant to the amended and restated agreement, Columbine's maintenance share shall not be applied to fund any replacement or capital expense of the outfall sewer line or other portion of the District's sewer system and shall be determined based upon the Sewer Tap Ratio Table which will be recalculated annually by the District. The amended and restated agreement automatically renews each year on January 1 for a one-year term expiring on December 31 of each subsequent year and will continue to renew until termination by mutual agreement of the District and Columbine. During 2024 and 2023, Columbine reimbursed the District \$29,607 and \$31,009 respectively, in accordance with the agreement

On March 13, 2020, the District entered into a Capital Construction Cost Allocation Intergovernmental Agreement with Columbine whereby Columbine agreed to reimburse the District for its share in the capital improvements related to the rehabilitation of the outfall sewer line. Per the agreement, Columbine's allocation of the cost of the Interceptor Rehabilitation Project is not to exceed a total of \$447,000 which includes principal and interest and not to exceed an annual payment of \$14,900. Payments are due annually by no later than October 15th. Before the agreement was entered into, Columbine honored the request from the District during 2019 to equitably share in the costs of the improvements by remitting \$14,900. The agreement will terminate on the earlier of December 31, 2048, or the date on which the District has been paid the maximum of \$447,000. During 2020, the District recorded a capital contribution of \$326,560 and a long-term receivable representing the principal amount owed by Columbine. As of December 31, 2024, the District has received a total of \$89,400 under this agreement consisting of \$51,992 of principal and \$37,408 of interest. The balance of the long-term receivable as of December 31, 2024 is \$282,809.

**VALLEY SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**Bow Mar Water and Sanitation District**

On May 2, 1967 the District entered into an agreement with Bow Mar Water and Sanitation District (Bow Mar) to accommodate the future transmission of sewage from 80 single family equivalent taps. Bow Mar agreed to pay the District \$200 at the time each individual tap was connected and an annual service charge of \$1.00 per month for each tap connected to Valley's sewer transmission lines. The tap limitation was subsequently increased by Valley from 80 taps to 95 taps by an amendment to the agreement dated August 4, 1970. On October 19, 1984 the District entered into a Indemnification and Cost Allocation Agreement whereby Bow Mar agreed to pay a prorated share of repair and replacement costs based on the number of users on the segment of pipe being repaired or replaced. The agreement also updated language related to the service charge requiring Bow Mar to reimburse a proportionate share of normal operation, maintenance and administration costs for each tap connected to Valley's sewer system. During 2024 and 2023, the service charge reimbursed by Bow Mar was \$2.00 per month for each of the 92 taps connected to Valley's sewer system amounting to \$2,208.

With the conclusion of the sewer outfall project in 2021, Bow Mar's prorated share of the total cost of capital improvements amounted to \$96,772. The District agreed to allow Bow Mar to pay off the obligation over five years at an interest rate of 2.0%. As the project was substantially complete as of December 31, 2020, the District submitted an invoice to Bow Mar in the amount of \$19,342 based on the estimated total project cost and recorded a capital contribution and a corresponding long-term receivable in the amount of \$96,710. The difference of \$62 between the estimated cost share and actual cost share was recorded as a capital contribution in 2021. The final payment of \$20,134 was made during 2024. As of December 31 2024, Bow Mar has satisfied the cost share obligation, and the District has received a total of \$99,110 under this agreement consisting of \$96,772 of principal and \$2,338 of interest.

**Sheridan Sanitation District No. 1**

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

In accordance with the agreement, SSD1 must remit to the District a capacity fee in the amount of \$1,000 for each allowable sewer tap connection made to the system. During 2023, the District received a total capacity fee of \$149,000 for the 149 tap connections allocated to Bonsai Flats. As of December 31, 2024, there are 10 remaining taps to be issued under the agreement.

**VALLEY SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS**

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

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

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Some of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise may require judicial interpretation.

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

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

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

**SUPPLEMENTAL INFORMATION**

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

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Property taxes	\$ 320,547	\$ 319,321	\$ (1,226)
Specific ownership tax	20,836	18,594	(2,242)
Interest income	50,260	61,677	11,417
Sewer service surcharge	256,144	253,467	(2,677)
System development fees	-	4,800	4,800
Other service charges	3,108	5,014	1,906
Insurance proceeds	-	29,215	29,215
Maintenance cost sharing	20,050	29,607	9,557
Capital cost sharing receivable - principal	28,841	28,841	-
Capital cost sharing receivable - interest	6,193	6,155	(38)
Total revenues	<u>705,979</u>	<u>756,691</u>	<u>50,712</u>
<b>EXPENDITURES</b>			
Maintenance and repairs	193,380	200,284	(6,904)
Repairs remedial/emergency	20,000	-	20,000
Engineering	10,000	-	10,000
Lift station maintenance	9,125	67,741	(58,616)
Lift station utilities	23,710	20,273	3,437
Administrative expenses	45,000	34,071	10,929
Advertising and publication	165	146	19
Legal	10,000	2,209	7,791
Audit and accounting	5,400	5,400	-
Insurance	16,850	18,183	(1,333)
UNCC	3,500	1,663	1,837
Supplies	250	25	225
Directors' fees	6,000	5,700	300
Salaries and payroll taxes	5,625	5,603	22
Treasurer fees	4,800	4,635	165
Public relations	5,000	1,974	3,026
Other	1,000	645	355
Loan principal	72,700	72,700	-
Loan interest	48,661	48,419	242
Capital expenditures	113,500	146,247	(32,747)
Contingency	53,970	-	53,970
Emergency reserves	37,700	-	37,700
Total expenditures	<u>686,336</u>	<u>635,918</u>	<u>50,418</u>
<b>NET CHANGE IN FUNDS AVAILABLE</b>	19,643	120,773	101,130
<b>FUNDS AVAILABLE - BEGINNING OF YEAR</b>	<u>1,256,530</u>	<u>1,265,818</u>	<u>9,288</u>
<b>FUNDS AVAILABLE - END OF YEAR</b>	<u>\$ 1,276,173</u>	<u>\$ 1,386,591</u>	<u>\$ 110,418</u>
Funds available is computed as follows:			
Current assets		\$ 1,773,244	
Current liabilities		(126,829)	
Current portion of contract receivable		(9,285)	
Current portion of loan payable		74,161	
Deferred inflows of resources		(324,700)	
		<u>\$ 1,386,591</u>	

