

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

**FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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Independent Auditor's Report

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

Report for the Financial Statements

We have audited the accompanying financial statements of Tabernash Meadows Water and Sanitation District (District) as of and for the years ended December 31, 2020 and 2019 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tabernash Meadows Water and Sanitation District, as of December 31, 2020

and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages III through IX, the Schedule of the Proportionate Share of the Net Pension Liability 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 basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
July 13, 2021

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2020 and 2019**

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, 2020 and 2019. Please read it in conjunction with the District's basic financial statements which begin on page 1.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The *Statement of Net Position* presents information on all of the District's assets, 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.

FINANCIAL SUMMARY AND ANALYSIS

Net Position

2020

As noted earlier, net position may serve as a useful indicator of the District's financial position. As noted in the following table, in 2020 the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$1,394,264, an increase from 2019. Total assets decreased by \$72,541, or 1.4%. Property taxes receivable and deferred property tax revenue both increased minimally due to a slight increase in the District's assessed valuation, consistent overall mill levy. Capital asset activity is discussed below in the capital asset and debt administration section. Deferred outflows of resources decreased due to

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2020 and 2019**

decreases in the deferred outflows of resources related to pensions and other postemployment benefits (OPEB) by a combined \$53,494 as a result of the current year adjustments related to the PERA pension and OPEB. Current liabilities increased by \$28,178 due primarily to an increase of \$45,000 in current portion of loans payable offset by a decrease in accounts payable and other liabilities. Long-term obligations activity is discussed below in the capital asset and debt administration section. During 2020, the District's proportionate share of net pension liability in PERA decreased by \$149,587 to \$210,168. The OPEB liability decreased by \$5,455 to \$24,737. The District's deferred inflows of resources related to pensions and OPEB increased by a combined \$89,780. Pension and OPEB changes are based on various assumptions and results and therefore vary from year to year. The restricted net position increased due to higher amounts restricted for debt service on the District's outstanding debt. Unrestricted net position increased by \$69,729.

2019

As noted in the following table, in 2019 the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$1,359,539, an increase from 2018. Total assets increased by \$746,595, or 13.3%, primarily due to contributed capital assets. Property taxes receivable and deferred property tax revenue both increased by \$67,026 due to an increase in the District's assessed valuation, even though the District lowered the debt service mill levy from 50.000 to 46.000 mills. Capital asset activity is discussed below in the capital asset and debt administration section. Deferred outflows of resources decreased due to a decrease in the deferred loss on refunding by \$269,576 as a result of the amortization of the loss on debt refunding incurred in 2018. However, this was partially offset by an increase in the deferred outflows of resources related to pensions and other postemployment benefits (OPEB) by a combined \$54,334 as a result of the current year adjustments related to PERA. Current liabilities increased by \$4,754 due primarily to an increase of \$4,127 in accounts payable. Long-term obligations activity is discussed below in the capital asset and debt administration section. During 2019, the District's proportionate share of net pension liability in PERA increased by \$74,676 to \$359,755. The District's deferred inflows of resources related to pensions decreased by \$121,882. The OPEB liability increased by \$4,336 and the deferred inflows related to OPEB decreased by \$4,301. Pension and OPEB changes are based on various assumptions and results and therefore vary from year to year. The restricted net position increased due to higher amounts restricted for debt service on the District's outstanding debt. Unrestricted net position decreased by \$40,678.

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**TABERNASH MEADOWS WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2020 and 2019**

NET POSITION

	December 31,		
	2020	2019	2018
ASSETS			
Current assets	\$ 1,325,664	\$ 1,167,145	\$ 1,187,275
Capital assets, net	4,954,208	5,185,238	4,418,513
Total assets	<u>6,279,872</u>	<u>6,352,383</u>	<u>5,605,788</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	-	-	269,576
Deferred outflows related to pension	44,917	98,202	44,363
Deferred outflows related to OPEB	2,300	2,509	2,014
Total deferred outflows of resources	<u>47,217</u>	<u>100,711</u>	<u>315,953</u>
LIABILITIES			
Current liabilities	166,350	138,172	133,418
Long-term bonds and loan liabilities	4,032,500	4,160,750	4,244,000
Net pension liability	210,168	359,755	285,079
Net OPEB liability	24,737	30,192	25,856
Total liabilities	<u>4,433,755</u>	<u>4,688,869</u>	<u>4,688,353</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	405,904	401,300	334,274
Deferred inflows related to pension	85,983	-	121,882
Deferred inflows related to OPEB	7,183	3,386	7,687
Total deferred inflows of resources	<u>499,070</u>	<u>404,686</u>	<u>463,843</u>
NET POSITION			
Net investment in capital assets	924,630	1,072,410	492,011
Restricted	417,147	304,371	254,098
Unrestricted	52,487	(17,242)	23,436
Total net position	<u>\$ 1,394,264</u>	<u>\$ 1,359,539</u>	<u>\$ 769,545</u>

Changes in Net Position

2020

As noted in the table below, the District's net position for 2020 increased by \$34,725. Overall revenue decreased by \$691,796 as a result of receiving significant contributed capital assets in 2019 when none were received in 2020. Charges for services increased by \$68,788 due to increases in the number of customers served by the District, as combined water and sewer rates remained the same as in 2019. Property taxes increased by \$68,762, or 20.7%, for 2020 due to a 29.2% increase in the assessed valuation, which was offset by a decrease in the overall mill levy of 4.000 mills. For 2020, Grand County's share of the sewer operations costs and capital costs decreased slightly by \$788.

