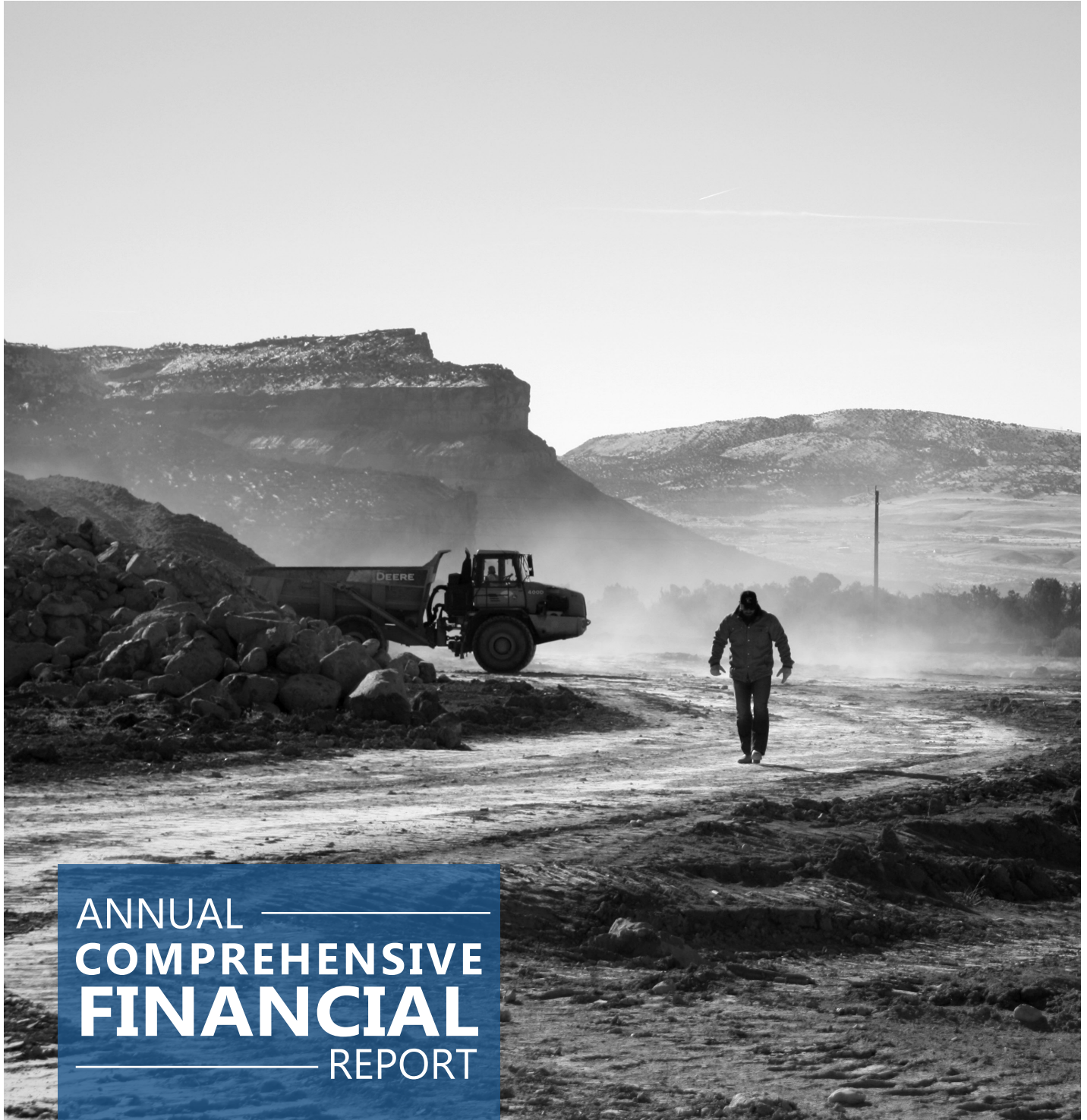


UTE WATER CONSERVANCY DISTRICT

IN MESA COUNTY, COLORADO

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2021
AND DECEMBER 31, 2022





Above Photo by 14K Media - Shaun Herrera, Utility Maintenance Worker, runs a cable into a leaking waterline in preparation to replace the line.

