

MEEKER SANITATION DISTRICT

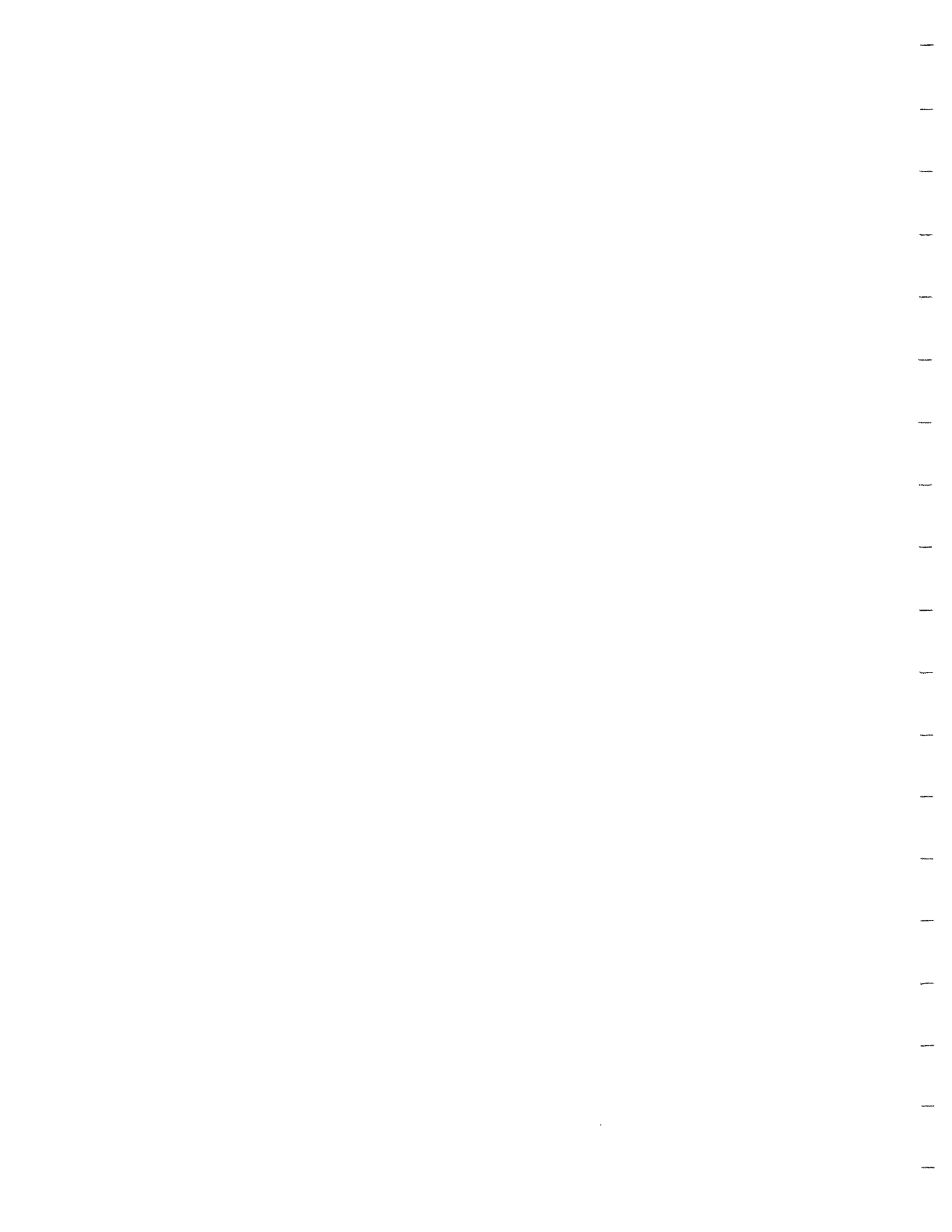
FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022

FINANCIAL STATEMENTS - 2022



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Meeker Sanitation District

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Meeker Sanitation District, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Meeker Sanitation 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, each major fund, and the aggregate remaining fund information of the Meeker Sanitation District, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Meeker Sanitation 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 Meeker Sanitation 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 Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Meeker Sanitation 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 Meeker Sanitation District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information – General Fund, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District Contributions – PERA Pension Plan, Schedule of the District's Proportionate Share of the Net OPEB Liability, and Schedule of District Contributions – PERA OPEB Plan 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises of the budgetary comparison schedule – Water Activity Enterprise Fund but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

ColoCPA Services, PC

Rangely, Colorado
February 26, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

The discussion and analysis of the Meeker Sanitation District's (the "District") financial performance provides readers with an overall review of the financial activities of the District for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$5,970,269 at December 31, 2022.
- Total District's cash and investments increased by \$102,137 or 9 percent from 2021.
- The December 31, 2022, General Fund balance is \$25,672 less than the previous year. The total General Fund balance is 389% of 2022 General fund operating expenditures.

USING THIS ANNUAL REPORT

This Annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the District as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The Statement of Net Position and Statement of Activities provides information about the activities of the whole District, presenting both an aggregate view of the District's finances and longer-term view of those assets. The Statement of Activities show a net (expense) revenue and changes in net position related to each department of the District. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

OVERVIEW OF THE DISTRICT'S FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances. The Statement of Net Position and Statement of Activities include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the year's revenues and expenses regardless of when the cash was received or paid.

These two statement report the District's net position and the changes in those assets. This change in assets is important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or diminished. However, in evaluating the overall position of the District, non-financial information such as changes in the District tax base and the condition of the District capital assets will also need to be evaluated.

In the Statement of Net Position and Statement of Activities, the District's activities are reported as Governmental Activities or Business-type Activities.

Fund Financial Statements

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for governmental funds with similar

information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds. Proprietary funds are reported in the fund financial statements and generally report services for which customers are charged a fee. The District uses an enterprise fund which essentially encompasses the same functions report as business-type activities in the government-wide statements. Services are provided to a customer external to the District's organization which is waste water services to the Town of Meeker, Colorado and surrounding areas.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for the major enterprise fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 38 of this report.