Overall operating expenses increased from 2019 by \$141,363, or 21.5%. Both water and sewer operating expenses increased as a result of favorable adjustments related to the PERA pension

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2020 and 2019**

and OPEB in 2019, resulted in much lower expenses in 2019 than 2020. For 2020, the District also incurred favorable adjustments related to the PERA pension and OPEB, however not to the extent as incurred in 2019. Loan interest and fiscal charges decreased by \$281,336, or 60.2%. This decrease was due to 2019 being the final year of amortizing the loss on refunding from the bond refunding loan issued in 2018.

2019

As noted in the table below, the District's net position for 2019 increased by \$589,994. Overall revenue increased by \$423,696 as a result of receiving \$826,031 of contributed capital assets in 2019, which was partially offset by a decrease in water and sewer tap fees of \$144,000. Additionally, charges for services increased by \$57,857 due to combined water and sewer rate increases of 10.9% in 2019. There were also more customers billed in 2019 when compared to 2018. Property taxes decreased by \$42,742, or 11.4%, for 2019 due to an 8.000 mill levy decrease in the District's mill levy for debt service. For 2019 Grand County's share of the sewer operations costs and capital costs increased by \$15,302.

Overall operating expenses decreased from 2018 to 2019 by \$95,219, or 12.6%. Both water and sewer operating expenses decreased from 2018 levels as a result of favorable adjustments related to the PERA pension and OPEB in 2019. Loan interest and fiscal charges decreased by \$6,775, or 1.4%. Loan issuance costs decreased by \$117,120, as there was a loan issuance in 2018 but no loan or other debt issuance in 2019.

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**TABERNASH MEADOWS WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2020 and 2019**

CHANGES IN NET POSITION

	Years Ended December 31,		
	2020	2019	2018
REVENUES			
Operating revenue:			
Charges for services	\$ 607,759	\$ 538,971	\$ 481,114
Nonoperating revenue:			
Property taxes	401,300	332,538	375,280
Specific ownership taxes	30,080	28,971	26,678
Investment earnings	1,754	6,178	3,760
Capital contributions:			
Contributed capital assets	-	826,031	278,161
Water and sewer tap fees	-	-	144,000
Total revenues	1,040,893	1,732,689	1,308,993
EXPENSES			
Operating expenses:			
Water operations	153,822	99,905	132,348
Sewer operations	248,355	180,429	240,004
Administration	103,916	113,851	120,713
Depreciation	294,265	264,810	261,149
Nonoperating expenses:			
Interest, fiscal charges and other	205,810	483,700	492,599
Loan issuance costs	-	-	117,120
Total expenses	1,006,168	1,142,695	1,363,933
CHANGES IN NET POSITION	34,725	589,994	(54,940)
NET POSITION - BEGINNING OF YEAR	1,359,539	769,545	824,485
NET POSITION - END OF YEAR	\$ 1,394,264	\$ 1,359,539	\$ 769,545

BUDGETARY HIGHLIGHTS

During 2020, the District's budget was not amended. Actual expenditures were \$870,156 or \$798,357 less than the appropriated expenditures. The District appropriated expenditures of \$1,668,513, which included a contingency and several reserves totaling \$763,162. Actual revenues were \$1,040,893 or \$22,154 more than budgeted

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investments in capital assets as of December 31, 2020, 2019 and 2018 are as follows:

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2020 and 2019**

CAPITAL ASSETS (net of accumulated depreciation)					
	<u>2018</u>	<u>Change</u>	<u>2019</u>	<u>Change</u>	<u>2020</u>
Land	\$ 132,381	\$ 8,299	\$ 140,680	\$ -	\$ 140,680
Water rights	495,800	115,047	610,847	-	610,847
Construction in progress	17,900	(17,900)	-	-	-
Water system	1,900,045	410,359	2,310,404	(134,114)	2,176,290
Wastewater system	1,856,613	252,799	2,109,412	(127,729)	1,981,683
Vehicles and equipment	15,774	(1,879)	13,895	30,813	44,708
Total	<u>\$ 4,418,513</u>	<u>\$ 766,725</u>	<u>\$ 5,185,238</u>	<u>\$ (231,030)</u>	<u>\$ 4,954,208</u>

During 2020 the District's capital asset additions included the purchase of a 2020 Ford F-250 Pickup Truck for \$43,918, a Flygt Submersible Pump for \$6,187, a RAS Pump for \$4,173, a SCADA Server Computer Upgrade for \$6,320, and a Water Meter Project Belt Clip for \$2,637.

