

**TABERNASH MEADOWS WATER  
AND SANITATION DISTRICT**  
Grand County, Colorado

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

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**SCHILLING & COMPANY, INC.**

*Certified Public Accountants*

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086  
FAX: 720.348.2920

## **Independent Auditor's Report**

Board of Directors  
Tabernash Meadows Water and Sanitation District  
Grand County, Colorado

### ***Opinion***

We have audited the accompanying financial statements of the Tabernash Meadows Water and 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 Tabernash Meadows Water and 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages IV through IX, the Schedule of the Proportionate Share of the Net Pension Liability/(Asset) on page 32, the Schedule of District Pension Contributions on page 33, the Schedule of the Proportionate Share of the Collective Net OPEB Liability on page 34, and the Schedule of District OPEB Contributions on page 35 be presented to supplement the financial statements. Such information is the responsibility of management and, 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.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information as listed in the table of contents does not include the financial statements and our auditor's report thereon. Our opinions on the 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  
July 8, 2025

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Years Ended December 31, 2024 and 2023**

Our discussion and analysis of Tabernash Water and 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 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 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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them 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 4-31 of this report.

In addition to the 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, the Schedule of District Pension Contributions, the Schedule of the Proportionate Share of the Collective Net OPEB Liability, and the Schedule of District OPEB Contributions, which can be found on pages 32 through 35 of this report. Also included is supplementary information consisting of: 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 36 and 37 of this report. Also included is other information consisting of the Summary of Assessed Valuation, Mill Levy and Property Taxes Collected, which can be found on page 38 of this report.

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Years 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 position. 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 \$3,684,624, an increase from 2023. Total assets increased by \$1,134,471 or 16.6%. Although there were increases in cash and cash equivalents, the net decrease in capital assets (due to depreciation) offset a portion of these increases. Cash and cash equivalents increased due to positive increases in net position. Capital asset activity is discussed below in the capital asset and debt administration section. Deferred outflows decreased and inflows of resources increased due to changes related to pensions and other postemployment benefits (OPEB). Long-term obligations decreased as discussed below in the capital asset and debt administration section. During 2024, the District's proportionate share of net pension liability in PERA decreased by \$55,202, or 21.1%, to \$206,938. The OPEB liability decreased by \$1,235 to \$15,996. Pension and OPEB changes are based on various assumptions and pension results and therefore vary from year-to-year. The net investment in capital assets decreased primarily as a result of the decrease in capital assets due to current year depreciation was more than the decrease in long-term obligations as a result of 2024 principal payments. The restricted net position increased due to higher amounts restricted for debt service on the District's outstanding debt and the receipt of funds from the Colorado River Cooperative which are restricted for water quality improvements. Unrestricted net position increased by \$856,752, or \$112.2% due to the receipt of significant tap fees during 2024.

**2023**

As noted in the following table, in 2023 the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2,272,286, an increase from 2022. Total assets increased by \$319,487 or 4.9%. Although there were increases in cash and cash equivalents, the net decrease in capital assets, (due to depreciation) offset a portion of these increases. Cash and cash equivalents increased due to positive increases in net position. Capital asset activity is discussed below in the capital asset and debt administration section. Deferred outflows decreased and inflows of resources increased due to changes related to pensions and other postemployment benefits (OPEB). Long-term obligations decreased as discussed below in the capital asset and debt administration section. During 2023, the District's proportionate share of net pension liability/(asset) in PERA changed from being an asset of \$22,116 in 2022 to a liability of \$262,140 in 2023. The OPEB liability decreased by \$60 to \$17,231. Pension and OPEB changes are based on various assumptions and pension results and therefore vary from year-to-year. The net investment in capital assets increased primarily as a result of the decrease in long-term obligations was more than the decrease in capital assets for 2023. The restricted net position increased due to higher amounts restricted for debt service on the District's outstanding debt. Unrestricted net position increased by \$70,455.

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Years Ended December 31, 2024 and 2023**

**NET POSITION**

	December 31,		
	2024	2023	2022
<b>ASSETS</b>			
Current assets	\$ 4,015,350	\$ 2,610,673	\$ 2,170,281
Noncurrent assets	-	-	22,116
Capital assets, net	3,974,477	4,244,683	4,343,472
Total assets	<u>7,989,827</u>	<u>6,855,356</u>	<u>6,535,869</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension	118,898	141,048	37,394
Deferred outflows related to OPEB	4,539	3,857	2,568
Total deferred outflows of resources	<u>123,437</u>	<u>144,905</u>	<u>39,962</u>
<b>LIABILITIES</b>			
Current liabilities	218,539	195,685	177,126
Long-term loan liabilities	3,479,500	3,617,750	3,761,000
Net pension liability	206,938	262,140	-
Net OPEB liability	15,996	17,231	17,291
Total liabilities	<u>3,920,973</u>	<u>4,092,806</u>	<u>3,955,417</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property taxes	502,479	626,650	465,099
Deferred inflows related to pension	213	2,231	203,673
Deferred inflows related to OPEB	4,975	6,288	8,717
Total deferred inflows of resources	<u>507,667</u>	<u>635,169</u>	<u>677,489</u>
<b>NET POSITION</b>			
Net investment in capital assets	487,899	614,855	575,394
Restricted	1,576,304	893,762	674,317
Unrestricted	1,620,421	763,669	693,214
Total net position	<u>\$ 3,684,624</u>	<u>\$ 2,272,286</u>	<u>\$ 1,942,925</u>

**Changes in Net Position**

**2024**

As noted in the table below, the District's net position for 2024 increased by \$1,412,338. Overall revenue increased by \$1,207,931, primarily due to the receipt of \$372,367 of funds from the Colorado River Cooperative which are restricted for water quality improvements and the receipt of significant tap fees in 2024 in the amount of \$759,390. Overall expenses increased from 2023 by \$124,954, or 11.2%. Affecting both water and sewer operations were higher salaries and wages. Additionally, the District spent \$40,000 on a rate analysis during 2024, which is not a typical annual expense for the District.