Budgetary Comparisons. The District adopts an annual appropriated budget for the Sanitation Fund. A budgetary comparison statement has been provided for the Sanitation Fund on page 47 through 48 of this report.

REPORTING THE DISTRICT AS A WHOLE

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following table provides a summary of the District's net position for 2021 and 2022.

	Governmental Activities		Business-type Activities		Total	
	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>
Assets						
Current and other assets	\$ 1,430,357	\$ 1,354,544	\$ -	\$ 216,485	\$ 1,430,357	\$ 1,571,029
Capital assets	5,138,554	27,304	-	4,980,634	5,138,554	5,007,938
Total assets	<u>6,568,911</u>	<u>1,381,848</u>	<u>-</u>	<u>5,197,119</u>	<u>6,568,911</u>	<u>6,578,967</u>
Deferred Outflows	<u>115,329</u>	<u>48,227</u>	<u>-</u>	<u>-</u>	<u>115,329</u>	<u>48,227</u>
Liabilities						
Current and other liabilities	66,710	10,226	-	34,899	66,710	45,125
Long-term liabilities	268,166	29,623	-	44,439	268,166	74,062
Total liabilities	<u>334,876</u>	<u>39,849</u>	<u>-</u>	<u>79,338</u>	<u>334,876</u>	<u>119,187</u>
Deferred Inflows	<u>465,726</u>	<u>537,738</u>	<u>-</u>	<u>-</u>	<u>465,726</u>	<u>537,738</u>
Net Position						
Net investment in capital assets	5,138,554	27,304	-	4,936,195	5,138,554	4,963,499
Restricted	26,236	7,742	-	-	26,236	7,742
Unrestricted	718,848	817,442	-	181,586	718,848	999,028
Total net position	<u>\$ 5,883,638</u>	<u>\$ 852,488</u>	<u>\$ -</u>	<u>\$ 5,117,781</u>	<u>\$ 5,883,638</u>	<u>\$ 5,970,269</u>

A significant portion of the District's net position represents unrestricted net position of \$999,028 which may be used to meet the ongoing obligations to patrons and creditors.

Another significant portion of the District's net position reflects its net investment in capital assets. These assets include land, buildings, plant, equipment and construction in progress. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

An additional \$7,742 of the District's net position represents resources that are subject to external restrictions on how they may be used. The restriction is for the TABOR emergency reserve.

The following table indicates the changes in net position for 2021 and 2022.

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Revenues						
Program revenues:						
Charges for Services	\$ 687,234	\$ -	\$ -	\$ 699,046	\$ 687,234	\$ 699,046
Capital grants and Contributions	-	-	-	10,000	-	10,000
General revenues & transfers:						
General property taxes	142,502	206,423	-	-	142,502	206,423
Specific ownership tax	5,769	8,113	-	-	5,769	8,113
Investment earnings	541	20,065	-	952	541	21,017
Other	38,488	23,476	-	2,289	38,488	25,765
Transfers in (out)	-	(5,136,049)	-	5,136,049	-	-
Total revenues	<u>874,534</u>	<u>(4,877,972)</u>	<u>-</u>	<u>5,848,336</u>	<u>874,534</u>	<u>970,364</u>
Expenses:						
General	262,038	153,178	-	-	262,038	153,178
Water Activity	766,499	-	-	730,555	766,499	730,555
Total expenses	<u>1,028,537</u>	<u>153,178</u>	<u>-</u>	<u>730,555</u>	<u>1,028,537</u>	<u>883,733</u>
Increase (decrease) in net position	<u>\$ (154,003)</u>	<u>\$(5,031,150)</u>	<u>\$ -</u>	<u>\$ 5,117,781</u>	<u>\$ (154,003)</u>	<u>\$ 86,631</u>

Governmental Activities. Governmental activities decreased the District's net position by \$5,031,150 in 2022. Key elements of this decrease are as follows:

An enterprise fund was created and asset and activities were reported separately. The assets transferred were \$5,136,049 and was the main contributor to the decrease in net position.

Business-type Activities. Business-type activities increased the District's net position by \$5,117,781 in 2022. Key elements of this increase are as follows:

An enterprise fund was created and asset and activities were reported separately. The assets transferred were \$5,136,049 and was the main contributor to the increase in net position.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUND

Governmental Funds. Information about the District's governmental funds begins on page 13. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2022, the total fund balance of the District's governmental funds were \$1,102,699. Approximately 99 percent of this consists of unreserved fund balance, which is available as working capital and for current spending in accordance with the purposes of the District. The remainder of the fund equity is reserved to indicate that it is not available for new spending because it is committed for the following purpose: (1) a State-Constitution mandated emergency reserve (\$7,742). The District had governmental revenues of \$258,077, expenditures of \$283,749, and transfers out of \$5,136,049.

Proprietary Funds. Information about the District's proprietary funds begins on page 17. These funds are accounted for using the accrual basis of accounting.

As of December 31, 2022, the total net position of the District's proprietary funds were \$5,117,781. Approximately 4 percent of this consists of unrestricted net position, which is available as working capital and for current spending in accordance with the purposes of the District. The remainder of the net position are restricted to indicate that it is not available for new spending because it is committed for the following purpose: (1) net investment in capital assets (\$4,936,195). The District had proprietary operating revenues of \$699,046, expenses of \$730,555, non-operating revenues of \$3,241, capital grants of \$10,000, and transfers in of \$5,136,049.

BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Colorado statutes.

2022 General Fund Budget

	<u>Original Budget</u>	<u>Amend- ments</u>	<u>Final Budget</u>	<u>Actual</u>
Beginning Fund Balance	\$ 1,095,790	\$ -	\$ 1,095,790	\$ 6,264,420
Revenue and other financing sources	2,357,032	(2,100,173)	256,859	258,077
Expenditures and other financing uses	(2,416,531)	2,100,172	(316,359)	(5,419,798)
Ending Fund Balance	<u>\$ 1,036,291</u>	<u>\$ (1)</u>	<u>\$ 1,036,290</u>	<u>\$ 1,102,699</u>

Actual revenue and other financing sources were \$1,218 more than budgeted revenue and other financing sources. Actual tax revenue was \$2,677 more than budgeted and was the main contributor of the difference.