During 2019 the District's capital asset additions included \$8,299 of soil and foundation work on land owned by the District, \$105,047 of water rights and water storage rights, \$23,251 for a washer compactor, \$5,528 for RAS pump, \$3,660 for a BOD incubator, \$6,092 for a utility locator, and \$53,627 for a fire line meter vault. Additionally, the District received contributed water and sewer lines of \$469,810 and \$356,221, respectively.

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, 2020, 2019 and 2018 are as follows:

LONG-TERM OBLIGATIONS					
	<u>2018</u>	<u>Change</u>	<u>2019</u>	<u>Change</u>	<u>2020</u>
GO Refunding Loan, Series 2018	\$ 4,090,000	\$ (65,000)	\$ 4,025,000	\$ (65,000)	\$ 3,960,000
CWRPDA Loan	237,250	(18,250)	219,000	(18,250)	200,750
Total	<u>\$ 4,327,250</u>	<u>\$ (83,250)</u>	<u>\$ 4,244,000</u>	<u>\$ (83,250)</u>	<u>\$ 4,160,750</u>

During 2020 and 2019, 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 2021, the District's water and wastewater base rates were remained the same at \$192 and \$204, respectively, per quarter.

For 2021's property taxes, the District's assessed valuation for property taxes increased by 1.15%. The District's general operations mill levy remained the same at 6.325 mills and the

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2020 and 2019**

debt service mill levy remained at 46.000 mills. Total property taxes levied for 2021 are expected to generate approximately \$4,600 more in revenue than was collected for 2020. The debt service property taxes are restricted for the scheduled payments on the District's outstanding long-term obligations. Total budgeted revenues for 2021 are \$1,026,293. Total budgeted expenditures for 2021 are \$923,402, resulting in an expected increase in funds available of \$102,891. Although expenditures are budgeted at \$923,402, the overall appropriation for expenditures (legal level of approved expenditures) was set by the Board of Directors at \$1,859,280.

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.

BASIC FINANCIAL STATEMENTS

TABERNASH MEADOWS WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents - Unrestricted	\$ 341,962	\$ 309,235
Cash and cash equivalents - Restricted	404,062	293,966
Accounts receivable:		
Customers	97,966	99,843
Others	29,464	17,787
Prepaid expenses	19,828	18,605
Prepaid tap inventory	24,000	24,000
Property taxes receivable	408,382	403,709
Total current assets	1,325,664	1,167,145
CAPITAL ASSETS		
Capital assets, not being depreciated	751,527	751,527
Capital assets, being depreciated	8,297,690	8,234,455
	9,049,217	8,985,982
Less accumulated depreciation and amortization	(4,095,009)	(3,800,744)
Total capital assets	4,954,208	5,185,238
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	44,917	98,202
Deferred outflows related to other postemployment benefits	2,300	2,509
Total deferred outflows of resources	47,217	100,711
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 6,327,089	\$ 6,453,094
LIABILITIES, DEFERRED INFLOWS OF RESOURCES,		
AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 13,616	\$ 26,144
Accrued wages and general leave	11,475	9,920
Deposits	673	2,979
Interest payable	12,336	15,879
Loans payable - current	128,250	83,250
Total current liabilities	166,350	138,172
NONCURRENT LIABILITIES		
Loans payable - noncurrent	4,032,500	4,160,750
Net pension liability	210,168	359,755
Net other postemployment benefits payable	24,737	30,192
Total noncurrent liabilities	4,267,405	4,550,697
Total liabilities	4,433,755	4,688,869
DEFERRED INFLOWS OF RESOURCES		
Deferred property taxes	405,904	401,300
Deferred inflows related to pension	85,983	-
Deferred inflows related to other postemployment benefits	7,183	3,386
Total deferred inflows of resources	499,070	404,686
NET POSITION		
Net investment in capital assets	924,630	1,072,410
Restricted for:		
Emergencies	1,600	1,220
Debt service	272,890	162,794
Operations and maintenance reserve	142,657	140,357
Unrestricted	52,487	(17,242)
Total net position	1,394,264	1,359,539
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES,	\$ 6,327,089	\$ 6,453,094
AND NET POSITION		

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUE		
Service charges - water	\$ 215,308	\$ 184,801
Service charges - sewer	219,504	189,326
Intergovernmental charges for services	108,084	108,872
Other charges and cost reimbursements	64,863	55,972
Total operating revenue	<u>607,759</u>	<u>538,971</u>
OPERATING EXPENSES		
Water operations	153,822	99,905
Sewer operations	248,355	180,429
Administration	103,916	113,851
Depreciation	294,265	264,810
Total operating expenses	<u>800,358</u>	<u>658,995</u>
OPERATING LOSS	<u>(192,599)</u>	<u>(120,024)</u>
NONOPERATING REVENUE (EXPENSE)		
Property taxes	401,300	332,538
Specific ownership taxes	30,080	28,971
Net investment income	1,754	6,178
County treasurer's fees	(20,086)	(16,640)
Loan interest and fiscal charges	(185,724)	(467,060)
Total nonoperating revenue (expense)	<u>227,324</u>	<u>(116,013)</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>34,725</u>	<u>(236,037)</u>
CAPITAL CONTRIBUTIONS		
Contributed capital assets	-	826,031
Total capital contributions	<u>-</u>	<u>826,031</u>
CHANGE IN NET POSITION	34,725	589,994
NET POSITION - BEGINNING OF YEAR	<u>1,359,539</u>	<u>769,545</u>
NET POSITION - END OF YEAR	<u>\$ 1,394,264</u>	<u>\$ 1,359,539</u>