Cover Photo by Logan Wagner - Braden Box, Engineering Technician, inspects the pre-sedimentation pond worksite.

UTE WATER CONSERVANCY DISTRICT
in
MESA COUNTY, COLORADO

ANNUAL COMPREHENSIVE FINANCIAL
REPORT

For the Years Ended December 31, 2022 and 2021

Prepared By:

Finance Department
Scott N Olsen

Ute Water Conservancy District
2190 H ¼ Road
Grand Junction, CO 81505
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May 15, 2023

To the Board of Directors of Ute Water Conservancy District and Our Customers:

The annual comprehensive financial report (ACFR) of Ute Water Conservancy District (District) for the year ended December 31, 2022, is submitted herewith. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with District management. This financial report has been prepared in conformance with the principles and standards for financial reporting as promulgated by the Government Accounting Standards Board (GASB). It has also been prepared following guidelines recommended by the Government Finance Officers Association (GFOA). We believe that the data presented is accurate in all material respects, that the report is presented in a manner designed to fairly set forth the financial position and the results of the financial operations of the District, and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Chadwick, Steinkirchner, Davis & Co., P.C., has audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of Ute Water Conservancy District as of and for the years ended December 31, 2022 and 2021 are free of material misstatement. The independent audit involves examining, on a tests basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Chadwick, Steinkirchner, Davis & Co. concluded based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements as of and for the years ended December 31, 2022 and 2021, are fairly presented in accordance with generally accepted accounting principles (GAAP) accepted in the United States and applied to local government units. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

The Reporting Entity

Ute Water Conservancy District was organized in 1956 to provide domestic water service to the rural areas of the Grand Valley in Mesa County, Colorado, under the "Water Conservancy Act"

of Colorado. A 14-member Board of Directors appointed by the Mesa County District Court for over-lapping four-year terms governs the District. The District operates using the Board-Manager form. The Board of Director responsibilities include, but are not limited to, setting District rules and regulations, adoption of resolutions including the annual budget, adoption of water rates and fees, and hiring of the General Manager. The District is legally separate from other local or state governmental units. All operations of the District are accounted for as an enterprise fund.

Economic Condition and Outlook

The Grand Valley is a major service center for western Colorado and eastern Utah and is home to medical facilities, educational facilities, commercial services, and retail outlets that serve a large regional population in addition to the residents of the valley. In addition, the area includes agricultural and manufacturing industries that provide services locally, nationally, and globally. The valley's numerous orchards and vineyards and its proximity to the Grand Mesa, the Colorado National Monument, several National Parks, and other scenic attractions have resulted in defining the valley as a significant tourist destination. The area's mild climate and near proximity to a variety of year-round outdoor activities have contributed to the valley's economy significantly diversifying over the last several decades.

Prior to 2008, natural gas drilling as well as uranium, coal, and other natural resource mining were productive industries for the area. Drops in the prices for natural gas and oil and other minerals mined in the area combined with protracted sub-prime mortgage lending problems, both nationally and internationally, resulted in a slowdown in the area's economy. This prolonged down-turn in the local economy significantly impacted the levels of local housing construction, growth, and employment. However, the diversification of the economy and the desirability of the area have continued to support nominal levels of population growth since 2008. Schedule 15 on page 57 displays demographic statistics related to population, unemployment rates, and labor force changes. Current development indicators such as subdivision development, building permit activity, and the number of water taps sold reflect the increased levels of growth the valley has realized throughout the last few years. See Schedule 3 on page 44 and Schedule 7 on page 49 for a ten-year history of customers, tap sales, and county building permits.

Ute Water Conservancy District currently obtains its raw water supply primarily from the Plateau Creek drainage on the northern slope of the Grand Mesa in western Colorado. Plateau Creek is a tributary of the Colorado River. A prolonged drought in the Colorado River drainage has resulted in the lowering of water levels to critical levels in both Lake Mead and Lake Powell. In order to preserve and protect the District's and the local region's water resources, the District is engaged with stakeholders in Colorado and throughout the Colorado River basin in the development and implementation of drought contingency plans for the Western Slope, the State of Colorado, and larger regional areas.