Actual expenditures and other financing uses were \$5,103,439 more than budgeted expenditures and other financing uses. Transfers out were \$5,136,049 more than budgeted and was the main contributor for the difference.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's net investment in capital assets for its governmental type and business-type activities as of December 31, 2022 totaled \$4,963,499 (net of accumulated depreciation and related debt). This investment includes all land, buildings, plant, equipment, and construction in progress. The total decrease in investment in capital assets for the current year was \$175,055 or 3 percent.

The District uses the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated.

Long-term Debt. During the year ended December 31, 2022, the District had a long-term loan payable of \$44,439 for the Water Activity Enterprise Fund.

Additional information on the District's debt can be found in Note 11.

ECONOMIC FACTORS AND OTHER MATTERS

Other Matters. The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2023 budget:

- Anticipated funds from a SRF loan.
- Anticipated decrease in property taxes received.
- Capital improvements of \$1,495,947.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, P.O. Box 417, Meeker, CO 81641.

FINANCIAL STATEMENTS

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MEEKER SANITATION DISTRICT

STATEMENT OF NET POSITION
December 31, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,094,890	\$ 106,066	\$ 1,200,956
Accounts receivable	-	11,638	11,638
Property taxes receivable	203,702	-	203,702
Prepaid expenses	18,035	43,391	61,426
Restricted cash and investments	-	55,390	55,390
Capital assets, nondepreciable	10,000	322,825	332,825
Capital assets, net	17,304	4,657,809	4,675,113
Net pension asset	37,917	-	37,917
	<u>1,381,848</u>	<u>5,197,119</u>	<u>6,578,967</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	44,566	-	44,566
Deferred outflows related to OPEB	3,661	-	3,661
	<u>48,227</u>	<u>-</u>	<u>48,227</u>
	<u>1,430,075</u>	<u>5,197,119</u>	<u>6,627,194</u>
LIABILITIES			
Accounts payable	5,673	17,331	23,004
Prepaid revenues	-	8,295	8,295
Employee compensated absences	4,553	9,273	13,826
Noncurrent liabilities			
Due in more than one year	-	44,439	44,439
Net OPEB liability	29,623	-	29,623
	<u>39,849</u>	<u>79,338</u>	<u>119,187</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - property taxes	203,702	-	203,702
Deferred inflows related to pensions	323,542	-	323,542
Deferred inflows related to OPEB	10,494	-	10,494
	<u>537,738</u>	<u>-</u>	<u>537,738</u>
	<u>577,587</u>	<u>79,338</u>	<u>656,925</u>
NET POSITION			
Net investment in capital assets	27,304	4,936,195	4,963,499
Restricted for Tabor emergencies	7,742	-	7,742
Unrestricted	817,442	181,586	999,028
	<u>\$ 852,488</u>	<u>\$ 5,117,781</u>	<u>\$ 5,970,269</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

		Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions
FUNCTIONS/PROGRAMS			
Primary government			
Governmental activities			
General government	\$ 153,178	\$ -	\$ -
	153,178	-	-
TOTAL GOVERNMENTAL ACTIVITIES			
Business-type activities			
Water Activity	730,555	699,046	-
	730,555	699,046	-
TOTAL BUSINESS-TYPE ACTIVITIES			
	883,733	699,046	-
TOTAL PRIMARY GOVERNMENT			
	\$ 883,733	\$ 699,046	\$ -
General revenues			
Taxes			
Property taxes			
Specific ownership tax			
Unrestricted investment earnings			
Miscellaneous			
Transfers in (out)			
Total general revenues and transfers			
Changes in net position			
Net position - beginning			
Net position - ending			

Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (153,178)	\$ -	\$ (153,178)
-	(153,178)	-	(153,178)
10,000	-	(21,509)	(21,509)
10,000	-	(21,509)	(21,509)
<u>\$ 10,000</u>	<u>(153,178)</u>	<u>(21,509)</u>	<u>(174,687)</u>
	206,423	-	206,423
	8,113	-	8,113
	20,065	952	21,017
	23,476	2,289	25,765
	<u>(5,136,049)</u>	<u>5,136,049</u>	<u>-</u>
	<u>(4,877,972)</u>	<u>5,139,290</u>	<u>261,318</u>
	<u>(5,031,150)</u>	<u>5,117,781</u>	<u>86,631</u>
	<u>5,883,638</u>	<u>-</u>	<u>5,883,638</u>
	<u>\$ 852,488</u>	<u>\$ 5,117,781</u>	<u>\$ 5,970,269</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2022

	<u>General</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,094,890
Property taxes receivable	203,702
Prepaid expenses	<u>18,035</u>
TOTAL ASSETS	<u>1,316,627</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY</u>	
LIABILITIES	
Accounts payable	5,673
Employee compensated absences	<u>4,553</u>
TOTAL LIABILITIES	<u>10,226</u>
DEFERRED INFLOWS	
Unearned revenue - property taxes	<u>203,702</u>
TOTAL DEFERRED INFLOWS	<u>203,702</u>
FUND EQUITY	
Restricted for Tabor emergencies	7,742
Unassigned	<u>1,094,957</u>
TOTAL FUND EQUITY	<u>1,102,699</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	<u>\$ 1,316,627</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2022

Balance sheet - total fund balances		\$ 1,102,699
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.		27,304
Long-term assets and liabilities, including net pension liabilities and OPEB liabilities, are not due and payable, or receivable in the current period and, therefore, are not reported in the funds.		8,294
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	44,566	
Deferred outflows of resources related to OPEB	3,661	
Deferred inflows of resources related to pensions	(323,542)	
Deferred inflows of resources related to OPEB	<u>(10,494)</u>	
Net deferred outflows (inflows)		<u>(285,809)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 852,488</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2022