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, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 595,653	\$ 523,446
Payments to vendors	(271,050)	(231,777)
Payments to employees	(259,007)	(263,016)
Net cash provided by operating activities	65,596	28,653
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital asset purchases	(63,235)	(205,504)
Principal paid on capital debt	(83,250)	(83,250)
Interest paid on capital debt	(189,267)	(197,965)
Net cash required by capital financing activities	(335,752)	(486,719)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property and specific ownership taxes received	431,311	362,881
County treasurer's fees paid	(20,086)	(16,640)
Net cash provided by noncapital financing activities	411,225	346,241
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,754	6,178
Net cash provided by investing activities	1,754	6,178
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	142,823	(105,647)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	603,201	708,848
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 746,024	\$ 603,201
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS REQUIRED BY OPERATING ACTIVITIES		
Operating loss	\$ (192,599)	\$ (120,024)
Adjustments to reconcile (loss) from operations to net cash provided (required) by operating activities:		
Depreciation	294,265	264,810
Effects of changes in operating assets, deferred outflows, liabilities and deferred inflows		
Accounts receivable	(9,800)	(18,504)
Prepaid expenses	(1,223)	(1,359)
Accounts payable	(12,528)	4,127
Accrued general leave	1,555	(1,871)
Deposits	(2,306)	2,979
Net pension liability, deferred outflows related to pensions, and deferred inflows related to pensions	(10,319)	(101,045)
Net other post employment benefits liability, deferred outflows related to other post employment benefits, and deferred inflows related to other post employment benefits	(1,449)	(460)
Net cash provided by operating activities	\$ 65,596	\$ 28,653
NON-CASH CAPITAL FINANCING ACTIVITIES		
Contributed capital assets	\$ -	\$ 826,031

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, 2020 and 2019

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

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contributions) are recognized when due and payable in accordance with the benefit terms. PERA investments are reported at fair value.

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

Operating Revenues and Expenses

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

Budgets

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

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.

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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.

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 position 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 position/fund balance 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

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inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB 67 and GASB 68.

Estimates

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

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.

Reclassifications

For comparability, some 2019 amounts have been reclassified where appropriate to conform with the 2020 financial statement presentation.

NOTE 3 - CASH AND INVESTMENTS

As of December 31, 2020 and 2019 the District's cash and cash equivalents were comprised of the following:

	<u>2020</u>	<u>2019</u>
Deposits	\$ 612,993	\$ 485,669
Investments - CSAFE	133,031	117,532
Total cash and cash equivalents	<u>\$ 746,024</u>	<u>\$ 603,201</u>

The District's cash and cash equivalents as of December 31, 2020 and 2019 are classified in the accompanying financial statements as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents - Unrestricted	\$ 341,962	\$ 309,235
Cash and cash equivalents - Restricted	404,062	293,966
Total cash and cash equivalents	<u>\$ 746,024</u>	<u>\$ 603,201</u>

The restricted cash and cash equivalents at December 31, 2020 and 2019 is 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

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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, 2020, the District had cash deposits with a bank balance of \$585,221 and a carrying balance of \$612,993. As of December 31, 2019, the District had cash deposits with a bank balance of \$493,177 and a carrying balance of \$485,669.

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, 2020 and 2019 the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Amount at NAV</u>	
		<u>2020</u>	<u>2019</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	<u>\$ 133,031</u>	<u>\$ 117,532</u>

CSAFE

At December 31, 2020 and 2019, the District invested in the Colorado Surplus Asset Fund Trust (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.

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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 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, 2020:

	<u>Balance at December 31, 2019</u>	<u>Additions</u>	<u>Disposals/ Retirements</u>	<u>Balance at December 31, 2020</u>
Capital assets, not being depreciated:				
Land	\$ 140,680	\$ -	\$ -	\$ 140,680
Water rights	610,847	-	-	610,847
Total capital assets, not being depreciated	<u>751,527</u>	<u>-</u>	<u>-</u>	<u>751,527</u>
Capital assets, being depreciated:				
Water system	4,092,714	2,637	-	4,095,351
Wastewater system	4,005,491	16,680	-	4,022,171
Vehicles and equipment	136,250	43,918	-	180,168
Total capital assets being depreciated	<u>8,234,455</u>	<u>63,235</u>	<u>-</u>	<u>8,297,690</u>
Less accumulated depreciation for:				
Water system	(1,782,310)	(136,751)	-	(1,919,061)
Wastewater system	(1,896,079)	(144,409)	-	(2,040,488)
Vehicles and equipment	(122,355)	(13,105)	-	(135,460)
Total accumulated depreciation	<u>(3,800,744)</u>	<u>(294,265)</u>	<u>-</u>	<u>(4,095,009)</u>
Total capital assets being depreciated, net	<u>4,433,711</u>	<u>(231,030)</u>	<u>-</u>	<u>4,202,681</u>
Total capital assets, net	<u>\$ 5,185,238</u>	<u>\$ (231,030)</u>	<u>\$ -</u>	<u>\$ 4,954,208</u>