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

Revenue (budgetary basis)	\$	756,691
Capital cost sharing principal received		(28,841)
Revenues per Statement of Revenues, Expenses and Changes in Fund Net Position		727,850
 Expenditures (budgetary basis)		 635,918
Capital outlay		(146,247)
Depreciation		78,822
Debt principal payments		(72,700)
Expenses per Statement of Revenues, Expenses and Changes in Fund Net Position		495,793
 Change in net position per Statement of Revenues, Expenses and Changes in Fund Net Position	 \$	 232,057

## **OTHER INFORMATION**

**VALLEY SANITATION DISTRICT**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2024**

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

<u>Year Ending December 31,</u>	<u>Principal Due May 1 and November 1</u>	<u>Interest Due May 1 and November 1</u>	<u>Total</u>
2025	\$ 74,161	\$ 47,199	\$ 121,360
2026	75,652	45,709	121,361
2027	77,172	44,189	121,361
2028	78,724	42,637	121,361
2029	80,306	41,055	121,361
2030	81,920	39,440	121,360
2031	83,567	37,794	121,361
2032	85,246	36,115	121,361
2033	86,960	34,401	121,361
2034	88,707	32,654	121,361
2035	90,490	30,870	121,360
2036	92,309	29,052	121,361
2037	94,165	27,196	121,361
2038	96,057	25,304	121,361
2039	97,988	23,373	121,361
2040	99,958	21,403	121,361
2041	101,967	19,394	121,361
2042	104,017	17,344	121,361
2043	106,107	15,254	121,361
2044	108,240	13,121	121,361
2045	110,416	10,945	121,361
2046	112,635	8,726	121,361
2047	114,899	6,461	121,360
2048	117,209	4,152	121,361
2049	119,565	1,796	121,361
	<u>\$ 2,378,437</u>	<u>\$ 655,584</u>	<u>\$ 3,034,021</u>

**VALLEY SANITATION DISTRICT  
SUMMARY OF ASSESSED VALUATION , MILL LEVY  
AND PROPERTY TAXES COLLECTED  
Year Ended December 31, 2024**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy		Mills Levied		Total Property Taxes		Percentage Collected to Levied
	Arapahoe	Denver	Operations	Debt	Levied	Collected	
			Mill Levy	Mill Levy			
2015	\$ 44,024,171	\$ 9,814,650	2.493		\$ 134,220	\$ 132,382	98.6%
2016	\$ 54,855,722	\$ 11,716,860	2.126 (A)		\$ 141,533	\$ 141,251	99.8%
2017	\$ 55,013,885	\$ 11,770,940	2.265 (B)		\$ 151,269	\$ 151,981	100.5%
2018	\$ 62,887,874	\$ 13,584,410	2.054 (C)		\$ 157,074	\$ 156,067	99.4%
2019	\$ 65,734,822	\$ 16,643,840	2.009 (D)	0.122	\$ 175,549	\$ 175,074	99.7%
2020	\$ 80,809,755	\$ 20,257,090	1.673 (E)	0.699	\$ 239,731	\$ 237,465	99.1%
2021	\$ 81,353,760	\$ 20,226,340	1.693 (F)	1.195	\$ 293,363	\$ 292,430	99.7%
2022	\$ 88,594,721	\$ 20,900,870	1.648 (G)	1.018	\$ 291,915	\$ 291,872	100.0%
2023	\$ 87,698,869	\$ 20,394,810	1.742 (H)	1.123	\$ 309,688	\$ 308,773	99.7%
2024	\$ 109,649,488	\$ 26,579,270	1.462 (I)	0.891	\$ 320,546	\$ 319,321	99.6%
Estimated for year ending December 31, 2025	\$ 112,181,640	\$ 26,503,840	1.467 (J)	0.875	\$ 324,801		

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

- (A) - Includes a temporary mill levy reduction of .367 mills.
- (B) - Includes a temporary mill levy reduction of .228 mills.
- (C) - Includes a temporary mill levy reduction of .439 mills.
- (D) - Includes a temporary mill levy reduction of .496 mills plus abatements of .012 mills.
- (E) - Includes a temporary mill levy reduction of .822 mills plus abatements of .002 mills.
- (F) - Includes a temporary mill levy reduction of .807 mills plus abatements of .007 mills.
- (G) - Includes a temporary mill levy reduction of .868 mills plus abatements of .023 mills.
- (H) - Includes a temporary mill levy reduction of .751 mills.
- (I) - Includes a temporary mill levy reduction of 1.041 mills plus abatements of .010 mills.
- (J) - Includes a temporary mill levy reduction of 1.026 mills.