	<u>General</u>
REVENUES	
Taxes	\$ 214,536
Interest income	20,065
Miscellaneous	<u>23,476</u>
TOTAL REVENUES	<u>258,077</u>
EXPENDITURES	
Directors' fees	4,500
Office salaries	96,237
Employee benefits	94,399
Professional services	41,619
Insurance	2,280
Office supplies	16,365
Telephone	3,024
Utilities	1,916
Miscellaneous	13,152
Treasurer's fee	<u>10,257</u>
TOTAL EXPENDITURES	<u>283,749</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(25,672)</u>
OTHER FINANCING SOURCES (USES)	
Transfers in (out)	<u>(5,136,049)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,136,049)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	<u>(5,161,721)</u>
FUND BALANCE, BEGINNING OF YEAR	6,297,293
Prior period adjustment	<u>(32,873)</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,102,699</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022**

Net change in fund balances - total governmental funds	\$ (5,161,721)
Amounts reported for governmental activities in the statement of net activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$5,569) is more than capital outlays (\$0) in the current period.	(5,569)
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension income (expense).	132,896
Governmental funds recognize District OPEB contributions as expenditures at the time of payment whereas the statement of activities factors in items related to OPEB on a full accrual perspective.	<u>3,244</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (5,031,150)</u></u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2022

	<u>Enterprise Funds</u>
	<u>Water Activity</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 106,066
Accounts receivable	11,638
Prepaid expenses	43,391
Restricted cash and investments	<u>55,390</u>
TOTAL CURRENT ASSETS	<u>216,485</u>
Property, plant, and equipment, net	<u>4,980,634</u>
TOTAL ASSETS	<u>5,197,119</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	17,331
Prepaid revenues	8,295
Employee compensated absences	<u>9,273</u>
TOTAL CURRENT LIABILITIES	<u>34,899</u>
LONG-TERM LIABILITIES	
Loan payable	<u>44,439</u>
TOTAL LONG-TERM LIABILITIES	<u>44,439</u>
TOTAL LIABILITIES	<u>79,338</u>
NET POSITION	
Net investment in capital assets	4,936,195
Unrestricted	<u>181,586</u>
TOTAL NET POSITION	<u>\$ 5,117,781</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS

For the Year Ended December 31, 2022

	<u>Enterprise Funds</u>
	<u>Water Activity</u>
OPERATING REVENUE	
Sewer service	<u>\$ 699,046</u>
TOTAL OPERATING REVENUE	<u>699,046</u>
OPERATING EXPENSES	
Salaries and wages	177,257
Employee benefits	130,932
Utilities	87,380
Insurance	26,674
Vehicle operation and repair	5,885
Plant chemicals and supplies	2,934
Repairs and maintenance	28,729
Miscellaneous	27,190
Depreciation	<u>243,574</u>
TOTAL OPERATING EXPENSES	<u>730,555</u>
OPERATING INCOME (LOSS)	<u>(31,509)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	952
Miscellaneous	<u>2,289</u>
NET NON-OPERATING REVENUES	<u>3,241</u>
INCOME BEFORE CAPITAL GRANTS AND TRANSFERS	<u>(28,268)</u>
Capital grants	10,000
Transfers in (out)	<u>5,136,049</u>
CHANGE IN NET POSITION	5,117,781
NET POSITION, BEGINNING OF YEAR	<u>-</u>
NET POSITION, END OF YEAR	<u><u>\$ 5,117,781</u></u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2022

	<u>Enterprise Funds</u>
	<u>Water Activity</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 697,377
Cash payments to suppliers for goods and services	(166,793)
Cash payments to employees for services	(308,282)
NET CASH (USED) BY OPERATING ACTIVITIES	<u>222,302</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Miscellaneous non-operating revenue	<u>2,289</u>
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>2,289</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Grants	10,000
Loan proceeds	44,439
Purchase of capital assets	(118,526)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(64,087)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net increase in restricted cash	(55,390)
Investment income	<u>952</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(54,438)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	106,066
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 106,066</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (31,509)
Adjustments to reconcile operating income (loss) to Net cash provided (used) by operating activities:	
Depreciation	243,574
Changes in assets and liabilities:	
Decrease (increase) in accounts receivable	(2,309)
Decrease (increase) in prepaids	(1,878)
Increase (decrease) in accounts payable	13,877
Increase (decrease) in prepaid revenue	640
Increase (decrease) in employee compensated absences	(93)
NET CASH (USED) BY OPERATING ACTIVITIES	<u>\$ 222,302</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Meeker Sanitation District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The following is a summary of the more significant policies consistently used in the preparation of the financial statements.

A. Financial Reporting Entity

An elected five member Board of Directors governs the District. No additional separate government units, agencies, or nonprofit corporations are included in the financial statements of the District as component units. Component units are legally separate entities for which the District is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on the District.

The District provides sewer service to the Town of Meeker, Colorado and surrounding areas.

Starting January 1, 2022, The District adopted a resolution creating two funds, the General Fund and the Water Activity Enterprise Fund.

B. Measurement focus, basis of accounting, and financial statement presentation

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District 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, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to actual and so have been measurable and available only when the District received cash.

The District reports the following major governmental fund:

General Fund

The General Fund is the District's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. The major revenue sources are local property taxes. Expenditures include all costs associated with the daily operations of the District.

Proprietary funds distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. The District recognizes the portion of tap fees intended to recover the cost of connecting new customers to the system as operating revenue. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Measurement focus, basis of accounting, and financial statement presentation, continued

The District reports the following major proprietary fund:

Water Activity Enterprise Fund

The Water Activities Fund accounts for the operation and capital needs to provide sewer and wastewater services to customers within the boundaries of the Town of Meeker.

As a general rule, the effect of interfund activities have been eliminated from the government-wide financial statements.

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

C. Fixed Assets

Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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 depreciated over the remaining useful lives of the related fixed assets, as applicable.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. In 2022 no interest was capitalized.

