

BACA GRANDE WATER AND SANITATION DISTRICT

(Saguache County, Colorado)

FINANCIAL STATEMENTS

with Independent Auditor's Report

DECEMBER 31, 2023

BOARD OF DIRECTORS

President Vivia Lawson
Vice President Rick Hart
Treasurer Mike Smith
Secretary David Karas
Director John Loll

Diego Martinez – District Manager

BACA GRANDE WATER AND SANITATION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Baca Grande Water and Sanitation District
Saguache County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Baca Grande Water and Sanitation District (the District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the pension schedules on pages 47 and 48 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the schedules on pages 47 and 48 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplemental Information

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

Fiscal Focus Partners, LLC

Arvada, Colorado
September 30, 2024

BASIC FINANCIAL STATEMENTS

BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF NET POSITION
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,320,164	\$ 1,270,255	\$ 2,590,419
Cash and cash equivalents, restricted	20,230	258,125	278,355
Accounts receivable	-	320,435	320,435
Accounts receivable - County Treasurer	5,787	2,036	7,823
Property taxes receivable	772,141	354,767	1,126,908
Prepaid expenses	-	1,645	1,645
Capital assets not being depreciated	-	484,981	484,981
Capital assets, net of accumulated depreciation	-	7,095,537	7,095,537
Total assets	<u>2,118,322</u>	<u>9,787,781</u>	<u>11,906,103</u>
DEFERRED OUTFLOWS OF RESOURCES			
Bond insurance	-	34,510	34,510
Pension related deferred outflow	-	320,725	320,725
OPEB related deferred outflow	-	16,740	16,740
Total deferred outflows of resources	<u>-</u>	<u>371,975</u>	<u>371,975</u>
LIABILITIES			
Accounts payable	11,825	23,047	34,872
Accrued interest	-	15,615	15,615
Unearned revenue	-	122,178	122,178
Long-term liabilities			
Due within one year	-	251,257	251,257
Due in more than one year	-	5,270,104	5,270,104
Net OPEB liability	-	38,722	38,722
Net pension liability	-	589,711	589,711
Total liabilities	<u>11,825</u>	<u>6,310,634</u>	<u>6,322,459</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	772,141	354,767	1,126,908
Deferred amount on refunding	-	95,976	95,976
Pension related deferred inflow	-	2,940	2,940
OPEB related deferred inflow	-	16,421	16,421
Total deferred inflows of resources	<u>772,141</u>	<u>470,104</u>	<u>1,242,245</u>
NET POSITION			
Net investment in capital assets	-	2,059,157	2,059,157
Restricted			
Loan operating reserve requirement	-	266,885	266,885
Emergency reserve (TABOR)	20,230	-	20,230
Unrestricted	1,314,126	1,052,976	2,367,102
Total net position	<u>\$ 1,334,356</u>	<u>\$ 3,379,018</u>	<u>\$ 4,713,374</u>

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

BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental activities:							
General government	\$ 409,605	\$ -	\$ -	\$ -	\$ (409,605)	\$ -	\$ (409,605)
Total General government	<u>\$ 409,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(409,605)</u>	<u>-</u>	<u>(409,605)</u>
Business-type activities:							
Water and sanitation	\$ 1,576,844	\$ 1,686,246	\$ 31,758	\$ 40,000		181,160	181,160
Interest on long-term debt and related costs	172,074	-	-	-		(172,074)	(172,074)
Total	<u>\$ 1,748,918</u>	<u>\$ 1,686,246</u>	<u>\$ 31,758</u>	<u>\$ 40,000</u>		<u>\$ 9,086</u>	<u>\$ 9,086</u>
		General revenue:					
					527,855	242,536	770,391
					85,300	30,019	115,319
					59,732	32,523	92,255
					1,461	14,830	16,291
					<u>674,348</u>	<u>319,908</u>	<u>994,256</u>
					264,743	328,994	593,737
					1,069,613	3,050,024	4,119,637
					<u>\$ 1,334,356</u>	<u>\$ 3,379,018</u>	<u>\$ 4,713,374</u>

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

**BACA GRANDE WATER AND SANITATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2023**

	General
ASSETS	
Cash and investments	\$ 1,320,164
Restricted cash and cash investments	20,230
Accounts receivable - County Treasurer	5,787
Property taxes receivable	772,141
Total assets	\$ 2,118,322
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Accounts payable	\$ 11,825
Total liabilities	11,825
 DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	772,141
TOTAL DEFERRED INFLOWS OF RESOURCES	772,141
 FUND BALANCE	
Restricted:	
Emergency reserves	20,230
Unassigned	1,314,126
Total fund balance	1,334,356
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
	\$ 2,118,322
 Net position of governmental activities	
	\$ 1,334,356

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

**BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
Year Ended December 31, 2023**

	General
REVENUE	
Property taxes	\$ 527,855
Specific ownership taxes	85,300
Interest income	59,732
Miscellaneous revenue	1,461
Total revenues	674,348
 EXPENDITURES	
General government:	
Audit	11,000
Accounting	43,881
County Treasurer's fees	17,292
Directors' fees	8,015
Elections	13,770
Legal fees	45,627
Management	269,491
Administrative Office - remodel/replacement	529
Total expenditures	409,605
 NET CHANGE IN FUND BALANCE	264,743
 FUND BALANCE - BEGINNING OF YEAR	1,069,613
 FUND BALANCE - END OF YEAR	\$ 1,334,356
 Change in net position of governmental activities	\$ 264,743