Loan interest and fiscal charges decreased by \$4,060, or 2.4%. This decrease was due to less interest expense related to the 2018 General Obligation Refunding Bonds.

**2023**

As noted in the table below, the District's net position for 2023 increased by \$329,361. Overall revenue decreased by \$4,707, primarily as a result of a \$101,218 increase in charges for services due to a combined water and sewer rate increase of 10% as well as increases in other fees and charges in 2023, \$187,000 of contributed water capital assets during 2023, a \$47,209

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Years Ended December 31, 2024 and 2023**

increase in net investment income due to higher interest rates being paid on the District's investments during 2023, offset by a net loss on disposal of capital assets of \$35,249 and a decrease of \$224,870 of tap fees received during 2023.

Overall expenses increased from 2022 by \$154,633, or 16.1%. Affecting both water and sewer operations were higher salaries and wages due to additional staffing in 2023 than there was in 2022. Additionally in 2022 the District had net pension and OPEB income where in 2023 there was a net pension expense and small OPEB income. Water operations expenses costs were higher due to water meters purchased, which were ultimately sold for developing properties. Additionally, there was higher water rights legal costs due to more activity. Additionally, there was lower operating supplies for 2023. In addition to the items already mentioned, the sewer operating expenses were higher due to higher operating supplies costs. Administration expenses were consistent with the prior year.

Loan interest and fiscal charges decreased by \$4,386, or 2.6%. This decrease was due less interest expense related to the 2018 General Obligation Refunding Bonds.

**CHANGES IN NET POSITION**

	<b>Years Ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>			
Operating revenue:			
Charges for services	\$ 1,138,555	\$ 711,123	\$ 609,905
Nonoperating revenue:			
Property taxes	623,706	462,875	458,519
Specific ownership taxes	30,297	29,774	28,138
Net investment earnings	101,119	61,763	14,554
Gain on disposal of capital assets	-	-	86,007
Capital contributions:			
Contributed capital assets	-	187,000	-
Water and sewer tap fees	759,390	27,850	252,720
Total revenues	2,653,067	1,445,136	1,449,843
<b>EXPENSES</b>			
Operating expenses:			
Water operations	231,128	193,469	180,922
Sewer operations	391,182	337,769	206,667
Administration	142,302	117,847	103,349
Depreciation	303,132	300,374	299,502
Nonoperating expenses:			
Interest, fiscal charges and other	170,376	166,316	170,702
Loss on disposal of capital assets	2,609	35,249	-
Total expenses	1,240,729	1,115,775	961,142
<b>CHANGES IN NET POSITION</b>	1,412,338	329,361	488,701
<b>NET POSITION - BEGINNING OF YEAR</b>	2,272,286	1,942,925	1,454,224
<b>NET POSITION - END OF YEAR</b>	\$ 3,684,624	\$ 2,272,286	\$ 1,942,925

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Years Ended December 31, 2024 and 2023**

**BUDGETARY HIGHLIGHTS**

During 2024, the District's budget was not amended. Actual revenues were \$2,653,067 or \$1,247,085 more than budgeted due primarily to net investment income and water and sewer tap fees being higher than budgeted and the receipt of funds from the Colorado River Cooperative which had not been budgeted for 2024. Actual expenditures were \$1,152,073 or \$1,229,917 less than the appropriated expenditures. The District appropriated expenditures of \$2,381,990, which included a contingency and reserves totaling \$1,116,212. When excluding the contingency and reserves, the actual expenditures were \$113,705 less than budgeted.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The District's investments in capital assets as of December 31, 2024, 2023 and 2022 are as follows:

	<b>CAPITAL ASSETS (net of accumulated depreciation)</b>				
	<u>2022</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>	<u>2024</u>
Land	\$ 56,156	\$ -	\$ 56,156	\$ -	\$ 56,156
Water rights	610,847	-	610,847	-	610,847
Water system	1,926,464	48,464	1,974,928	(111,887)	1,863,041
Wastewater system	1,726,555	(141,385)	1,585,170	(148,407)	1,436,763
Vehicles and equipment	23,450	(5,868)	17,582	(9,912)	7,670
Total	<u>\$ 4,343,472</u>	<u>\$ (98,789)</u>	<u>\$ 4,244,683</u>	<u>\$ (270,206)</u>	<u>\$ 3,974,477</u>

During 2024 the District's most capital asset additions included a storage tank hatch for \$6,548, replacement of well #2's pump for \$13,686, a main line valve replacement for \$9,436, and a meter reading software tool for \$5,865.

During 2023 the District's most capital asset additions included contributed water lines in the amount of \$187,000, the purchase and installation of a Polymer Injection System for \$15,318 and the purchase of two 40 HP VFD pumps for \$10,993. Various other capital asset additions totaled \$23,523. Additionally, the District wrote-off/disposed of obsolete capital assets recognizing a loss on write-off/disposal of \$35,249.

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

**Long-Term Obligations**

The District's long-term obligations as of December 31, 2024, 2023 and 2022 are as follows:

	<b>LONG-TERM OBLIGATIONS</b>				
	<u>2022</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>	<u>2024</u>
GO Refunding Loan, Series 2018	\$ 3,735,000	\$ (120,000)	\$ 3,615,000	\$ (125,000)	\$ 3,490,000
CWRPDA Loan	164,250	(18,250)	146,000	(18,250)	127,750
Total	<u>\$ 3,899,250</u>	<u>\$ (138,250)</u>	<u>\$ 3,761,000</u>	<u>\$ (143,250)</u>	<u>\$ 3,617,750</u>

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Years Ended December 31, 2024 and 2023**

During 2024 and 2023, the District made the scheduled debt service payments on the outstanding 2018 Taxable (Convertible to Tax-Exempt) General Obligation Refunding Loan and the 2011 Colorado Water Resources and Power Development Authority Loan.