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The following is an analysis of the changes in capital assets for the year ended December 31, 2019:

	Balance at December 31, 2018	Additions	Disposals/ Retirements	Balance at December 31, 2019
Capital assets, not being depreciated:				
Land	\$ 132,381	\$ 8,299	\$ -	\$ 140,680
Water rights	495,800	115,047	-	610,847
Construction in progress	17,900	-	(17,900)	-
Total capital assets, not being depreciated	<u>646,081</u>	<u>123,346</u>	<u>(17,900)</u>	<u>751,527</u>
Capital assets, being depreciated:				
Water system	3,561,377	531,337	-	4,092,714
Wastewater system	3,620,491	385,000	-	4,005,491
Vehicles and equipment	126,498	9,752	-	136,250
Total capital assets being depreciated	<u>7,308,366</u>	<u>926,089</u>	<u>-</u>	<u>8,234,455</u>
Less accumulated depreciation for:				
Water system	(1,661,332)	(120,978)	-	(1,782,310)
Wastewater system	(1,763,878)	(132,201)	-	(1,896,079)
Vehicles and equipment	(110,724)	(11,631)	-	(122,355)
Total accumulated depreciation	<u>(3,535,934)</u>	<u>(264,810)</u>	<u>-</u>	<u>(3,800,744)</u>
Total capital assets being depreciated, net	<u>3,772,432</u>	<u>661,279</u>	<u>-</u>	<u>4,433,711</u>
Total capital assets, net	<u>\$ 4,418,513</u>	<u>\$ 784,625</u>	<u>\$ (17,900)</u>	<u>\$ 5,185,238</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, 2020:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
Direct Borrowing - Loans payable:					
GO Refunding Loan Series 2018	\$ 4,025,000	\$ -	\$ 65,000	\$ 3,960,000	\$ 110,000
CWRPDA Loan	219,000	-	18,250	200,750	18,250
Total long-term obligations	<u>\$ 4,244,000</u>	<u>\$ -</u>	<u>\$ 83,250</u>	<u>\$ 4,160,750</u>	<u>\$ 128,250</u>

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The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2019:

	Balance at December 31,			Balance at December 31,		Due Within One Year
	2018	Additions	Reductions	2019		
Direct Borrowing - Loans payable:						
GO Refunding Loan Series 2018	\$ 4,090,000	\$ -	\$ 65,000	\$ 4,025,000		\$ 65,000
CWRPDA Loan	237,250	-	18,250	219,000		18,250
Total long-term obligations	<u>\$ 4,327,250</u>	<u>\$ -</u>	<u>\$ 83,250</u>	<u>\$ 4,244,000</u>		<u>\$ 83,250</u>

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 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, 2020 and 2019 the District was in compliance with the revenue requirement as described in b) above.

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%. It is anticipated the loan will convert 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

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as they become due. For the years ending December 31, 2019, 2020 and 2021, the District levied a debt service mill levy of 50.000 mills, 46.000 mills, and 46.000 mills, respectively, for the payment of debt service.

The District's anticipated loan maturities are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 128,250	\$ 150,084	\$ 278,334
2022	133,250	145,915	279,165
2023	138,250	141,556	279,806
2024	143,250	137,009	280,259
2025	148,250	132,271	280,521
2026-2030	656,250	690,295	1,346,545
2031-2035	593,250	643,750	1,237,000
2036-2040	725,000	486,000	1,211,000
2041-2045	925,000	286,250	1,211,250
2046-2047	570,000	46,250	616,250
	<u>\$ 4,160,750</u>	<u>\$ 2,859,380</u>	<u>\$ 7,020,130</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, 2020 and 2019, the District had utilized \$13,250,000 of the total authorized debt, resulting in \$2,750,000 of authorized but unissued general obligation indebtedness.

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, 2020 and 2019, the District had net investments in capital assets of \$924,630 and \$1,072,410, 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 \$1,600 and \$1,220, as of December 31, 2020 and 2019, respectively, as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 11).

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As of December 31, 2020 and 2019 the District had restricted net position of \$272,890 and \$162,794, 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).

As of December 31, 2020 and 2019 the District had restricted net position of \$142,657 and \$140,357, respectively, representing the operations and maintenance reserve required by the Loan Agreement with the Colorado Water Resources and Power Development Authority (See Note 5). The balance as of December 31, 2019 has been revised from the amount originally reported in the December 31, 2019 financial statements.