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

BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2023

	Budgeted Amounts		Variance with Budget Positive (Negative)
	Original and Final	Actual	
REVENUE			
Property taxes	\$ 530,871	\$ 527,855	\$ (3,016)
Specific ownership taxes	85,000	85,300	300
Interest income	6,000	59,732	53,732
Miscellaneous revenue	10,000	1,461	(8,539)
Total Revenue	<u>631,871</u>	<u>674,348</u>	<u>42,477</u>
EXPENDITURES			
General government:			
Audit	11,000	11,000	-
Accounting	43,000	43,881	(881)
County Treasurer's fees	20,000	17,292	2,708
Directors' fees	12,000	8,015	3,985
Elections	18,000	13,770	4,230
Legal fees	80,000	45,627	34,373
Management	294,519	269,491	25,028
Capital - Administrative office remodel/replacement	300,000	529	299,471
Total Expenditures	<u>778,519</u>	<u>409,605</u>	<u>368,914</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(146,648)</u>	<u>264,743</u>	<u>411,391</u>
OTHER FINANCING SOURCES (USES)			
Emergency reserve	(15,000)	-	15,000
Transfers to other funds	(247,000)	-	247,000
Total other financing sources (uses)	<u>(262,000)</u>	<u>-</u>	<u>262,000</u>
NET CHANGE IN FUND BALANCE	(408,648)	264,743	673,391
FUND BALANCE - BEGINNING OF YEAR	1,019,288	1,069,613	50,325
FUND BALANCE - END OF YEAR	<u>\$ 610,640</u>	<u>\$ 1,334,356</u>	<u>\$ 723,716</u>

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

BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2023

	<u>Water and Sewer Enterprise Fund</u>
ASSETS	
Cash and investments	\$ 1,270,255
Cash and investments - restricted	258,125
Accounts receivable, net of allowance for uncollectibles	320,435
Accounts receivable - County Treasurer	2,036
Property taxes receivable	354,767
Prepaid expenses	1,645
Capital assets not being depreciated	484,981
Capital assets, net of accumulated depreciation	<u>7,095,537</u>
Total assets	<u>9,787,781</u>
DEFERRED OUTFLOWS OF RESOURCES	
Bond insurance	34,510
Pension related deferred outflow	320,725
OPEB related deferred outflow	<u>16,740</u>
Total deferred outflows of resources	<u>371,975</u>
LIABILITIES AND NET POSITION	
Current Liabilities	
Accounts payable	23,047
Accrued interest payable	15,615
Unearned revenue	122,178
Non-current liabilities:	
Long-term debt:	
Due within one year	251,257
Due in more than one year	5,270,104
Net OPEB liability	38,722
Net pension liability	<u>589,711</u>
Total liabilities	<u>6,310,634</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred taxes receivable	354,767
Deferred amount on refunding	95,976
Pension related deferred inflow	2,940
OPEB related deferred inflow	<u>16,421</u>
Total deferred inflows of resources	<u>470,104</u>
NET POSITION	
Net investment in capital assets	2,059,157
Restricted	
Loan operating reserve requirement	266,885
Unrestricted	<u>1,052,976</u>
Total net position	<u>\$ 3,379,018</u>

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

**BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND**

Year Ended December 31, 2023

	Water and Sewer Enterprise Fund
OPERATING REVENUE	
Water and sewer fees	\$ 1,282,397
Availability of service fees	277,647
Miscellaneous revenue	126,202
Total operating revenue	1,686,246
OPERATING EXPENSES	
Depreciation	513,418
Insurance	38,261
Office expense	47,490
Operating expenses	13,823
Professional fees	9,787
Repair and maintenance	247,804
Salaries and benefits	383,380
Small tools and supplies	9,467
Testing	12,465
Utilities	99,364
Utility billing	20,539
Vehicle operations	41,989
Line extension	103,033
Water costs	40,179
Total operating expenses	1,580,999
OPERATING INCOME (LOSS)	105,247
NONOPERATING REVENUE (EXPENSE)	
Property and specific ownership taxes	272,555
Payment in lieu of taxes	14,830
Grant income	31,758
Pension	4,155
Interest income	32,523
Interest and fiscal charges	(172,074)
Total nonoperating revenue (expense), net	183,747
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	288,994
CAPITAL CONTRIBUTIONS - TAP FEES	40,000
CHANGE IN NET POSITION	328,994
NET POSITION - BEGINNING OF YEAR	3,050,024
NET POSITION - END OF YEAR	\$ 3,379,018

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

**BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended December 31, 2023**

	Water and Sewer Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,657,730
Cash payments to suppliers for goods and services	(689,546)
Cash payments to employees for services	(383,380)
Net cash provided by operating activities	584,804
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Property and specific ownership taxes received	272,555
Tap fees received	40,000
Payment in lieu of taxes	14,830
Purchases of capital assets	(88,376)
Principal paid on debt	(234,156)
Grant income - unearned	122,178
Grant income	31,758
Interest and fiscal charges paid on debt	(192,630)
Net cash used in capital and related financing activities	(33,841)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	32,523
Net cash provided by investing activities	32,523
NET INCREASE IN CASH AND CASH EQUIVALENTS	583,486
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	944,894
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,528,380

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

BACA GRANDE WATER AND SANITATION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended December 31, 2023
(continued)

**RECONCILIATION OF OPERATING INCOME TO CASH FLOWS
PROVIDED BY OPERATING ACTIVITIES**

Operating income (loss)	\$	105,247
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation		519,680
Effects of changes in operating assets and liabilities:		
Accounts receivable		(28,516)
Prepaid expense/accrued expense		(9,778)
Accounts payable		(1,829)
		479,557
Total adjustments		479,557
Net cash provided by operating activities	\$	584,804

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

NOTES TO BASIC FINANCIAL STATEMENTS

BACA GRANDE WATER AND SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

1. DEFINITION OF REPORTING ENTITY

Baca Grande Water and Sanitation District (the "District") is a quasi-municipal political subdivision of the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Saguache County, Colorado. The District was established on January 21, 1972 to provide water and sewer services within and outside of its boundaries.