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

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

For 2025, the District's water and wastewater base rates were both increased from \$228 to \$237 and from \$240 to \$249, respectively, per quarter, for a combined increase of 3.8%. For 2025's property taxes, the District's assessed valuation for property taxes increased by 4.1%. The District's general operations mill levy was increased by 7.177 mills to 13.502 mills and the debt service mill levy was reduced by 16.096 mills to 16.374 mills, for a total of 29.876 mills, a net decrease of 8.919 mills. With the increase in the assessed valuation as offset by a decrease in the mills levied, total property taxes levied for 2025 are expected to generate approximately \$121,232, or 19.4% less in revenue than was collected for 2024. The debt service property taxes are restricted for the scheduled payments on the District's outstanding long-term obligations. Total budgeted revenues for 2025 are \$1,412,739. Total budgeted expenditures for 2025 are \$1,274,540, resulting in an expected increase in funds available of \$138,199. Although expenditures are budgeted at \$1,274,540, the overall appropriation of revenues for expenditures (legal level of approved expenditures) was set by the Board of Directors at \$3,267,495.

**REQUESTS FOR INFORMATION**

The financial report is designed to provide a general overview of Tabernash Water and 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's Manager, P.O. Box 443, Tabernash, CO 80478, (970) 726-2839.

## **FINANCIAL STATEMENTS**

**TABERNASH MEADOWS WATER AND 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	\$ 2,216,569	\$ 987,288
Cash and cash equivalents - Restricted	1,110,351	822,987
Accounts receivable:		
Customers	130,057	121,153
Others	10,138	5,652
Prepaid expenses	35,686	40,165
Parts and tap inventory	8,007	4,500
Property taxes receivable	504,542	628,928
Total current assets	4,015,350	2,610,673
<b>CAPITAL ASSETS</b>		
Capital assets, not being depreciated	667,003	667,003
Capital assets, being depreciated	8,521,898	8,490,003
	9,188,901	9,157,006
Less accumulated depreciation and amortization	(5,214,424)	(4,912,323)
Total capital assets	3,974,477	4,244,683
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension	118,898	141,048
Deferred outflows related to other postemployment benefits	4,539	3,857
Total deferred outflows of resources	123,437	144,905
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 8,113,264	\$ 7,000,261
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and other accrued liabilities	\$ 51,837	\$ 20,397
Accrued wages and general leave	17,196	14,574
Deposits	233	6,047
Interest payable	11,023	11,417
Loans payable - current	138,250	143,250
Total current liabilities	218,539	195,685
<b>NONCURRENT LIABILITIES</b>		
Loans payable - noncurrent	3,479,500	3,617,750
Net pension liability	206,938	262,140
Net other postemployment benefits payable	15,996	17,231
Total noncurrent liabilities	3,702,434	3,897,121
Total liabilities	3,920,973	4,092,806
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred property taxes	502,479	626,650
Deferred inflows related to pension	213	2,231
Deferred inflows related to other postemployment benefits	4,975	6,288
Total deferred inflows of resources	507,667	635,169
<b>NET POSITION</b>		
Net investment in capital assets	487,899	614,855
Restricted for:		
Emergencies	3,400	2,000
Debt service	968,157	691,815
Operations and maintenance reserve	232,380	199,947
Water quality improvements	372,367	-
Unrestricted	1,620,421	763,669
Total net position	3,684,624	2,272,286
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	\$ 8,113,264	\$ 7,000,261

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

**TABERNASH MEADOWS WATER AND 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>		
Service charges - water	\$ 278,634	\$ 264,380
Service charges - sewer	259,200	249,480
Intergovernmental charges for services	153,880	141,836
Colorado River Cooperative Agreement proceeds	372,367	-
Other charges and cost reimbursements	74,474	55,427
Total operating revenue	1,138,555	711,123
<b>OPERATING EXPENSES</b>		
Water operations	231,128	193,469
Sewer operations	391,182	337,769
Administration	142,302	117,847
Depreciation	303,132	300,374
Total operating expenses	1,067,744	949,459
<b>OPERATING LOSS</b>	70,811	(238,336)
<b>NONOPERATING REVENUE (EXPENSE)</b>		
Property taxes	623,706	462,875
Specific ownership taxes	30,297	29,774
Net investment income	101,119	61,763
Gain (loss) on disposal of capital assets	(2,609)	(35,249)
County treasurer's fees	(31,479)	(23,172)
Loan interest and fiscal charges	(138,897)	(143,144)
Total nonoperating revenue (expense)	582,137	352,847
<b>GAIN BEFORE CAPITAL CONTRIBUTIONS</b>	652,948	114,511
<b>CAPITAL CONTRIBUTIONS</b>		
Contributed capital assets	-	187,000
Water and sewer tap fees	759,390	27,850
Total capital contributions	759,390	214,850
<b>CHANGE IN NET POSITION</b>	1,412,338	329,361
<b>NET POSITION - BEGINNING OF YEAR</b>	2,272,286	1,942,925
<b>NET POSITION - END OF YEAR</b>	\$ 3,684,624	\$ 2,272,286

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

**TABERNASH MEADOWS WATER AND 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	\$ 1,119,351	\$ 714,058
Payments to vendors	(376,664)	(329,424)
Payments to employees	(391,214)	(319,829)
Net cash provided by operating activities	351,473	64,805
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Capital asset purchases	(35,535)	(49,834)
Water and sewer tap fees received	759,390	27,850
Property and specific ownership taxes received for debt service	547,682	429,097
County treasurer's fees paid related to debt service	(26,158)	(20,105)
Principal paid on capital debt	(143,250)	(138,250)
Interest paid on capital debt	(139,291)	(143,523)
Net cash provided by capital financing activities	962,838	105,235
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property and specific ownership taxes received	106,536	65,451
County treasurer's fees paid	(5,321)	(3,067)
Net cash provided by noncapital financing activities	101,215	62,384
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	101,119	61,763
Net cash provided by investing activities	101,119	61,763
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,516,645	294,187
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	1,810,275	1,516,088
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 3,326,920	\$ 1,810,275
 <b>RECONCILIATION OF OPERATING LOSS TO CASH FLOWS REQUIRED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ 70,811	\$ (238,336)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation	303,132	300,374
Effects of changes in operating assets, deferred outflows, liabilities and deferred inflows		
Accounts receivable	(13,390)	3,759
Prepaid expenses	4,479	(11,389)
Parts and tap inventory	(3,507)	21,077
Accounts payable	31,440	6,281
Accrued general leave	2,622	8,481
Deposits	(5,814)	(824)
Net pension liability, deferred outflows related to pensions, and deferred inflows related to pensions	(35,070)	(20,840)
Net other post employment benefits liability, deferred outflows related to other post employment benefits, and deferred inflows related to other post employment benefits	(3,230)	(3,778)
Net cash provided by operating activities	\$ 351,473	\$ 64,805
 <b>NON-CASH CAPITAL FINANCING ACTIVITIES</b>		
Contributed capital assets	\$ -	\$ 187,000