Property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Sewage Treatment	50
Sewer Collection System	50
Building	30
Equipment	5-10

In the government-wide financial statements and proprietary fund types, 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.

D. Property Taxes

Property taxes are levied on December 22 of each year and attach as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year and are payable in full by June 15 if paid in installments, or April 30 with a single payment. Taxes are delinquent as of June 16. If the taxes are not paid within subsequent statutory periods, the property will be sold at public auction. The County bills and collects the property taxes and remits collections to the District on a monthly basis. No provision has been made for uncollected taxes, in that the District's experience indicates that all material amounts will be collected and paid to the District.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Budgets and Budgetary Accounting

The District's directors follow these procedures in establishing the budgetary data reflected in the financial statements:

Prior to October 15, the office manager submits to the District's directors a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain the taxpayers' comments.

Prior to December 15 the budget is legally enacted through passage of a resolution.

Formal budgetary integration is employed as a management control device during the year.

The budgets for the General and Enterprise Funds are adopted on a basis which differs from GAAP in that outlays for debt retirement principal and acquisitions of fixed assets are included as expenses, and depreciation is excluded from expenses.

Appropriations lapse at the end of each calendar year.

The District's directors may authorize supplemental appropriations during the year. Supplemental appropriations were made during the year ended December 31, 2022.

F. Compensated Absences

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be taken after year-end or paid upon separation from service. A liability for accrued vacation and sick leave benefits has been recorded in the appropriate funds.

G. Cash Equivalents

For purposes of the statement of cash flows the District considers all investments in highly liquid debt instruments (including restricted assets) with a maturity of three months or less, to be cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Prepaid Items

Payments made to vendors for services representing costs applicable to future accounting periods are recorded as prepaid items.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 2 - CASH AND INVESTMENTS

The District’s bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Authority’s custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral included municipal bonds, U.S. government securities, mortgage, and deeds of trust.

State statutes authorized the District to invest in obligation of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, Local Government, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

The District’s investment policy is not more restrictive than State statutes. The District’s investments are concentrated in local government investment pools, U.S. government and agency securities, and bank CDs.

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value arising from increasing interest rates.

Investments for the District are reported at market value. Investments held are as follows:

<u>December 31, 2022</u>	<u>Cost</u>	<u>Market Value</u>
COLOTRUST	<u>\$ 1,188,273</u>	<u>\$ 1,188,273</u>

Included in cash and cash equivalents are amounts held in the Colorado Local Government Liquid Asset Trust (the Trust), and investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust offer shared in three portfolios, COLOTRUST Prime, COLOTRUST Plus+, and COLOTRUST EDGE. COLOTRUST Prime and COLOTRUST Plus+ operates similarly to a money market fund and each share is equal in value to \$1.00. COLOTRUST EDGE is a variable NAV fund managed to approximate a \$10.00 transactional share price, calculated and publishing a fair value NAV on a daily basis. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. Substantially 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. At December 31, 2022, the District invested \$1,188,273 in COLOTRUST Plus+. The District’s investment in the COLOTRUST Plus+ is rated AAAM by S&P Global Ratings and COLOTRUST EDGE is rated AA Af/S1 by FitchRatings.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 2 - CASH AND INVESTMENTS, Continued

A summary of cash and investments is as follows:

Cash and cash equivalents		
Cash on hand	\$	190
Cash with County		631
Cash deposits in bank		67,252
COLOTRUST		<u>1,132,883</u>
Total cash and cash equivalents		1,200,956
Restricted cash and investments – COLOTRUST (**)		<u>55,390</u>
Total cash and investments		<u><u>\$1,256,346</u></u>

** Board designated for sewer improvements

NOTE 3 - ACCOUNTS RECEIVABLE

Management has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

NOTE 4 - PROPERTY TAXES

Revenue Recognized in 2022

Local property taxes levied in 2021 and collected in 2022 are recognized as revenue in these financial statements as shown below:

	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount of Taxes</u>		<u>Percent Collected</u>
			<u>Levied</u>	<u>Collected</u>	
Enterprise Fund	\$ 21,637,740	9.47	\$ 204,909	\$ 205,759	100.41%

Property Taxes Receivable and Deferred Revenues

Local Property taxes levied in 2022 but not collectible until 2023 are shown as property taxes receivable and deferred revenue.

	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Estimated Percent Collectible</u>	<u>Property Taxes Receivable</u>	<u>Deferred Revenue</u>
Enterprise Fund	\$ 21,510,200	9.47	100.0%	\$ 203,702	\$ 203,702

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5 - CAPITAL ASSETS

A. Governmental Activities

A summary of changes in capital assets for the year ended December 31, 2022 is as follows:

	<u>January 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2022</u>
Capital assets not being depreciated:				
Land	\$ 265,045	\$ -	\$ (255,045)	\$ 10,000
Total assets not being depreciated	<u>265,045</u>	<u>-</u>	<u>(255,045)</u>	<u>10,000</u>
Capital assets being depreciated:				
Administration	224,162	-	-	224,162
Sewage collection and treatment	<u>11,320,452</u>	<u>-</u>	<u>(11,320,452)</u>	<u>-</u>
Total assets being depreciated	<u>11,544,614</u>	<u>-</u>	<u>(11,320,452)</u>	<u>224,162</u>
Less accumulated depreciation:				
Administration	(201,289)	(5,569)	-	(206,858)
Sewage collection and treatment	<u>(6,469,816)</u>	<u>-</u>	<u>6,469,816</u>	<u>-</u>
Total accumulated depreciation	<u>(6,671,105)</u>	<u>(5,569)</u>	<u>6,469,816</u>	<u>(206,858)</u>
Total assets being depreciated, net	<u>4,873,509</u>	<u>(5,569)</u>	<u>(4,850,636)</u>	<u>17,304</u>
Business-type activities capital assets, net	<u>\$ 5,138,554</u>	<u>\$ (5,569)</u>	<u>\$(5,105,681)</u>	<u>\$ 27,304</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:	
Administration	<u>\$ 5,569</u>
Total depreciation expense - governmental activities	<u>\$ 5,569</u>