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). A summary of the significant accounting policies used in the preparation of these financial statements follows.

The District has no component units for which either discrete or blended presentation is required. The inclusion or exclusion of component units is based on a determination of the elected official's financial accountability to their constituents, and whether the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government (including its blended component units, which are in substance, part of the primary government) and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to fiscal dependency, imposition of will, legal standing, and the primary recipient of services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements — The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between *governmental* and *business-type* activities of the District. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities are financed to a significant extent by fees and charges.

The statement of net position reports all financial and capital resources of the District. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the

BACA GRANDE WATER AND SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

funds have been reversed for the statement of activities. *Program revenues* include 1) fees and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

Measurement Focus, Basis of Accounting and Financial Statement Presentation — The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The District considers property taxes as available if they are collected within 30 days after year-end. Property taxes are recognized as revenue in the fiscal period for which they are levied, providing the available criteria are met.

Those revenues susceptible to accrual are property taxes, interest revenue and charges for services. Specific ownership taxes collected and held by the county at year-end on behalf of the District are also recognized as revenue.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

BACA GRANDE WATER AND SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

The District reports the following major governmental fund:

General Fund – The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, the District reports the following major proprietary fund:

Water and Sewer Enterprise Fund – The enterprise fund is used to account for those operations financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The District has one enterprise fund-the Water and Sewer Enterprise Fund. The intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as programs revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges for services. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Pooled Cash and Investments – The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Receivables — All receivables are reported net of allowance for uncollectible accounts of \$29,819 at December 31, 2023.

BACA GRANDE WATER AND SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Prepaid Expenses — Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Due To and From Other Funds — Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. In the fund financial statements, these receivables and payable are classified as "due from other funds" or "due to other funds". In the government-wide financial statements, all internal balances have been substantially eliminated.

Restricted Cash and Investments — The use of certain cash and investments of the District is restricted. These cash and investment items are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by debt agreements.

Investments – Investments are stated at fair value. Fair value is the amount the District can reasonably expect to receive to sell an investment in an orderly transaction between market participants.

Amortization of Bond Issue Premium – In the government-wide financial statements and proprietary fund types in the fund financial statements, bond premiums are reported as a component of noncurrent liabilities. Bond premiums are amortized over the life of the bonds using the effective interest method. Accumulated amortization of bond premium totaled \$143,111 at December 31, 2023.

Cost of Bond Refunding – In the government-wide financial statements and proprietary fund types in the fund financial statements, the deferred cost on bond refundings is being amortized over the life of the refunded bonds. The amortization amount is a component unit of interest expense and the unamortized deferred cost of \$95,976 at December 31, 2023, is reflected as deferred outflows of financial resources.

Capital Assets — Capital assets, which include property, water plant, sewage treatment plant and collection systems, related improvements and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as those assets with an initial, individual cost of \$5,000 or greater and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related fixed assets, as applicable. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

BACA GRANDE WATER AND SANITATION DISTRICT

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Assets are depreciated using the straight-line method over the following estimated useful lives:

Water plant and distribution systems	20-40 years
Sewage treatment plant and collection systems	20-40 years
Equipment	5-15 years

When depreciable property is acquired, depreciation is included in expense for the year of acquisition for the number of months during the year the asset was in service. When depreciable property is retired or otherwise disposed of, depreciation is included in expense for the number of months in service during the year of retirement and the related costs and accumulated depreciation are removed from the accounts with any gain or loss reflected in the statement of revenue, expenses and changes in fund net position.

Construction commitments-The District had no construction commitments at December 31, 2023.

Compensated absences— District employees earn paid time off at the rate of 160 to 200 hours per year, based on length of service, which is to be used for vacations, medical leave or personal time off. Employees are allowed to accrue up to 80 hours of unused paid time off at the end of each calendar year. Compensated absences are recorded as current salary cost when paid.

Contributed Capital – Tap fees are generally recorded as capital contributions when received.

Long-Term Liabilities — In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity — The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

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NOTES TO THE FINANCIAL STATEMENTS

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Non-spendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted -This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Statement of Cash Flows — For purposes of the Statement of Cash Flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, government pools, and short-term investments with original maturities of three months or less from the date of acquisition, including restricted cash and cash equivalents.

Estimates — The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Changes in Pension Benefit Terms and Actuarial Assumptions –There were no changes in terms or assumptions for the December 31, 2022 measurement period for pension compared to the prior year.

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Changes in assumptions or other input effective for the December 31, 2021 measurement period are as follows:

- The projected benefit payments reflect the lowered annual increase cap from 1.25% to 1%, resulting from the 2020 AAP assessment, effective July 1, 2022.
- Assumptions on employer and employee contributions were updated to include the additional 0.50% resulting from the 2020 AAP assessment, effective July 1, 2022.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
 - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

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- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

Changes in assumptions or other input effective for the December 31, 2019 measurement period are as follows:

- The assumption used to value the annual increase (AI) cap benefit provision was changed from 1.50% to 1.25%.

Changes in assumptions or other inputs effective for the December 31, 2018 measurement period are as follows:

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%

Changes in assumptions or other inputs effective for the December 31, 2017 measurement period are as follows:

- The discount rate was lowered from 5.26% to 4.72%.

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90% to 3.50%.

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- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

There were no changes in terms or assumptions for the December 31, 2015 measurement period for pension compared to the prior year.