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

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Tabernash Meadows Water and Sanitation District (District) was created on November 14, 1996, 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 Grand County, Colorado. The District's purpose is to provide for the design, acquisition, installation and construction of a complete water and irrigation water system, sanitary sewers, flood and surface drainage, wastewater treatment and disposal works and facilities, and all necessary or proper equipment and appurtenances incident thereto. 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.

**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 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.

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

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 OBEB 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.

**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 recorded initially as deferred revenue and reported as deferred inflows of resources 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.

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**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.

**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. The District's capitalization threshold for depreciable assets is \$2,500. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Water system	15 - 60 years
Wastewater system	18 - 50 years
Vehicles and equipment	3 - 5 years

**Deferred Inflows and Outflows 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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The District has recognized deferred outflows of resources in the government-wide financial statements 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 GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - An Amendment of GASB 68* (GASB 71).

In addition to liabilities, the statement of net position and fund 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 a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The District has also recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB 68 and GASB 71.

**Estimates**

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

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.

**Tap Fees and Contributed Lines**

Tap fees are recorded as capital contributions when received. Lines contributed to the District are recorded as capital contributions and additions to the systems at estimated fair market value when received.

**NOTE 3 - CASH AND INVESTMENTS**

As of December 31, 2024 and 2023 the District's cash and cash equivalents were comprised of the following:

	<b>2024</b>	<b>2023</b>
Deposits	\$ 1,280,486	\$ 1,042,491
Investments - CSAFE	2,046,434	767,784
Total cash and cash equivalents	\$ 3,326,920	\$ 1,810,275

The District's cash and cash equivalents as of December 31, 2023 and 2022 are classified in the accompanying financial statements as follows:

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents - Unrestricted	\$ 2,216,569	\$ 987,288
Cash and cash equivalents - Restricted	1,110,351	822,987
Total cash and cash equivalents	\$ 3,326,920	\$ 1,810,275

The restricted cash and cash equivalents as of December 31, 2024 and 2023 are restricted for the payment of debt service on the District's general obligation loan.

**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 \$1,283,473 and a carrying balance of \$1,280,486. As of December 31, 2023, the District had cash deposits with a bank balance of \$1,064,553 and a carrying balance of \$1,042,491.

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

**Investments**

The District has not adopted a formal investment policy, however, the District follows Colorado State Statutes which 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

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

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Amount at NAV</u>	
		<u>2024</u>	<u>2023</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	\$ 2,046,434	\$ 767,784

**CSAFE**

As of December 31, 2024 and 2023, the District invested in the Colorado Surplus Asset Fund Trust Cash Fund (CSAFE), 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 CSAFE. CSAFE operates similarly to a money market fund. CSAFE primarily invests in U.S. Treasury securities, agencies, repurchase agreements, bank deposits, AAAM rated SEC registered money-market funds and highly-rated commercial paper. CSAFE is rated AAAM by Standard and Poor's.

**Investment Valuation**

The District's investments are measured at amortized cost or in certain circumstances the value is calculated 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. The District held investments in CSAFE at yearend for which the investment valuations were determined as follows.

The CSAFE calculates the NAV as of the conclusion of each business day. The NAV is calculated by determining total assets, subtracting total liabilities from total assets, then dividing the result by the number of outstanding shares. Liabilities include all accrued expenses and fees, which are accrued daily. The NAV is calculated on an amortized cost basis as provided for by GASB Statement 79. CSAFE does not place any known limitations or restrictions such as notice periods or maximum transaction amounts on withdrawals. It is the goal of CSAFE Cash

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

Fund is to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by CSAFE and there can be no assurance that the NAV will not vary from \$1.00 per share.

**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	\$ 56,156	\$ -	\$ -	\$ 56,156
Water rights	610,847	-	-	610,847
Total capital assets, not being depreciated	<u>667,003</u>	<u>-</u>	<u>-</u>	<u>667,003</u>
Capital assets, being depreciated:				
Water system	4,306,589	35,535	(3,640)	4,338,484
Wastewater system	4,014,985	-	-	4,014,985
Vehicles and equipment	168,429	-	-	168,429
Total capital assets being depreciated	<u>8,490,003</u>	<u>35,535</u>	<u>(3,640)</u>	<u>8,521,898</u>
Less accumulated depreciation for:				
Water system	(2,331,661)	(144,813)	1,031	(2,475,443)
Wastewater system	(2,429,815)	(148,407)	-	(2,578,222)
Vehicles and equipment	(150,847)	(9,912)	-	(160,759)
Total accumulated depreciation	<u>(4,912,323)</u>	<u>(303,132)</u>	<u>1,031</u>	<u>(5,214,424)</u>
Total capital assets being depreciated, net	<u>3,577,680</u>	<u>(267,597)</u>	<u>(2,609)</u>	<u>3,307,474</u>
Total capital assets, net	<u>\$ 4,244,683</u>	<u>\$ (267,597)</u>	<u>\$ (2,609)</u>	<u>\$ 3,974,477</u>

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**TABERNASH MEADOWS WATER AND SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