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5 - CAPITAL ASSETS, Continued

B. Business-type Activities

A summary of changes in capital assets for the year ended December 31, 2022 is as follows:

	<u>January 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2022</u>
Capital assets not being depreciated:				
Land	\$ -	\$ 255,045	\$ -	\$ 255,045
Construction in progress	-	67,780	-	67,780
Total assets not being depreciated	-	322,825	-	322,825
Capital assets being depreciated:				
Sewage collection and treatment	-	11,371,198	-	11,371,198
Total assets being depreciated	-	11,371,198	-	11,371,198
Less accumulated depreciation:				
Sewage collection and treatment	-	(6,713,390)	-	(6,713,390)
Total accumulated depreciation	-	(6,713,390)	-	(6,671,105)
Total assets being depreciated, net	-	4,657,808	-	4,873,509
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ 4,980,633</u>	<u>\$ -</u>	<u>\$ 5,138,554</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Business-type activities:	
Water Activities	<u>\$ 243,574</u>
Total depreciation expense – business-type activities	<u>\$ 243,574</u>

NOTE 6 - BUDGETARY - GAAP REPORTING RECONCILIATION

The accompanying schedule presents comparisons of the legally adopted budget with actual data on a budgetary basis for the Enterprise Fund. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, perspective and entity differences in the revenues under expenditures for the year ended December 31, 2022, is presented as follows:

Revenues over expenses (NON-GAAP basis) (Page 56)	<u>Sanitation</u> \$ 5,287,268
Less	
Depreciation	(243,574)
Debt proceeds	(44,439)
Add	
Capital outlay	<u>118,526</u>
Revenues under expenses (GAAP basis) (Page 18)	<u>\$ 5,117,781</u>

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 7 - DEFERRED COMPENSATION PLAN

The District has contracted for the administration of a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to the employee until termination, retirement, death or unforeseeable emergency. The assets of this plan are not in the name of the District and are not included in these financial statements.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

Benefits provided as of December 31, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 8 - DEFINED BENEFIT PENSION PLAN, Continued

General Information about the Pension Plan, continued

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. For State Troopers whose disability is caused by an on-the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. 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.

Contributions provisions as of December 31, 2022. Eligible employees and Meeker Sanitation District and State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of January 1, 2022 through December 31, 2022 are summarized in the table below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employee contribution (all employees except State Troopers)	8.50%	9.00%
State Troopers	12.50%	13.00%

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 8 - DEFINED BENEFIT PENSION PLAN, Continued

General Information about the Pension Plan, continued

The employer contribution requirements for all employees other than State Troopers are summarized in the table below:

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

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for State Troopers are summarized in the table below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employer contribution rate	13.60%	14.10%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	12.58%	13.08%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.03%	0.03%
Total employer contribution rate to the LGDTF	16.31%	16.81%

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 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 Meeker Sanitation District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Meeker Sanitation District were \$41,180 for the year ended December 31, 2022

Pension Asset, Pension Income, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the Meeker Sanitation District reported an asset of \$37,917 for its proportionate share of the net pension asset. The net pension asset for the LGDTF was measured as of December 31, 2021, and the total pension asset (TPA) used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPA to December 31, 2021. The Meeker Sanitation District proportion of the net pension asset was based on Meeker Sanitation District contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 8 - DEFINED BENEFIT PENSION PLAN, Continued

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

At December 31, 2021, the Meeker Sanitation District proportion was 0.044 percent, which was a decrease of 0.001 from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Meeker Sanitation District recognized pension income of \$132,896. At December 31, 2022, the Meeker Sanitation District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	1,853	633
Changes of assumptions or other inputs	12,853	-
Net difference between projected and actual earnings on pension plan investments	-	327,990
Changes in proportion and differences between contributions recognized and proportionate share of contributions	(11,320)	(5,081)
Contributions subsequent to the measurement date	41,180	N/A
Total	44,566	323,542

\$41,180 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year ended December 31:	
2023	(73,354)
2024	(127,196)
2025	(79,806)
2026	(39,800)
2027	-
Thereafter	-

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 8 - DEFINED BENEFIT PENSION PLAN, Continued

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

Actuarial assumptions. The TPA in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than State Troopers	3.20% - 11.30%
State Troopers	3.20% - 12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

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 TPA as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-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 mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 8 - DEFINED BENEFIT PENSION PLAN, Continued

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

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

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

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

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

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

The actuarial assumptions used in the December 31, 2020, 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 to 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 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 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	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 rate of return assumption of 7.25%.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 8 - DEFINED BENEFIT PENSION PLAN, Continued

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. 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 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan 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 appropriated. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and method, the LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPA. 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.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 8 - DEFINED BENEFIT PENSION PLAN, Continued

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability (asset)	\$ 259,982	\$ (37,917)	\$ (287,096)

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

NOTE 9 – DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

Plan Description – Employees of the Meeker Sanitation District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, and Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provision to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.or/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section, 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2022, program members contributed \$3,037, for the Voluntary Investment Program.

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

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

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN, Continued

General Information about the OPEB Plan

Plan description. Eligible employees of the Meeker Sanitation District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

PERA Benefit Structure

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

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

General Information about the OPEB Plan, continued

DPS Benefit Structure

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

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Meeker Sanitation District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Meeker Sanitation District were \$3,124 for the year ended December 31, 2022.