There were no changes in terms or assumptions for the December 31, 2014 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2013 measurement period are as follows:

- The investment return assumption was lowered from 8.00% to 7.50%
- The price inflation assumption was lowered from 3.50% to 2.80%
- The wage inflation assumption was lowered from 4.25% to 3.90%

Subsequent Events — The District has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date of issuance of the financial statements.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Information — The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In the fall, the District Manager submits to the Board of Directors, a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the District to obtain taxpayer comments.
3. Prior to December 15, the budget is legally approved.
4. Any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

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December 31, 2023

5. Formal budgetary integration is employed as a management control device during the year for the governmental and proprietary funds.
6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. The budget for the Water and Sewer Enterprise Fund is prepared on a basis of accounting other than generally accepted accounting principles, which is normal for proprietary funds. The primary differences are that bond proceeds are treated as a budget source, capital expenditures and principal payments are treated as a budget use, and accrued unpaid interest and the amortization and depreciation expense are not budgeted.
8. Budgeted amounts are as originally adopted or amended.
9. All annual appropriations lapse at the end of the year.

Changes in OPEB Benefit Terms and Actuarial Assumptions - Changes in assumptions or other input effective for the December 31, 2022 measurement period are as follows:

- Per capital health costs were developed by plan option based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend.
- Health care cost trend rates were revised to reflect an expectation of future increases in rates of inflation.

There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.

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- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
 - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
 - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

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

There were no changes in assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB.

There were no changes in assumptions or other inputs effective for the December 31, 2018 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB.

4. DEPOSITS AND INVESTMENTS

The District's deposits and investments consist of the following at December 31, 2023:

	<u>Deposits</u>	<u>Colostrust</u>	<u>Total</u>
Cash and cash equivalents	\$ 465,360	\$ 2,125,059	\$ 2,590,419
Restricted cash and cash equivalents	20,230	258,125	278,355
Total	<u>\$ 485,590</u>	<u>\$ 2,383,184</u>	<u>\$ 2,868,774</u>

Reconciliation of cash and cash equivalents to the government-wide financial statements at December 31, 2023:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,320,164	\$ 1,270,255	\$ 2,590,419
Restricted cash and cash equivalents	20,230	258,125	278,355
Total	<u>\$ 1,340,394</u>	<u>\$ 1,528,380</u>	<u>\$ 2,868,774</u>

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 regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2023, the carrying amount of the District's deposits including money markets were \$485,590, the bank balances were \$469,837. \$300,000 of the District's bank balances were covered by FDIC insurance and the remaining balances fall under the provision of the Colorado Public Deposit Protection Act which are collateralized in single institution pools.

BACA GRANDE WATER AND SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Investments — The District is authorized by Colorado statutes to invest in the following:

- Obligations of the United States and certain U.S. government agencies' securities
- Certain international agencies' securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Certain commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposits
- Certain money market fund
- Guaranteed investment contracts

Fair Value Measurements – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest level to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest level to unobservable inputs (level) as follows:

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 - Observable inputs other than quoted market prices.

Level 3 - Valuation derived from valuation techniques in which significant inputs are observable.

Investments that are valued using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

December 31,
2023

Investments measured at NAV:

COLOTRUST Plus	<u>\$2,383,184</u>
Total investments measured at NAV	<u>\$2,383,184</u>

Fixed income securities classified in Level 2 of the fair value hierarchy are valued primarily using quoted prices in inactive markets, as well as other pricing methods using observable inputs.

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Investments Measured at NAV:

Colorado Government Liquid Asset Trust (COLOTRUST) is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes by state statutes. A twelve-member Board of Trustees, elected by the fund participants, is responsible for overseeing the management of COLOTRUST, including establishing operating standards and policies. The District's investments are in COLOTRUST Plus. COLOTRUST Plus operates similarly to a money market fund and each share is equal in value to \$1.00. Designated custodial banks provide safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. All securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase

agreements collateralized by U.S. Treasury notes. COLOTRUST reports all investments as level 2 investments while the District's investment in COLOTRUST Plus is reported at NAV. The separate audited financial statements of COLOTRUST are available on their website at www.colotruster.com. The District has no unfunded commitments or redemption restrictions on their investments in COLOTRUST Plus.

Investments with maturities of less than 90 days are classified as cash and cash equivalents on the financial statements.

The District's investments are subject to interest rate risk and credit risk as described below:

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Credit Risk. State law limits investments to those described above. The District does not have an investment policy that would further limit its investment choices. As of December 31, 2023 the District's COLOTRUST Plus investment is rated AAAM by Standard & Poor's.

Restricted cash and investments

As of December 31, 2023, unspent bond proceeds were restricted for the costs to improve various components of the water and sewer systems of \$0.

In accordance with the terms of the CWRPDA Loans (see Note 5) the District is required to maintain an operating reserve equal to three months of operation and maintenance expenses, excluding depreciation of the water and sewer systems, as set forth in the annual budget for the current fiscal year. As of December 31, 2023, the required operating reserve was \$266,885, which met the requirement of the loan covenants. The District restricted \$20,230 in compliance with State requirements for emergency reserves (Note 10). At December 31, 2023, the total amount restricted was \$287,115.

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

5. CAPITAL ASSETS

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

	Balance at December 31, 2022	Additions	Disposals/ Reclassifications/ Retirements	Balance at December 31, 2023
Business-type activities:				
Capital assets, not being depreciated:				
Land, water rights, master plan	\$ 219,624	\$ 20,510	\$ -	\$ 240,134
Construction in process	208,939	35,908	-	244,847
Total capital assets, not being depreciated	428,563	56,418	-	484,981
Capital assets, being depreciated:				
Water plant and distribution system	8,820,296	-	-	8,820,296
Sewer plant and collection system	9,952,587	-	-	9,952,587
Machinery and equipment	603,000	31,957	-	634,957
Total capital assets being depreciated	19,375,883	31,957	-	19,407,840
Less accumulated depreciation for:				
Water plant and distribution system	5,705,422	216,343	-	5,921,765
Sewer plant and collection system	5,697,477	248,673	-	5,946,150
Machinery and equipment	395,986	48,402	-	444,388
Total accumulated depreciation	11,798,885	513,418	-	12,312,303
Total capital assets being depreciated, net	7,576,998	(481,461)	-	7,095,537
Total capital assets, net	\$ 8,005,561	\$ (425,043)	\$ -	\$ 7,580,518

Depreciation expense of \$513,418 for the year ended December 31, 2023 was charged to the enterprise fund operations.

6. LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Amounts Due Within One Year
Business-Type Activities:					
General Obligation Bonds:					
2017 Bonds	\$ 4,915,000	\$ -	\$ 150,000	\$ 4,765,000	\$ 150,000
Bond Issuance Premium	277,379	-	15,410	261,969	15,410
Total Bonds Payable	\$ 5,192,379	\$ -	\$ 165,410	\$ 5,026,969	\$ 165,410
Direct Borrowing and Direct Placements:					
2009 CWR&PDA Loan	\$ 578,548	\$ -	\$ 84,156	\$ 494,392	\$ 85,847
	\$ 5,770,927	\$ -	\$ 249,566	\$ 5,521,361	\$ 251,257

BACA GRANDE WATER AND SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Bonds payable

\$5,305,000 General Obligation Refunding Bonds, Series 2017, dated December 29, 2017.

The District issued \$5,305,000 in general obligation refunding bonds for the purpose of advance refunding the outstanding General Obligation refunding bonds issued in 2010. The 2010 Bonds consisted of a partial refund due to the balance of the 2010 Bonds that were non-callable. The unrefunded balance of the 2010 bonds was \$250,000. In 2020, the 2010 Bonds were paid in full. Proceeds from the sale of the 2017 bonds were also used to provide funds to pay future bond interest and to pay the costs of issuance of the bonds.

The bonds interest rate ranges from 3% to 4% and are payable semiannually on each June 1 and December 1, commencing June 1, 2018.

The bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2027, and on any date thereafter, without redemption premium.

The bonds and interest are insured as to repayment by the District.

Loans payable

\$1,483,750 Loan Agreement, Colorado Water Resources and Power Development Authority (CWRPDA), dated August 19, 2009

On August 19, 2009, the District entered into a loan agreement with CWRPDA for a maximum principal amount of \$1,483,750. The loan proceeds were used for distribution system improvements, water main and meter replacements, and well improvements.

Payments of principal and interest are made semi-annually on June 1 and December 1, beginning December 1, 2010 through June 1, 2029. The loan bears interest at the rate of 2.0% per annum. The District has the option to repay the loan, in whole or in part, without penalty upon prior written notice of not less than 30 days to CWRPDA.

The 2009 loan agreement contains a restrictive covenant which requires the District to maintain a three-month operating reserve (see Note 4). At December 31, 2023, the District restricted \$258,125 of fund balance in compliance with this covenant.

Remedies under the loan agreement, in the event of default of any covenant, includes legally available remedies as the lender may deem necessary or appropriate.

BACA GRANDE WATER AND SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Debt Maturities

Debt maturities for the next five years and to maturity are as follows:

<u>Year</u>	<u>Business Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 235,847	\$ 186,953
2025	242,573	180,728
2026	254,333	174,318
2027	306,129	167,572
2028	317,960	159,290
2029- 2033	1,362,550	640,422
2034 - 2038	1,695,000	371,150
2039 - 2040	845,000	51,000
Total	<u>\$ 5,259,392</u>	<u>\$ 1,931,433</u>

Refunding

On December 29, 2017, the District partially refunded the Series 2010 General Obligation Bonds with the issuance of \$5,305,000 of General Obligation Refunding Bonds, Series 2017 (with an average interest rate of 3.76%).

The District refunded the financial obligations to reduce its total debt service payments over the next 23 years by almost \$670,521 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$485,744. The 2010 Bonds had a non-callable balance of \$250,000 at the time of issuance.

In the government-wide statements, the District incurred a cost on bond refunding in the amount of \$129,852, which has been deferred and is being amortized over the life of the 2017 bonds. At December 31, 2023, the remaining amount to be deferred was \$95,976.

Debt authorization

On November 4, 2008 and May 4, 2010, a majority of qualified electors of the District authorized the issuance of indebtedness in amounts not to exceed \$6,000,000 and \$6,000,000, respectively, at interest rates not to exceed 8.5% per annum. The 2010 authorization was for the purpose of refunding previously issued bonds. At December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes.

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

<u>Purpose</u>	<u>Authorized in 2008 and 2010</u>	<u>Used by 2009 Bonds and Note</u>	<u>Used by 2010 and 2017 Bonds</u>	<u>Authorized But Unissued</u>
Water Supply	\$ 3,000,000	\$ 2,039,234	\$ 960,000	\$ 766
Sanitary Sewer	3,000,000	2,549,516	450,000	484
Refunding	<u>6,000,000</u>	<u>-</u>	<u>6,000,000</u>	<u>-</u>
Total	<u>\$ 12,000,000</u>	<u>\$ 4,588,750</u>	<u>\$ 7,410,000</u>	<u>\$ 1,250</u>

7. NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, loans, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. As of December 31, 2023, the District had net investment in capital assets as follows:

Net investment in capital assets:	
Capital assets, not being depreciated	\$ 484,981
Capital assets, being depreciated, net	7,095,537
Long-term liabilities due within one year	(251,257)
Long-term liabilities due in more than one year	<u>(5,270,104)</u>
 Total net investment in capital assets	 <u>\$ 2,059,157</u>

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, net grantors, contributors, or laws or regulations of other governments or imposed by law through the constitutional provisions or enabling legislation. The purposes for the restrictions of net position are described in Note 4. As of December 31,

2023, the District had restricted net position as follows:

Restricted:

Loan operating reserve requirement	\$ 266,885
Emergency reserve (TABOR)	<u>20,230</u>
Total restricted net position	<u>\$ 287,115</u>

As of December 31, 2023, the District had unrestricted net position of \$2,367,102.