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	\$ 56,156	\$ -	\$ -	\$ 56,156
Water rights	610,847	-	-	610,847
Total capital assets, not being depreciated	<u>667,003</u>	<u>-</u>	<u>-</u>	<u>667,003</u>
Capital assets, being depreciated:				
Water system	4,119,589	187,000	-	4,306,589
Wastewater system	4,045,771	46,448	(77,234)	4,014,985
Vehicles and equipment	165,043	3,386	-	168,429
Total capital assets being depreciated	<u>8,330,403</u>	<u>236,834</u>	<u>(77,234)</u>	<u>8,490,003</u>
Less accumulated depreciation for:				
Water system	(2,193,125)	(138,536)	-	(2,331,661)
Wastewater system	(2,319,216)	(152,584)	41,985	(2,429,815)
Vehicles and equipment	(141,593)	(9,254)	-	(150,847)
Total accumulated depreciation	<u>(4,653,934)</u>	<u>(300,374)</u>	<u>41,985</u>	<u>(4,912,323)</u>
Total capital assets being depreciated, net	<u>3,676,469</u>	<u>(63,540)</u>	<u>(35,249)</u>	<u>3,577,680</u>
Total capital assets, net	<u>\$ 4,343,472</u>	<u>\$ (63,540)</u>	<u>\$ (35,249)</u>	<u>\$ 4,244,683</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>Balance December 31, 2024</b>		<b>Due Within One Year</b>
	<b>Additions</b>	<b>Reductions</b>				
Direct Borrowing - Loans payable:						
GO Refunding Loan Series 2018	\$ 3,615,000	\$ -	\$ (125,000)	\$ 3,490,000	\$ 120,000	
CWRPDA Loan	146,000	-	(18,250)	127,750	18,250	
Total long-term obligations	<u>\$ 3,761,000</u>	<u>\$ -</u>	<u>\$ (143,250)</u>	<u>\$ 3,617,750</u>	<u>\$ 138,250</u>	

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance December 31,			Balance December 31,		Due Within
	2022	Additions	Reductions	2023	One Year	
Direct Borrowing - Loans payable:						
GO Refunding Loan Series 2018	\$ 3,735,000	\$ -	\$ (120,000)	\$ 3,615,000	\$ 125,000	
CWRPDA Loan	164,250	-	(18,250)	146,000	18,250	
Total long-term obligations	<u>\$ 3,899,250</u>	<u>\$ -</u>	<u>\$ (138,250)</u>	<u>\$ 3,761,000</u>	<u>\$ 143,250</u>	

**Taxable (Convertible to Tax-Exempt) General Obligation Refunding Loan, Series 2018**

On February 15, 2018 the District issued a \$4,150,000 Taxable (Convertible to Tax-Exempt) General Obligation Refunding Loan, Series 2018. The loan bears interest at a taxable fixed rate of 4.80% up until the conversion date to tax-exempt. If and when the conversion to tax-exempt occurs, the loan will bear interest at tax-exempt fixed rate of 3.79%. The loan converted from taxable to tax-exempt on approximately September 5, 2020. The loan requires interest payments on June 1 and December 1 and principal payments on December 1 of each year. The loan matures on February 16, 2028. The District may prepay the loan in whole, or in part, on any interest payment date at a prepayment price equal to the sum of the principal to be prepaid, the accrued and any unpaid interest thereon to the date of the prepayment, and a yield maintenance fee as calculated in accordance with the loan agreement.

The loan is a general obligation of the District and the full faith and credit of the District are pledged for the payment of debt service on the loan. The District is required to impose a mill levy, without limitation of rate, in the amount sufficient pay the principal and interest on the loan as they become due. For the years ending December 31, 2023, 2024 and 2025, the District levied a debt service mill levy of 42.000 mills, 32.470 mills, and 16.374, respectively, for the payment of debt service.

**Colorado Water Resources and Power Development Authority Loan**

On April 15, 2011, the District entered into a \$365,000 Loan Agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) dated April 15, 2011. The loan bears an interest rate of 0%. The loan requires semi-annual principal only payments of \$9,125 on May 1 and November 1 beginning on May 1, 2012 and continuing through November 1, 2031. The loan was entered into to fund capital improvements consisting of a dewatering press and headworks screening enhancements in order to convert liquid sludge into biosolids which can be composted and/or hauled away.

Security for the loan is provided by a pledge of the net revenue of the District, excluding certain revenues as defined in the loan agreement. Additionally the District has covenanted to establish and collect such rates, fees and charges, together with other available revenues will be at least sufficient to pay the sum of: a) operation and maintenance expenses, b) 110% of the debt services on the loan, c) the amount, if any, to be paid into any debt service reserve account in connection with any obligations secured by a lien on the net revenue which lien is on a parity with the lien of this loan agreement on the net revenue, d) a sum equal to the debt service on any obligations secured by a lien on the net revenue which lien is subordinate to the lien of this loan agreement on the net revenue, and e) amounts necessary to pay and discharge all

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

charges and liens or other indebtedness not described above and payable out of the gross revenue of the District. For the years ended December 31, 2024 and 2023 the District was in compliance with the revenue requirement as described in b) above.

The District's anticipated loan maturities are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 148,250	\$ 132,271	\$ 280,521
2026	153,250	127,344	280,594
2027	158,250	122,227	280,477
2028	3,103,250	24,359	3,127,609
2029	18,250	-	18,250
2030-2031	36,500	-	36,500
	<u>\$ 3,617,750</u>	<u>\$ 406,201</u>	<u>\$ 4,023,951</u>

**Authorized Debt**

On November 4, 1997, a majority of the District's voters authorized the issuance of general obligation indebtedness in an amount not to exceed the following amounts and for the following purposes: \$5,000,000 for a sanitary sewage collection and transmission system; \$3,000,000 for a complete potable and non-potable water supply, treatment, storage, transmission, and distribution system; \$8,000,000 for the purpose of refunding, paying or defeasing other financial obligations of the District; for a total authorization of \$16,000,000. As of December 31, 2024, the District had utilized \$13,250,000 of the total authorized debt, resulting in \$2,750,000 of authorized but unissued general obligation indebtedness. The District does not anticipate issuing any of the authorized and unissued debt during 2025.