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

At December 31, 2022, the Meeker Sanitation District reported a liability of \$29,623 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The Meeker Sanitation District proportion of the net OPEB liability was based on Meeker Sanitation District contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the Meeker Sanitation District proportion was 0.003%, which was an increase of 0.000% from its proportion measured as of December 31, 2020.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

For the year ended December 31, 2022, the Meeker Sanitation District recognized OPEB income of \$3,244. At December 31, 2022, the Meeker Sanitation District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$45	\$7,024
Changes of assumptions or other inputs	613	1,607
Net difference between projected and actual earnings on OPEB plan investments	-	1,834
Changes in proportion and differences between contributions recognized and proportionate share of contributions	(121)	29
Contributions subsequent to the measurement date	3,124	N/A
Total	\$3,661	\$10,494

\$3,124 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2023	\$(2,719)
2024	(3,121)
2025	(2,581)
2026	(1,212)
2027	(282)
Thereafter	(42)

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

Actuarial assumptions. The TOL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation				
Members other than State Troopers	3.30%- 10.90%	3.40%- 11.00%	3.20%- 11.30%	2.80%-5.30 ^c
State Troopers	3.20%- 12.40%	N/A	3.20%- 12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029	
Medicare Part A premiums			3.75% in 2021, gradually increasing to 4.50% in 2029	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

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

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

	Initial Costs for Members Without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Plan			
Medicare Advantage/Self-Insured Rx	\$633	\$230	\$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is \$471 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2020, 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
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the TOL for the HCTF, but developed using headcount weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

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

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

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

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

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

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

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

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

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

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

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

The actuarial assumptions used in the December 31, 2020, 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 to 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 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 percentage 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%	

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 rate of return assumption of 7.25%.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

Sensitivity of the Meeker Sanitation District 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	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$28,772	\$29,623	\$30,608

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, 2021, 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 used by the plan 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 Meeker Sanitation District 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 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 OPEB liability	\$34,404	\$29,623	\$25,539

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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.

NOTE 11 – CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term liabilities:

	1/1/2022 Balance	Additions	Deductions	12/31/2022 Balance	Due in One Year
Net pension liability (asset)	\$ 235,405	\$ -	\$ 273,322	\$ (37,917)	\$ -
Net OPEB liability	32,761	-	3,138	29,623	-
WPCRF Loan	-	44,439	-	44,439	-
Total	<u>\$ 268,166</u>	<u>\$ 44,439</u>	<u>\$ 276,460</u>	<u>\$ 36,145</u>	<u>\$ -</u>

The District entered into a contract on August 12, 2022 with the Colorado Water Resources and Power Department Authority for a maximum draw total of \$77,000. The loan is for the design and engineering associated with the project that consists of repairs to the existing waste water treatment plant HVAC equipment and building. The loan term shall be from the date of loan execution until the state when the Water Quality Control Division of the Colorado Department of Health and Environment issues certification that all required documents have been submitted and the District has met all project and loan requirements but shall not exceed 18 months from the execution date. At loan closing, 100% of the principal amount of the loan shall be forgiven. \$44,439 was drawn in 2022 for a total draw of \$44,439 as of December 31, 2022.

NOTE 12 - CONTINGENCIES

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue. The amendment also requires that reserves be established for declared emergencies, with 3% of fiscal year spending required in 1995 and thereafter.

The District has no authorized but unissued debt subject to the amendment's limitation. Based on fiscal year spending for 2022, \$7,742 of the year end fund equity in the General Fund has been reserved for emergencies.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

On May 7, 1996, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District without regard to any limitations under TABOR. The election is effective only for years beginning January 1, 1996, and thereafter.

MEEKER SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 13 - 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; and natural disasters. Claims made against the Meeker Sanitation District and losses incurred by the District are covered by commercial insurance for all major areas. There have been no significant reductions in insurance coverage in the current year and settlement amounts, if any, have not exceeded insurance coverage for the last three years.

NOTE 14 - REPORTING FOR PENSIONS

Beginning in 2015, financial reporting information pertaining to the District's participation in Public Employees' Retirement Association of Colorado (PERA) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

NOTE 15 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 26, 2023, the date at which the financial statements were available to be issued, and determined that an event has occurred that requires disclosure. The District has been approved for a matching grant of \$700,000 for waste water treatment plant improvements but no funds had been expended as of December 31, 2022. The District has applied for a \$700,000 loan for its matching funds as is expecting approval in 2023.

REQUIRED SUPPLEMENTARY INFORMATION

MEEKER SANITATION DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended December 31, 2022

	Budget	
	Original	Final
REVENUES		
Property taxes	\$ 204,859	\$ 204,859
Specific ownership tax	7,000	7,000
Service charges	700,173	-
Interest income	5,000	5,000
Miscellaneous	40,000	40,000
Grants	1,400,000	-
	<u>2,357,032</u>	<u>256,859</u>
TOTAL REVENUES		
EXPENDITURES		
Directors' fees	4,500	4,500
Salaries	300,938	106,253
Employee benefits	231,625	93,590
Professional services	43,900	43,900
Insurance	28,454	2,280
Office supplies	28,000	18,000
Telephone	9,200	3,200
Utilities	99,064	1,720
Miscellaneous	36,350	7,700
Treasurers fees	10,243	10,243
Vehicle operation and repair	8,500	-
Plant chemicals and supplies	3,300	-
Repairs and maintenance	51,500	-
Capital outlay	1,485,500	5,500
Contingency	35,457	19,473
Debt service		
Principal	40,000	-
	<u>2,416,531</u>	<u>316,359</u>
TOTAL EXPENDITURES		
REVENUES OVER (UNDER) EXPENDITURES	<u>(59,499)</u>	<u>(59,500)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in (out)	-	-
	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>(59,499)</u>	<u>(59,500)</u>
NET POSITION, BEGINNING OF YEAR	1,095,790	1,095,790
Prior period adjustment	-	-
	<u>-</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 1,036,291</u>	<u>\$ 1,036,290</u>