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8. DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The District participates in the Local Government Division Trust Fund (“LGDTF”), a cost-sharing multiple employer defined benefit pension 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 (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

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

Benefits provided as of December 31, 2022. PERA provides retirement, disability and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement and age at retirement. Retirement eligibility is specified in tables set forth in C.R.S ss 24-51-602, 604, 1713 and 1714.

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

*Highest average salary multiplied by 2.5% and then multiplied by years of service credit.

*The value of the retiring employee’s member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100 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% or 100% on eligible amounts

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depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contribution provisions as of December 31, 2023. Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. ss 24-51-401, *et seq.* and ss 24-51-413. Employee contribution rates for the period January 1, 2023 through December 31, 2023 were 9%

The employer contribution requirements are summarized in the table below:

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	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023
Employer Contribution Rate 1	10.50%	11.00%	11.00%	11.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. ss 24-51-208(1)(f)-1	(1.02)%	(1.02)%	(1.02)%	(1.02)%
Amount Apportioned to the LGDTF-1	9.48%	9.98%	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. ss 24-51-411-1	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. ss 24-51-411-1	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. ss 24-51-415	0.03%	0.03%	0.06%	0.06%
Total Employer Contribution Rate to the LGDTF-1	13.21%	13.71%	13.74%	13.74%

1. Contribution rates for the LGDTF are expressed as a percentage of salary as defined in CRS ss 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$72,414 for the year ended December 31, 2023.

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

The net pension liability for the LGDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The District's proportion of the net pension liability was based on District contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers.

At December 31, 2023, the District reported a liability of \$589,711 for its proportionate share of the net pension liability.

At December 31, 2023, the District's proportion was 0.0588%, which was an increase of 0.001% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the District recognized pension expense of \$63,041. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 2,940
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	238,983	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,328	-
Contributions subsequent to the measurement date	\$ 72,414	
Total	\$ 320,725	\$ 2,940

\$72,414 was 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 ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2024	\$ (17,990)
2025	35,938
2026	88,125
2027	139,298
2028	-
Thereafter	-

Actuarial assumptions. The TPL in the December 31, 2021 actuarial valuation was determined using the following cost method, actuarial assumptions and other inputs:

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Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20 - 11.30%
Long-term investment Rate of Return, Net of Pension Plan	
Investment Expenses, including Price Inflation	7.25%
Discount rate	7.25%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to January 1, 2007; and DPS Benefit Structure (Automatic)	1.00% Compounded Annually
PERA Benefit Structure hired after December 31, 2006; (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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

The TPL for the LGDTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

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

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

Post-retirement non-disabled mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

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

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

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

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

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

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives - 1	6.00%	4.70%
Total	100.00%	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%..
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for the future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the LGDTF's FNP was projected to be available to make all projected future benefit payment of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$989,976	\$589,711	\$254,623

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

9. DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB. The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with 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 Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four divisions (State Division, School Division, Local Government Division and Judicial Division Trust Funds), 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 PERACare is voluntary and is available to benefit recipients and their eligible dependents, surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

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

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Contributions

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were \$5,376 for the year ended December 31, 2023.

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

At December 31, 2023, the District reported a liability of \$38,722 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the TOL to December 31, 2022. The District proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the District's proportion was 0.00474% which was an increase of 0.00025% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the District recognized OPEB expense of \$1,694. At December 31, 2023, the District reported deferred outflows of resources and deferred inflow 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	\$ 5	\$ 9,364
Changes in assumptions	622	4,274
Net difference between projected and actual earnings on OPEB Plan investments	2,365	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	8,372	2,783
Contributions subsequent to the measurement date	5,376	-
Total	\$ 16,740	\$ 16,421

\$5,376 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2024	\$ (2,077)
2025	(2,773)
2026	(1,007)
2027	1,257
2028	(339)
Thereafter	(118)

Actuarial assumptions

The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs:

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	Local Government Division
Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% - 11.30%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	6.50% in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A Premiums	3.75% for 2023 gradually increasing to 4.50% in 2029

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

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Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.00%	1.50%
70	2.90%	1.60%
71	1.60%	1.40%
72	1.40%	1.50%
73	1.50%	1.60%
74	1.50%	1.50%
75	1.50%	1.40%
76	1.50%	1.50%
77	1.50%	1.50%
78	1.50%	1.60%
79	1.50%	1.50%
80	1.40%	1.50%
81 and older	0.00%	0.00%

Sample Age	MAPD PPO #1 with Medicare Part A Retiree/Spouse		MAPD PPO #2 with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
	65	\$1,704	\$1,450	\$583	\$496	\$1,923
70	\$1,976	\$1,561	\$676	\$534	\$2,229	\$1,761
75	\$2,128	\$1,681	\$728	\$575	\$2,401	\$1,896

Sample Age	MAPD PPO #1 without Medicare Part A Retiree/Spouse		MAPD PPO #2 without Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
	65	\$6,514	\$5,542	\$4,227	\$3,596	\$6,752
70	\$7,553	\$5,966	\$4,901	\$3,872	\$7,826	\$6,185
75	\$8,134	\$6,425	\$5,278	\$4,169	\$8,433	\$6,657

The 2022 Medicare Part A premium is \$499 per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators.

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In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

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

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

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

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

The following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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

BACA GRANDE WATER AND SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

Sensitivity of the (Entity)'s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$ 37,626	\$ 38,722	\$ 39,915

BACA GRANDE WATER AND SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Discount rate

The discount rate used to measure the TOL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF’s FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the discount rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 44,890	\$ 38,722	\$ 33,446

BACA GRANDE WATER AND SANITATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

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

10. INTERFUND AND OPERATING TRANSFERS

During 2023, there were no transfers from the General Fund to the Enterprise Fund.

11. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for these risks of loss, including worker's compensation and employee health and accident insurance.

The District was a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2023. The Pool is an organization created by an intergovernmental agreement to provide property, liability, public official's liability, boiler and machinery and workers compensation coverage to its members. Settlements have not exceeded coverage during the past three fiscal years.

12. AMENDMENT TO COLORADO CONSTITUTION

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 which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorize 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 Board of Directors has adopted a resolution establishing an enterprise to operate its water and sanitation activities. The District's management believes its water and sanitation operations qualify for this exclusion.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

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

The District believes, after consultation with legal counsel, it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and

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qualification as an Enterprise will require judicial interpretation.

On November 3, 1998, the voters approved a ballot which stated that the District is authorized to collect, retain and expend all revenues including grants and other funds collected during 1998 and each subsequent year from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution, effective January 1, 1998, provided, however that no property tax mill levy be increased at any time nor shall any new tax be imposed without prior approval of the voters. On November 4, 2008, the District electors approved a ballot question regarding a tax increase to pay for District operations, maintenance and other expenses.

REQUIRED SUPPLEMENTAL INFORMATION

**BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY**

Years Ended December 31,

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan Measurement Date	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
District's proportion of the Net Pension Liability (Asset)	0.058820000%	0.057757644%	0.052034846%	0.056903396%	0.055353211%	0.049548237%	0.049697251%	0.048496241%	0.057874904%	0.053415447%
District's proportionate share of the Net Pension Liability (Asset)	\$ 589,711	\$ (49,520)	\$ 271,168	\$ 416,186	\$ 695,908	\$ 551,685	\$ 671,082	\$ 534,225	\$ 518,738	\$ 439,567
State's Proportionate Share of the Net Pension Liability associated with the District	-	-	-	8,085,058	9,105,515	-	-	-	-	-
Total	\$ 589,711	\$ (49,520)	\$ 271,168	\$ 8,501,244	\$ 9,801,423	\$ 551,685	\$ 671,082	\$ 534,225	\$ 518,738	\$ 439,567
District's covered payroll	\$ 481,258	\$ 429,767	\$ 364,426	\$ 391,850	\$ 363,058	\$ 312,571	\$ 301,230	\$ 301,229	\$ 317,241	\$ 281,377
District's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	122.5%	-11.5%	74.4%	106.2%	191.7%	176.5%	222.8%	177.3%	163.5%	156.2%
Plan fiduciary net position as a percentage of the total pension liability	83.0%	101.5%	90.9%	86.3%	76.0%	79.4%	73.6%	76.9%	80.7%	80.7%

*The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2014 was not available.

**HB 20-1379 suspended the direct distribution scheduled for July 1, 2020 in fiscal year 2021.

**BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF THE DISTRICT PENSION CONTRIBUTIONS**

Years Ended December 31,

DISTRICT CONTRIBUTIONS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 72,414	\$ 64,823	\$ 56,729	\$ 47,499	\$ 49,688	\$ 46,036	\$ 39,634	\$ 38,196	\$ 40,212	\$ 36,135
Contributions in Relation to the Contractually Required Contribution	\$ 72,414	\$ 64,823	\$ 56,729	\$ 47,499	\$ 49,688	\$ 46,036	\$ 39,634	\$ 38,196	\$ 40,212	\$ 36,135
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 527,033	\$ 481,258	\$ 429,767	\$ 364,426	\$ 391,850	\$ 363,058	\$ 312,571	\$ 301,230	\$ 317,241	\$ 284,976
Contributions as a Percentage of Covered Payroll	13.7%	13.5%	13.2%	13.0%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%

*This schedule will report ten years of data when it is available.

BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Last Ten Fiscal Years

Plan Measurement Date	2023	2022	2021	2020	2019	2018	2017
	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
District's proportion of the net OPEB liability	0.0047426000%	0.0044899181%	0.0039408275%	0.0043581174%	0.0042926535%	0.0038501306%	0.0038149637%
District's proportionate share of the net OPEB liability	\$ 38,722	\$ 38,717	\$ 37,447	\$ 48,985	\$ 58,403	\$ 50,036	\$ 49,462
District's covered payroll	481,258	429,767	364,426	391,850	363,058	312,571	301,230
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	8.00%	9.01%	10.28%	12.50%	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	38.60%	38.57%	32.78%	24.49%	17.03%	17.53%	16.72%

*The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 not available.

BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTION
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 5,375	\$ 4,909	\$ 4,384	\$ 3,717	\$ 3,997	\$ 3,703	\$ 3,188	\$ 3,073
Contributions in Relation to the Contractually Required Contribution	5,375	4,909	4,384	3,717	3,997	3,703	3,188	3,073
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	527,033	481,256	429,767	364,426	391,850	363,058	312,571	301,230
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.00%	1.00%	1.00%	1.00%

These schedules are presented to show information for 10 years. Until information for the full 10 year period is available, information will be presented for the years information is available.