**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, 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 had net investments in capital assets of \$487,899 and \$614,855, 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. The District had restricted net position of \$3,400 and \$2,000, as of December 31, 2024 and 2023, respectively, as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 11).

As of December 31, 2024 and 2023 the District had restricted net position of \$968,157 and \$691,815, respectively, representing accumulated cash and cash equivalents in the loan repayment fund and reserve funds, which is restricted for the payment of debt service on the District's Taxable (Convertible to Tax-Exempt) General Obligation Refunding Loan, Series 2018 (See Note 5).

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

As of December 31, 2024 and 2023 the District had restricted net position of \$232,380 and \$199,947, respectively, representing the operations and maintenance reserve required by the Loan Agreement with the Colorado Water Resources and Power Development Authority (See Note 5).

As of December 31, 2024 the District had restricted net position of \$372,367, representing unspent Colorado River Cooperative funds which are restricted for water quality improvements.

As of December 31, 2024 and 2023 the District had an unrestricted net position of \$1,620,421 and \$763,669, respectively.

**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 maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 8 – INTERGOVERNMENTAL AGREEMENT**

Effective June 14, 2004, and as amended on April 26, 2016, District has entered into an intergovernmental agreement with Grand County (County) related to the operation of a wastewater treatment system. The District has the capacity to treat 200,000 gallons of wastewater influent and 418 pounds of BOD organic material per day. The amended 1041 permit allows the plan to service 714 single-family sewer taps. The District and the County have agreed that the allocation of these 714 single-family sewer taps (including sewer tap trades in prior years) is 467 sewer taps for the District and 247 sewer taps for the County. As of December 31, 2023, the District has issued 282 sewer taps of which 270 were being billed for service. The County has reported to the District that it has sold approximately 141.2 sewer taps. The County is responsible for billing and collection related to the sewer taps it has sold.

Total costs associated with the facility, including construction, land purchase, engineering and inspection fees, developer expenses and organization costs, legal and accounting costs were borne by the District and the County at 66.7% and 33.3%, respectively. Ownership of the facility is to be shared by the District and the County based on the same percentages of shared costs. With the completion of the wastewater treatment plant in 2001 and the upgrade in 2005, the District and the County agreed to share the operating expenses of the plant in the same ratio of ownership.

For the year ended December 31, 2024, the County's share of the operational costs of the facilities was \$153,880 and there were no applicable capital improvements for 2024. For the year ended December 31, 2023, the County's share of the operational costs of the facilities was \$125,692 and the County's share of the capital improvements to the facilities was \$16,144.

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**NOTE 9 - 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).

*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.

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

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

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- 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.

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.

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

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	January 1, 2023 to December 31, 2023	January 1, 2024 to 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%
<b>Total Employer Contribution Rate to the LGDTF</b>	<b>13.74%</b>	<b>13.76%</b>

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 District were \$40,966 and \$34,030 for the years ended December 31, 2024 and 2023, respectively.

**Pension Liabilities/(Assets), 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 net pension (asset)/liability of \$206,938 and of \$262,140, respectively, for its proportionate share of the LGDTF net pension (asset)/liability. The December 31, 2023 net pension liability for the LGDTF was measured as of December 31, 2022. Generally accepted actuarial techniques were applied to roll forward the collective pension (asset)/liability to December 31, 2023. The December 31, 2024 net pension liability for the LGDTF was measured as of 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 December 31, 2023, the District proportion was 0.0281916%, which was an increase of 0.0020445% from its proportion measured as of December 31, 2022. As of December 31, 2022, the District proportion was 0.0261470%, which was an increase of 0.0003522% from its proportion measured as of December 31, 2021.

For the years ended December 31, 2024 and 2023 the District recognized pension expense of \$5,896 and \$13,190, respectively.

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

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 11,199	\$ (213)
Net difference between projected and actual earnings on pension plan investments	60,427	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	6,306	-
Contributions subsequent to the measurement date	40,966	-
Total	<u>\$ 118,898</u>	<u>\$ (213)</u>

The \$40,966 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	\$ 17,809
2026	25,592
2027	50,964
2028	(16,646)
	<u>\$ 77,719</u>

*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.

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.

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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	<u>100.00%</u>	

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 December 31, 2022. As of the December 31, 2023 year-end, PERA recognized two

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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)	\$ 405,621	\$ 206,938	\$ 40,508

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

**Defined Contribution Pension Plans**

**Voluntary Investment Program**

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

*Funding Policy* - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. 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, program members made no contributions, to the Voluntary Investment Program.

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**NOTE 10 – 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.

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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.

*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 paying the

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contributions. Employer contributions recognized by the HCTF from District were \$3,037 and \$2,526 for the years ended December 31, 2024 and 2023, 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 \$15,996 and \$17,231, 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 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. 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 0.0022413%, which was an increase of 0.0001309% from its proportion measured as of December 31, 2022. As of December 31, 2022, the District's proportion was 0.0021104%, which was an increase of 0.0001052% from its proportion measured as of December 31, 2021.

For the years ended December 31, 2024 and 2023, the District recognized OPEB (income) of (\$193) and (\$1,252), respectively. As of December 31, 2024, 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	\$ -	\$ (3,279)
Net difference between projected and actual earnings on OPEB plan investments	495	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	819	-
Changes in assumptions or other inputs	188	(1,696)
Contributions subsequent to the measurement date	3,037	-
Total	<u>\$ 4,539</u>	<u>\$ (4,975)</u>

The \$3,037 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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<u>Year Ending December 31</u>	
2025	\$ (1,969)
2026	(1,036)
2027	(224)
2028	(349)
2029	51
2030	54
	<u>\$ (3,473)</u>

*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:

	<u>Trust Fund</u>			
	<u>State Division</u>	<u>School Division</u>	<u>Local Government Division</u>	<u>Judicial Division</u>
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.

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**Age-Related Morbidity Assumptions**

Participant Age	Annual Increase (Male)	Annual Increase (Female)
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%

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:

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT  
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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%

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:

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- **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.