As of December 31, 2020 the District had an unrestricted net position of \$52,487. As of December 31, 2019 the District had an unrestricted net position deficit of (\$17,242). The balance as of December 31, 2019 has been revised from the amount originally reported in the December 31, 2019 financial statements. This deficit has been eliminated as of December 31, 2020.

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 taps. The District and the County have agreed that the allocation of these 714 single-family taps, including tap trades in prior years, is 467 for the District and 247 for the County. As of December 31, 2020, the District has issued 279 taps of which 273 were being billed for service. The County has reported to the District that it has sold 141.2 taps. The County is responsible for billing and collection related to the 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.

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For the year ended December 31, 2020, the District billed the County \$97,746 for the County's share of the operational costs of the facilities and also billed the County \$10,338 for the County's share of the capital improvements to the facilities. For the year ended December 31, 2019, the District billed the County \$96,853 for the County's share of the operational costs of the facilities and also billed the County \$12,019 for the County's share of the capital improvements to the facilities.

NOTE 9 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund 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 and additions to/deductions from the fiduciary net position 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of December 31, 2020.

General Information about the Pension Plan

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

Benefits provided. 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. Section 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:

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- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent 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 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent 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 percent or 100 percent 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.

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007 will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent 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 retirement benefit formula 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.

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Contribution provisions. Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. Section 24-51-401, *et seq.* Eligible employees were required to contribute 8 percent of their PERA-includable salary during the period of January 1, 2019 through June 30, 2020. For the period July 1, 2020 through December 31, 2020, eligible employees' were required to contribute 8.5% of their PERA-includable salary. The employer contribution requirements during the period of January 1, 2019 through December 31, 2020 are summarized in the table below:

	January 1, 2019 Through June 30, 2020	July 1, 2020 Through December 31, 2020
Employer Contribution Rate	10.00%	10.50%
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	8.98%	9.48%
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%
Total Employer Contribution Rate to the LGDTF	<u>12.68%</u>	<u>13.18%</u>

Contribution Rates for the LGDTF are expressed as a percentage of salary as defined in 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 \$25,479 and \$25,092 for the years ended December 31, 2020 and 2019, respectively.

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

As of December 31, 2020 and 2019, the District reported liabilities of \$210,168 and \$359,755, respectively, for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of December 31, 2019 and 2018, respectively. The total pension liability used to calculate the net pension liability as of the December 31, 2019 measurement date was determined by an actuarial valuation as of December 31, 2018. Generally accepted actuarial techniques were applied to roll forward the total pension liability to December 31, 2019. The total pension liability used to calculate the net pension liability as of the December 31, 2018 measurement date was determined by an actuarial valuation as of December 31, 2017. Generally accepted actuarial techniques were applied to roll forward the total pension liability to December 31, 2018.

The District's proportion of the December 31, 2020 net pension liability was based on District contributions to the LGDTF for the calendar year 2019 relative to the total contributions of participating employers to the LGDTF. As of December 31, 2019, the District proportion was 0.0287354 percent, which was an increase of 0.0001201 percent from its proportion measured as of December 31, 2018. The District's proportion of the December 31, 2019 net pension

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liability was based on District contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF. As of December 31, 2018, the District proportion was 0.0286153 percent, which was an increase of 0.0030116 percent from its proportion measured as of December 31, 2017.

For the years ended December 31, 2020 and 2019, the District recognized pension income of \$10,319 and \$101,045, respectively.

As of December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 13,753	\$ -
Net difference between projected and actual earnings on pension plan investments	-	85,983
Change in proportion and differences between contributions recognized and proportionate share of contributions	5,685	-
Contributions subsequent to the measurement date	25,479	-
Total	\$ 44,917	\$ 85,983

The \$25,479 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, 2021. 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>	
2021	\$ (8,990)
2022	(24,561)
2023	(3,656)
2024	(29,338)
	\$ (66,545)

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50 – 10.45%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%

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Post-retirement benefit increases:

PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	1.25% compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2018 valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

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

- 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 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. 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 additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020, Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent 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.

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- 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 fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.

Based on the above assumptions and methods, LGDTF's fiduciary net position 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 percent 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 percent. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate share of the net pension liability	\$ 386,063	\$ 210,168	\$ 62,242

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.

Changes between the measurement date of the net pension liability and December 31, 2019. During the 2019 legislative session, the Colorado General Assembly passed House Bill (HB) 19-1217: *PERA Public Employees' Retirement Association Local Government Division Member Contribution Rate*. The bill was signed into law by Governor Polis on May 20, 2019, and eliminates the 2 percent increase in the contribution rate for members in the Local Government Division mandated by SB 18-200.

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

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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.

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, 2020 and 2019, program members made no contributions, to the Voluntary Investment Program. The District did not make any matching contributions.

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 and additions to/deductions from the fiduciary net position 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. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit

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with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

PERA Benefit Structure

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

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

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent 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.