<u>Actual Amounts</u>	<u>Variance from final budget</u>
\$ 206,423	\$ 1,564
8,113	1,113
-	-
20,065	15,065
23,476	(16,524)
-	-
<u>258,077</u>	<u>1,218</u>
4,500	-
96,237	10,016
94,399	(809)
41,619	2,281
2,280	-
16,365	1,635
3,024	176
1,916	(196)
9,502	(1,802)
10,257	(14)
-	-
-	-
-	-
-	5,500
3,650	15,823
-	-
<u>283,749</u>	<u>32,610</u>
<u>(25,672)</u>	<u>33,828</u>
<u>(5,136,049)</u>	<u>(5,136,049)</u>
<u>(5,161,721)</u>	<u>(5,102,221)</u>
6,297,293	5,201,503
<u>(32,873)</u>	<u>(32,873)</u>
<u><u>1,102,699</u></u>	<u><u>\$ 66,409</u></u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
PERA PENSION PLAN
Last 10 Fiscal Years

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total Pension Liability
12/31/2014	0.050%	\$ 412,768	\$ 267,602	154%	81.78%
12/31/2015	0.045%	406,274	248,374	164%	80.72%
12/31/2016	0.044%	489,924	252,581	194%	76.90%
12/31/2017	0.045%	610,437	283,275	215%	73.60%
12/31/2018	0.046%	517,160	284,256	182%	79.40%
12/31/2019	0.043%	545,979	304,696	179%	75.96%
12/31/2020	0.044%	324,300	329,933	98%	86.26%
12/31/2021	0.045%	235,405	329,574	71%	90.88%
12/31/2022	0.044%	(37,917)	306,231	-12%	101.49%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in the schedule is based as of the measurement date of PERA's net pension liability, which is as of the calendar year end that occurred before the District's fiscal year end.

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA PENSION PLAN
Last 10 Fiscal Years

<u>Year Ending</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contributions Excess/ Deficiency</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2013	\$ 33,932	\$ 33,932	\$ -	\$ 267,602	12.68%
12/31/2014	31,494	31,494	-	248,374	12.68%
12/31/2015	32,027	32,027	-	252,581	12.68%
12/31/2016	34,744	34,744	-	274,005	12.68%
12/31/2017	35,919	35,919	-	283,275	12.68%
12/31/2018	36,044	36,044	-	284,256	12.68%
12/31/2019	38,636	38,636	-	304,696	12.68%
12/31/2020	42,642	42,642	-	329,933	12.92%
12/31/2021	43,504	43,504	-	329,574	13.20%
12/31/2022	41,180	41,180	-	306,231	13.45%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA OPEB PLAN
Last 10 Fiscal Years

Year Ended*	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Actual Covered Payroll	Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total OPEB Liability
12/31/2017	0.003%	\$ 44,992	\$ 283,275	16%	16.72%
12/31/2018	0.004%	46,932	284,256	17%	17.53%
12/31/2019	0.003%	45,821	304,696	15%	17.03%
12/31/2020	0.003%	38,170	329,933	12%	24.49%
12/31/2021	0.003%	32,761	329,574	10%	32.78%
12/31/2022	0.003%	29,623	306,231	10%	39.40%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in the schedule is based as of the measurement date of PERA's net pension liability, which is as of the calendar year end that occurred before the District's fiscal year end.

The accompanying "Notes to Financial Statements" are an integral part of this statement.

MEEKER SANITATION DISTRICT

**SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA OPEB PLAN
Last 10 Fiscal Years**

<u>Year Ending</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contributions Excess/ Deficiency</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2017	\$ 2,889	\$ 2,889	\$ -	\$ 283,275	1.02%
12/31/2018	2,889	2,889	-	284,256	1.02%
12/31/2019	3,108	3,108	-	304,696	1.02%
12/31/2020	3,365	3,365	-	329,933	1.02%
12/31/2021	3,362	3,362	-	329,574	1.02%
12/31/2022	3,124	3,124	-	306,231	1.02%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

The accompanying "Notes to Financial Statements" are an integral part of this statement.

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SUPPLEMENTARY INFORMATION

MEEKER SANITATION DISTRICT

BUDGETARY COMPARISON SCHEDULE

WATER ACTIVITY FUND

For the Year Ended December 31, 2022

	Budget	
	Original	Final
REVENUES		
Sewer service	\$ -	\$ 695,173
Dumping fees	-	5,000
Interest income	-	-
Grants	-	787,000
Miscellaneous	-	-
Debt proceeds	-	700,000
	-	700,000
TOTAL REVENUES	-	2,187,173
EXPENDITURES		
Salaries and wages	-	194,685
Employee benefits	-	138,036
Utilities	-	103,344
Insurance	-	26,174
Vehicle operation and repair	-	8,500
Plant chemicals and supplies	-	3,300
Repairs and maintenance	-	50,500
Miscellaneous	-	39,650
Capital Outlay	-	1,567,000
Contingency	-	15,984
Debt services		
Principal	-	40,000
	-	40,000
TOTAL EXPENSES	-	2,187,173
CHANGE IN NET POSITION BEFORE OTHER FINANCING SOURCES (USES)	-	-
OTHER FINANCING SOURCES (USES)		
Transfers in (out)	-	-
CHANGE IN NET POSITION	-	-
NET POSITION, BEGINNING OF YEAR	-	-
NET POSITION, END OF YEAR	\$ -	\$ -
RECONCILIATION FROM BUDGET BASIS EXPENDITURES (NON-GAAP) TO GAAP		
Add:		
Capital outlay		
Subtract:		
Debt proceeds		
Depreciation		
NET POSITION, END OF YEAR GAAP BASIS		

Actual Amounts	Variance from final budget
\$ 699,046	\$ 3,873
-	(5,000)
952	952
10,000	(777,000)
2,289	2,289
44,439	(655,561)
<u>756,726</u>	<u>(1,430,447)</u>
177,257	17,428
130,932	7,104
87,380	15,964
26,674	(500)
5,885	2,615
2,934	366
28,729	21,771
27,190	12,460
118,526	1,448,474
-	15,984
-	40,000
<u>605,507</u>	<u>1,581,666</u>
151,219	151,219
<u>5,136,049</u>	<u>5,136,049</u>
<u>5,287,268</u>	<u>5,287,268</u>
-	-
5,287,268	<u>\$ 5,287,268</u>
118,526	
(44,439)	
<u>(243,574)</u>	
<u>\$ 5,117,781</u>	

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