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.

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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:

<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	\$ 15,537	\$ 15,996	\$ 16,496

*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.

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT  
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- 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.
- 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	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Proportionate share of the net OPEB liability	\$ 18,894	\$ 15,996	\$ 13,518

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

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 11 - 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.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

On November 7, 1995 a majority of the District's voters approved the following ballot question:  
Shall Tabernash Meadows Water and Sanitation District be authorized to collect, retain and spend developer contributions, rates, fees, tolls and charges, and any other revenues not derived from ad valorem taxes in 1996 and each year thereafter, and shall such revenues and any investment income thereon be collected and spent as a voter-approved revenue change, without regard to any spending, revenue-raising or other limitation of Article X, Section 20 of the Colorado Constitution, or any other law?

On November 5, 1996 a majority of the District's voters approved the following ballot question:  
Shall Tabernash Meadows Water and Sanitation District be increased \$15,000 annually, commencing with a total mill levy not to exceed 6.325 mills certified in 1996, and by whatever additional amounts are raised each year thereafter from a total mill levy not to exceed 6.325 mills, for the purpose of funding any lawful expenses of the District, and shall such revenues and any investment income thereon be collected and spent as a voter-approved revenue change without regard to and spending, revenue-raising or other limitation of Article X Section 20 of the Colorado Constitution or any other law; and shall the revenue from such taxes and any investment income thereon also be approved for 1997 and each year thereafter as an increased levy under section 29-1-302, C.R.S.?

On November 4, 1997 a majority of the District's voters approved the following ballot questions:  
Shall Tabernash Meadows Water and Sanitation District taxes be increased \$500,000 annually, or by such lesser annual amount as may be necessary to pay the District's operations, maintenance, and other expenses: such taxes to consist of an ad valorem mill levy imposed without limitation of rate or with such limitations as may be determined by the Board, and in amounts sufficient to produce the annual increase set forth above or such lesser amount as may be necessary, to be used for the purpose of paying the District's operations, maintenance, and other expenses; and shall the proceeds of such taxes and investment income thereon constitute voter-approved revenue changes and be collected and spent by the District each year without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, or Section 29-1-301, Colorado Revised Statutes?

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

Shall Tabernash Meadows Water and Sanitation District, for purposes other than enterprises, and as a voter-approved revenue change, be authorized to collect, retain, and spend the amount of \$500,000 annually from any revenue sources other than ad valorem taxes, including but not limited to tap fees, facility fees, service charges, administrative charges, grants, or any other fee, rate, toll, penalty, income or charge imposed, collected, or authorized by law to be imposed or collected by the District, and shall such revenues be collected and spent by the District without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, and without limiting in any year the amount of other revenues that may be collected and spent by the District?

On November 3, 1998 a majority of the District's voters approved the following ballot question:  
Shall Tabernash Meadows Water and Sanitation District, for the purposes other than enterprises, and as a voter-approved revenue change, be authorized to collect, retain, and spend the amount of \$2,000,000 annually from any revenue sources other than ad valorem taxes, including but not limited to tap fees, facility fees, service charges, inspection charges, administrative charges, grants, or any other fee, rate, toll, penalty, income or charge imposed, collected, or authorized by law to be imposed or collected by the District, and shall such revenues, be collected and spent by the District without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, and without limiting, in 1998 or any year thereafter, the amount of other revenues that may be collected and spent by the District under Section 29-1-301, C.R.S. or any other statute or law?

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.

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

**REQUIRED SUPPLEMENTARY INFORMATION**

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

Measurement Date December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.0281916%	0.0261470%	0.0257948%	0.0279125%	0.0287354%	0.0286153%	0.0256037%	0.0346383%	0.0366921%	0.0316849%
District's Proportionate Share of the Net Pension Liability (Asset) \$	206,938	262,140	(22,116)	145,460	210,168	359,755	285,079	467,735	404,193	283,995
District's Covered Payroll \$	247,670	214,153	191,935	197,380	197,886	187,684	161,518	209,952	208,383	173,619
Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered Payroll	83.55%	122.41%	-11.52%	73.70%	106.21%	191.68%	176.50%	222.78%	193.97%	163.57%
Calculation of Collective Net Pension Liability:										
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	<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.

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT  
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND  
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily Required Contribution	\$ 40,966	\$ 34,030	\$ 28,816	\$ 25,336	\$ 25,479	\$ 25,092	\$ 23,517	\$ 20,481	\$ 26,622	\$ 26,423
Contributions in Relation to the Statutorily Required Contribution	(40,966)	(34,030)	(28,816)	(25,336)	(25,479)	(25,092)	(23,517)	(20,481)	(26,622)	(26,423)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 297,718	\$ 247,670	\$ 214,153	\$ 191,935	\$ 197,380	\$ 197,886	\$ 185,464	\$ 161,518	\$ 209,952	\$ 208,383
Contributions as a Percentage of Covered Payroll	13.76%	13.74%	13.46%	13.20%	12.91%	12.68%	12.68%	12.68%	12.68%	12.68%

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

Measurement Date December 31,	2023	2022	2021	2020	2019	2018	2017
District's Proportion of the Collective Net OPEB Liability (Asset)	0.0022413%	0.0021104%	0.0020052%	0.0021344%	0.0022008%	0.0022191%	0.0019895%
District's Proportionate Share of the Collective Net OPEB Liability (Asset)	\$ 15,996	\$ 17,231	\$ 17,291	\$ 20,282	\$ 24,737	\$ 30,192	\$ 25,856
District's Covered Payroll	\$ 247,670	\$ 214,153	\$ 191,935	\$ 197,380	\$ 197,886	\$ 187,684	\$ 161,518
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 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.