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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 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were \$2,013 and \$2,018 for the years ended December 31, 2020 and 2019, respectively.

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

As of December 31, 2020 and 2019, the District reported liabilities of \$24,737 and \$30,192, respectively, for its proportionate share of the net OPEB liabilities. The net OPEB liabilities for the HCTF were measured as of December 31, 2019 and 2018, respectively. The total OPEB liability used to calculate the net OPEB liability as of the December 31, 2019 measurement date was determined by an actuarial valuation as of December 31, 2018. Generally accepted actuarial techniques were applied to roll-forward the total OPEB liability to December 31, 2019. The total OPEB liability used to calculate the net OPEB liability as of the December 31, 2018 measurement date was determined by an actuarial valuation as of December 31, 2017. Generally accepted actuarial techniques were applied to roll-forward the total OPEB liability to December 31, 2018.

The District's proportion of the December 31, 2020 net OPEB liability was based on District contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF. As of December 31, 2019, the District's proportion was 0.0022008 percent, which was an decrease of 0.0000183 percent from its proportion measured as of December 31, 2018. The District's proportion of the December 31, 2019 net OPEB liability was based on District contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF. As of December 31, 2018, the District's proportion was 0.0022191 percent, which was an increase of 0.0002296 percent from its proportion measured as of December 31, 2017.

For the years ended December 31, 2020 and 2019, the District recognized OPEB income of \$1,449 and \$460, respectively. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB 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	\$ 82	\$ 4,157
Net difference between projected and actual earnings on OPEB plan investments	-	413
Change in proportion and differences between contributions recognized and proportionate share of contributions	-	2,613
Changes in assumptions or other inputs	205	-
Contributions subsequent to the measurement date	<u>2,013</u>	<u>-</u>
 Total	 <u>\$ 2,300</u>	 <u>\$ 7,183</u>

The \$2,013 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31

2021	\$ (1,849)
2022	(1,849)
2023	(1,729)
2024	(590)
2025	(826)
2026	<u>(53)</u>
	<u>\$ (6,896)</u>

Actuarial assumptions. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment Rate of Return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.60% in 2019, gradually decreasing to 4.50% in 2029

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Medicare Part A premiums	3.50% in 2019, gradually increasing to 4.5% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

<u>Medicare Plan</u>	<u>Cost for Members Without Medicare Part A</u>	<u>Premiums for Members Without Medicare Part A</u>
Medicare Advantage/Self-Insured Prescription	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	\$605	\$237

The 2019 Medicare Part A premium is \$437 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

<u>Medicare Plan</u>	<u>Cost for Members Without Medicare Part A</u>
Medicare Advantage/Self-Insured Prescription	\$562
Kaiser Permanente Medicare Advantage HMO	\$571

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.

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Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Private Equity	1.00%	0.20%
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%.

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	4.60%	5.60%	6.60%
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	<u>\$ 24,149</u>	<u>\$ 24,737</u>	<u>\$ 25,416</u>

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, 2019, measurement date.

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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 3.50%.
- 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 used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position 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.

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate share of the net OPEB liability	\$ 27,970	\$ 24,737	\$ 21,972

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

NOTE 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

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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?

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?

TABERNASH MEADOWS WATER AND SANITATION DISTRICT
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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 SUPPLEMENTAL INFORMATION

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND
LAST SEVEN FISCAL YEARS(1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.0287354%	0.0286153%	0.0256037%	0.0346383%	0.0366921%	0.0316849%	0.0329474%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 210,168	\$ 359,755	\$ 285,079	\$ 467,735	\$ 404,193	\$ 283,995	\$ 271,131
District's Covered Payroll	\$ 197,886	\$ 187,684	\$ 161,518	\$ 209,952	\$ 208,383	\$ 173,619	\$ 175,777
Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered Payroll	106.21%	191.68%	176.50%	222.78%	193.97%	163.57%	154.25%
Calculation of Collectvie Net Pension Liability:							
Total Pension Liability	\$ 5,324,353,000	\$ 5,228,602,000	\$ 5,396,516,000	\$ 5,123,847,000	\$ 4,762,090,000	\$ 4,647,777,000	\$ 4,331,233,000 (2)
Plan Fiduciary Net Position	<u>4,592,962,000</u>	<u>3,971,389,000</u>	<u>4,283,086,000</u>	<u>3,773,506,000</u>	<u>3,660,509,000</u>	<u>3,751,468,000</u>	<u>3,508,312,000</u>
Net Pension Liability	<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>	<u>\$ 822,921,000</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.26%	75.96%	79.37%	73.65%	76.87%	80.72%	81.00%

(1) - The amounts presented for each fiscal year were determined as of 12/31.

(2) - December 31, 2013 amount reduced by the \$186,006,000 specific liability adjustment resulting from the termination of the affiliation of Memorial Health Systems. This specific liability was paid in October 2014 by the City of Colorado Springs.