SUPPLEMENTAL INFORMATION

**BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN
NET POSITION (NON-GAAP BUDGETARY BASIS)
WATER AND SEWER ENTERPRISE FUND
For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original & Final</u>	<u>Actual</u>	
REVENUE			
Water and sewer fees	\$ 1,097,050	\$ 1,282,397	\$ 185,347
Availability of service fees	225,000	277,647	52,647
Property and specific ownership taxes	273,914	272,555	(1,359)
Tap fees	10,000	40,000	30,000
Payments in lieu of taxes	12,000	14,830	2,830
Grant income	8,000	31,758	23,758
Interest income	10,500	32,523	22,023
Miscellaneous income	17,800	126,202	108,402
Total Revenue	<u>1,654,264</u>	<u>2,077,912</u>	<u>423,648</u>
EXPENDITURES			
Operations:			
Insurance	38,000	38,261	(261)
Office expense	35,140	47,490	(12,350)
Operating expenses	25,725	13,823	11,902
Professional fees	35,000	9,787	25,213
Repair and maintenance	264,500	247,804	16,696
Salaries and benefits	423,813	383,380	40,433
Small tools and supplies	6,000	9,467	(3,467)
Testing	9,000	12,465	(3,465)
Utilities	112,900	99,364	13,536
Utility billing	20,000	20,539	(539)
Vehicle operations	50,000	41,989	8,011
Line extension	-	103,033	(103,033)
Water costs	85,000	40,179	44,821
Total Operations Expenditures	<u>1,105,078</u>	<u>1,067,581</u>	<u>37,497</u>
Debt service:			
Principal	234,156	234,156	-
Interest	193,145	192,630	515
Trustee, fiscal and paying agent fees	600	400	200
Capital outlay	397,000	88,376	308,624
Total Expenditures	<u>1,929,979</u>	<u>1,583,143</u>	<u>346,836</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(275,715)</u>	<u>494,769</u>	<u>770,484</u>
OTHER FINANCING SOURCES (USES)			
Transfer from (to) other funds	247,000	-	(247,000)
Total other financing sources	<u>247,000</u>	<u>-</u>	<u>(247,000)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENSES	<u>(28,715)</u>	<u>494,769</u>	<u>523,484</u>
FUNDS AVAILABLE - BEGINNING OF YEAR	<u>1,173,427</u>	<u>1,610,654</u>	<u>437,227</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 1,144,712</u>	<u>\$ 2,105,423</u>	<u>\$ 960,711</u>

**BACA GRANDE WATER AND SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUE, EXPENSES AND CHANGES IN NET POSITION - ENTERPRISE FUND
Year Ended December 31, 2023**

Revenue (budgetary basis)	<u>\$</u>	2,077,912
Revenue per Statement of Revenues, Expenses and Changes in Fund Net Position		<u>2,077,912</u>
Expenditures (budgetary basis)		1,583,143
Expenditures included in statement of revenues, expenses and changes in net position, but not included with expenditures on a budgetary basis:		
Depreciation		513,418
Expenditures included under budgetary basis, but not included in statement of revenues, expenses and changes in net position		
Capital outlay		(88,376)
Debt paid		(234,156)
Pension		<u>(25,111)</u>
Operating and non-operating expenses per statement of revenues, expenses and changes in net position		<u>1,748,918</u>
Change in net position per statement of revenue, expenses and changes in net position	<u>\$</u>	<u>328,994</u>

**BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2023**

Year Ended December 31,	\$5,305,000 General Obligation Bonds, Series 2017 Principal Due on December 1 Interest Rate of 3% to 4% Payable on June 1 and December 1			\$1,483,750 Colorado Water Resources and Power Development Authority Loan Principal and Interest Interest Rate of 2.00% Due June 1 and December 1		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 150,000	\$ 177,500	\$ 327,500	\$ 85,847	\$ 9,453	\$ 95,300
2025	155,000	173,000	328,000	87,573	7,728	95,301
2026	165,000	168,350	333,350	89,333	5,968	95,301
2027	215,000	163,400	378,400	91,129	4,172	95,301
2028	225,000	156,950	381,950	92,960	2,340	95,300
2029	235,000	147,950	382,950	47,550	472	48,022
2030	250,000	138,550	388,550	-	-	-
2031	265,000	128,550	393,550	-	-	-
2032	275,000	117,950	392,950	-	-	-
2033	290,000	106,950	396,950	-	-	-
2034	305,000	95,350	400,350	-	-	-
2035	320,000	86,200	406,200	-	-	-
2036	330,000	76,600	406,600	-	-	-
2037	345,000	63,400	408,400	-	-	-
2038	395,000	49,600	444,600	-	-	-
2039	415,000	33,800	448,800	-	-	-
2040	430,000	17,200	447,200	-	-	-
	<u>\$ 4,765,000</u>	<u>\$ 1,901,300</u>	<u>\$ 6,666,300</u>	<u>\$ 494,392</u>	<u>\$ 30,133</u>	<u>\$ 524,525</u>

BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2023
(continued)

Year Ended December 31,	Total		
	Principal	Interest	Total
2024	\$ 235,847	\$ 186,953	\$ 422,800
2025	242,573	180,728	423,301
2026	254,333	174,318	428,651
2027	306,129	167,572	473,701
2028	317,960	159,290	477,250
2029	282,550	148,422	430,972
2030	250,000	138,550	388,550
2031	265,000	128,550	393,550
2032	275,000	117,950	392,950
2033	290,000	106,950	396,950
2034	305,000	95,350	400,350
2035	320,000	86,200	406,200
2036	330,000	76,600	406,600
2037	345,000	63,400	408,400
2038	395,000	49,600	444,600
2039	415,000	33,800	448,800
2040	430,000	17,200	447,200
	<u>\$ 5,259,392</u>	<u>\$ 1,931,433</u>	<u>\$ 7,190,825</u>

**BACA GRANDE WATER AND SANITATION DISTRICT
SCHEDULE OF ASSESSED VALUATION AND MILL LEVY CERTIFICATION**

Years Ended December 31,

	2023 Certified	2022 Certified	2021 Certified	2020 Certified	2019 Certified*	2018 Certified*	2018 Adopted	2017	2016
Assessed Valuation - Final	\$ 14,347,874	\$ 14,667,703	\$ 11,174,827	\$ 11,220,407	\$ 10,349,652	\$ 10,135,580	\$ 10,853,794	\$ 11,885,632	\$ 12,073,444
Mill Levy - Certified	54.000	54.000	54.000	54.000	54.000	54.000	54.000	54.000	54.000

**Final Assessed Valuation substantially less than Preliminary Assessed Valuation.*