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT  
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
HEALTH CARE TRUST FUND OPEB PLAN  
LAST EIGHT FISCAL YEARS**

	<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	\$ 3,037	\$ 2,526	\$ 2,184	\$ 1,958	\$ 2,013	\$ 2,018	\$ 1,892	\$ 1,647
Contributions in Relation to the Statutorily Required Contribution	(3,037)	(2,526)	(2,184)	(1,958)	(2,013)	(2,018)	(1,892)	(1,647)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 297,718	\$ 247,670	\$ 214,153	\$ 191,935	\$ 197,380	\$ 197,886	\$ 185,464	\$ 161,518
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**

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

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Service charges	\$ 528,420	\$ 537,834	\$ 9,414
General property taxes	102,167	101,687	(480)
Bond property taxes	524,483	522,019	(2,464)
Specific ownership tax	22,800	30,297	7,497
County portion of operations	178,117	153,880	(24,237)
County portion of capital	4,995	-	(4,995)
Net investment income	14,000	101,119	87,119
Cost reimbursement	10,000	21,308	11,308
Other income	21,000	53,166	32,166
Colorado River Cooperative Agreement proceeds	-	372,367	372,367
Water and sewer tap fees	-	759,390	759,390
Total revenues	1,405,982	2,653,067	1,247,085
<b>EXPENDITURES</b>			
Current:			
Salaries and benefits	457,077	393,836	63,241
HR development	6,200	4,844	1,356
Contract/professional services	74,500	99,296	(24,796)
Vehicle expense	9,000	11,818	(2,818)
Operating supply/equipment	84,000	53,713	30,287
Lab testing	6,000	6,688	(688)
Biosolids removal	12,000	12,706	(706)
Utilities	38,700	31,485	7,215
Snow removal	2,000	-	2,000
Communication	9,000	9,575	(575)
Office supplies	9,000	11,274	(2,274)
Licenses and permits	3,000	3,074	(74)
Dues and subscriptions	11,667	7,822	3,845
Audit and accounting	32,226	31,337	889
Treasurer fees	40,650	31,479	9,171
General and water rights legal	85,000	68,862	16,138
Reimbursable expenditures	10,000	21,308	(11,308)
Board of Directors/election	5,000	286	4,714
General liability insurance	34,500	34,988	(488)
Capital expenditures	56,000	35,535	20,465
Debt service:			
Loan principal	143,250	143,250	-
Loan interest	137,008	138,897	(1,889)
Contingency	1,116,212	-	1,116,212
Total expenditures	2,381,990	1,152,073	1,229,917
<b>NET CHANGE IN FUNDS AVAILABLE</b>	(976,008)	1,500,994	2,477,002
<b>FUNDS AVAILABLE - BEGINNING OF YEAR</b>	1,907,852	1,931,588	23,736
<b>FUNDS AVAILABLE - END OF YEAR</b>	\$ 931,844	\$ 3,432,582	\$ 2,500,738

Funds available is computed as follows:

Current assets	\$ 4,015,350
Current liabilities	(218,539)
Deferred property taxes	(502,479)
Add back current portion of bonds payable	138,250
	\$ 3,432,582

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

Revenue and other financing sources (budgetary basis)	<u>\$ 2,653,067</u>
Revenues per Statement of Revenues, Expenses and Changes in Fund Net Position	<u>2,653,067</u>
Expenditures and other financing uses (budgetary basis)	1,152,073
Depreciation	303,132
Loss on disposal of capital assets	2,609
Net effect of changes in: net pension liability; deferred inflows related to pensions; and deferred outflows related to pensions	(35,070)
Net effect of changes in: net other postemployment benefits liability; deferred inflows related to other postemployment benefits; and deferred outflows related to other postemployment benefits	(3,230)
Capital outlay	(35,535)
Loan principal	<u>(143,250)</u>
Expenses per Statement of Revenues, Expenses and Changes in Fund Net Position	<u>1,240,729</u>
Change in net position per Statement of Revenues, Expenses and Changes in Fund Net Position	<u><u>\$ 1,412,338</u></u>

## **OTHER INFORMATION**

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

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>		<u>Property Taxes</u>		<u>Percentage Collected to Levied</u>
		<u>Operations</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2009	\$ 6,834,210	6.325	20.000	\$ 179,911	\$ 174,395	96.9%
2010	\$ 7,884,250	6.325	30.000	\$ 286,395	\$ 291,828	101.9%
2011	\$ 8,090,390	6.325	30.000	\$ 293,883	\$ 293,884	100.0%
2012	\$ 6,707,960	6.325	42.000	\$ 324,162	\$ 324,162	100.0%
2013	\$ 6,786,890	6.325	45.000	\$ 348,337	\$ 349,544	100.3%
2014	\$ 5,831,820	6.325	53.000	\$ 345,973	\$ 344,666	99.6%
2015	\$ 5,847,250	6.325	53.000	\$ 346,888	\$ 346,799	100.0%
2016	\$ 5,707,570	6.356 (A)	58.000	\$ 367,316	\$ 367,005	99.9%
2017	\$ 5,757,420	6.379 (B)	58.000	\$ 370,657	\$ 370,809	100.0%
2018	\$ 5,796,120	6.325	58.000	\$ 372,835	\$ 375,280	100.7%
2019	\$ 5,934,730	6.325	50.000	\$ 334,274	\$ 332,538	99.5%
2020	\$ 7,669,370	6.325	46.000	\$ 401,300	\$ 401,300	100.0%
2021	\$ 7,757,370	6.325	46.000	\$ 405,904	\$ 405,904	100.0%
2022	\$ 9,457,030	6.333 (C)	42.000	\$ 457,087	\$ 458,519	100.3%
2023	\$ 9,608,090	6.407 (D)	42.000	\$ 465,099	\$ 462,875	99.5%
2024	\$ 16,152,840	6.325	32.470	\$ 626,650	\$ 623,706	99.5%
Estimated for year ending December 31, 2025	\$ 16,818,630	13.502	16.374	\$ 502,474		

- (A) - Includes .031 mill levy for refunds and abatements of prior years taxes
- (B) - Includes .023 mill levy for refunds and abatements of prior years taxes
- (C) - Includes .008 mill levy for refunds and abatements of prior years taxes
- (D) - Includes .082 mill levy for refunds and abatements of prior years taxes

**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.