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily Required Contribution	\$ 25,479	\$ 25,092	\$ 23,517	\$ 20,481	\$ 26,622	\$ 26,423	\$ 22,015	\$ 22,289
Contributions in Relation to the Statutorily Required Contribution	(25,479)	(25,092)	(23,517)	(20,481)	(26,622)	(26,423)	(22,015)	(22,289)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 197,380	\$ 197,886	\$ 185,464	\$ 161,518	\$ 209,952	\$ 208,383	\$ 173,619	\$ 175,777
Contributions as a Percentage of Covered Payroll	12.91%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

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

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY
HEALTH CARE TRUST FUND OPEB PLAN
LAST THREE FISCAL YEARS(1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's Proportion of the Collective Net OPEB Liability (Asset)	0.0022008%	0.0022191%	0.0019895%
District's Proportionate Share of the Collective Net OPEB Liability (Asset)	\$ 24,737	\$ 30,192	\$ 25,856
District's Covered Payroll	\$ 197,886	\$ 187,684	\$ 161,518
Proportionate Share of Collective Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	12.50%	16.09%	16.01%
Calculation of Collective Net OPEB Liability:			
Total OPEB Liability	\$ 1,488,508,000	\$ 1,639,734,000	\$ 1,575,822,000
Plan Fiduciary Net Position	364,510,000	279,192,000	276,222,000
Net OPEB Liability	<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	24.49%	17.03%	17.53%

(1) - The amounts presented for each fiscal year were determined as of 12/31.

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily Required Contribution	\$ 2,013	\$ 2,018	\$ 1,892	\$ 1,647
Contributions in Relation to the Statutorily Required Contribution	(2,013)	(2,018)	(1,892)	(1,647)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 197,380	\$ 197,886	\$ 185,464	\$ 161,518
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

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

SUPPLEMENTAL 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, 2020**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
General property taxes	\$ 48,509	\$ 48,509	\$ -
Bond property taxes	352,791	352,791	-
Specific ownership tax	24,600	30,080	5,480
County portion of operations	108,132	97,746	(10,386)
County portion of capital	10,756	10,338	(418)
Interest income	3,900	1,754	(2,146)
Cost reimbursement	20,000	29,679	9,679
Other income	12,000	35,184	23,184
Service charges	438,051	434,812	(3,239)
Total revenues	1,018,739	1,040,893	22,154
EXPENDITURES			
Current:			
Salaries and benefits	275,935	260,562	15,373
HR development	5,200	2,366	2,834
Contract/professional services	9,600	7,480	2,120
Vehicle expense	4,200	4,374	(174)
Operating supply/equipment	69,550	51,244	18,306
Lab testing	7,603	5,375	2,228
Biosolids removal	7,000	6,982	18
Utilities	32,202	29,497	2,705
Snow removal	1,000	-	1,000
Communication	5,959	6,152	(193)
Office supplies	7,090	6,380	710
Licenses and permits	3,273	2,925	348
Dues and subscriptions	5,000	4,994	6
Audit and accounting	25,655	25,083	572
Treasurer fees	20,065	20,086	(21)
General and water rights legal	45,705	40,574	5,131
Reimbursable expenditures	20,000	29,679	(9,679)
Board of directors/election	6,000	44	5,956
General liability insurance	19,589	20,494	(905)
Deferred maintenance	-	13,656	(13,656)
Capital expenditures	67,500	63,235	4,265
Debt service:			
Loan administration	600	2,220	(1,620)
Loan principal	83,250	83,250	-
Loan interest	183,375	183,504	(129)
Contingency	763,162	-	763,162
Total expenditures	1,668,513	870,156	798,357
NET CHANGE IN FUNDS AVAILABLE	(649,774)	170,737	820,511
FUNDS AVAILABLE - BEGINNING OF YEAR	667,741	710,923	43,182
FUNDS AVAILABLE - END OF YEAR	\$ 17,967	\$ 881,660	\$ 863,693

Funds available is computed as follows:

Current assets	\$ 1,325,664
Current liabilities	(166,350)
Deferred property taxes	(405,904)
Add back current portion of bonds payable	128,250
	\$ 881,660

**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, 2020**

Revenue and other financing sources (budgetary basis)	<u>\$ 1,040,893</u>
Revenues per Statement of Revenues, Expenses and Changes in Fund Net Position	<u>1,040,893</u>
Expenditures and other financing uses (budgetary basis)	870,156
Depreciation	294,265
Net effect of changes in: net pension liability; deferred inflows related to pensions; and deferred outflows related to pensions	(10,319)
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	(1,449)
Capital outlay	(63,235)
Loan principal	<u>(83,250)</u>
Expenses per Statement of Revenues, Expenses and Changes in Fund Net Position	<u>1,006,168</u>
Change in net position per Statement of Revenues, Expenses and Changes in Fund Net Position	<u><u>\$ 34,725</u></u>

OTHER INFORMATION

**TABERNASH MEADOWS WATER AND SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2020**

<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%
Estimated for year ending December 31, 2021	\$ 7,757,370	6.325	46.000	\$ 405,904		

(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

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.