The Colorado River drainage is home to four threatened or endangered species of fish: the Colorado pikeminnow, the razorback sucker, the humpback chub, and the bonytail chub. One of the areas considered to be a critical habitat for these fish by the United States Fish and Wildlife Service is the Colorado River from Palisade, in the eastern end of the Grand Valley, to the confluence of the Colorado River with the Gunnison River at Grand Junction. This area is known as the "15 Mile Reach" of the Colorado River and lies within the service area of the District.

These four fish have and will continue to affect all water users along the river. The District's management has been actively involved with federal, state, and other local agencies and officials in efforts to protect general water flows and habitat for these endangered fish and thus protect the District's current and future water sources. The District's involvement in this effort will continue into the foreseeable future.

The District continues long-term efforts to expand reservoirs to increase the amount of water the District will have available for its customers in the future. While the District is currently and will continue to improve upon the efficient use of its water and water rights, additional water rights and storage options, either through construction or additional purchases, will be considered.

Major Initiatives

The Board of Directors' adopted strategic plan outlines priorities to support the focus of the District. The plan identifies priorities to deliver high quality water, conserve and protect water supplies, plan for future water supplies, cultivate organizational and operational excellence, and strengthen and maintain positive relationships.

In December 2019, the District Board of Directors unanimously voted to reduce the property tax mill levy assessed to 0.000 mills. This decision was based on the need to decrease the mill levy to remain in compliance with statutory growth limits resulting from increasing assessed property values, the District's anticipated annual savings after the final payment towards the Series 2009 Bonds that was made in 2020, and the goal to reduce the District's reliance on tax revenues.

Since 2019, the District has significantly increased its time and effort in monitoring and, when necessary, responding to legislative activities directly affecting the District in addition to those with potential impacts to the Western Slope, the State of Colorado, and the Colorado River Basin. The renewed level of the District's participation in legislative activities, including the addition of lobbyist services, is expected to continue for the foreseeable future.

In April 2020, the District completed its Clearwell Optimization & Expansion project. The original clearwell was built in 1965 to receive filtered water from two filters and treat up to 5 million gallons of water per day. A 1975 plant upgrade expanded the clearwell and added two additional filters followed by an additional four filters that were put in service in 2009. The completed project combines filtered water from all 8 filters into a 42-inch finished water line before it enters the clearwell. Newly installed slide gates and a new baffle wall ensure proper contact time for chemical treatment of filtered water. A chemical vault was constructed to provide chemical injection quills and access to the 42-inch combined finish water line for sample collection. The optimized, expanded clearwell is expected to meet the District's needs through the year 2050 based on engineer projections.

In 2013, the District completed an upgrade of the treatment plant's flocculation and sedimentation basins with the addition of settling plates to increase treatment capacity of this portion of the treatment plant. In addition to increasing treatment capacity, the upgrade allows for increased effectiveness in maintaining a high level of water quality when treating water sources such as the Colorado River. In 2017, the District completed construction upgrades to a secondary pump station near the Colorado River necessary to continue the conveyance of water from the pump station on the Colorado River to the District's treatment facilities. Completion of the pump station upgrades provides a secondary source of water that exceeds the District's current maximum daily demand. Additionally, in 2015 the District purchased

property to allow for the development of pre-sedimentation basins that will further increase the water quality of this water source and enhance the District's ability to utilize this water source as an alternate water supply and provide for future growth. Engineering and design work for the pre-sedimentation basins began in 2020 with construction that began in early 2023. The District will continue its efforts to ensure its ability to provide adequate water to its customers into the future and to comply with current and anticipated water quality regulations.

In 2021, two water tanks were rehabbed near the treatment facility. These rehab operations ensure water quality is maintained while being stored for use and also undergo an inspection for structural integrity and upgrades as necessary. The tanks are sandblasted clean to remove all existing coatings and then primed and recoated to extend their useful life. Four water tanks have undergone rehab since 2019 and similar projects are scheduled for other tanks in the distribution system in coming years.

Also in 2021, the District began compliance testing for the Environmental Protection Agency Lead and Copper Rule which includes creating an inventory of the distribution system and recording the materials present. As part of this testing the District is visually identifying the service line material of residential and commercial buildings to ensure there is no lead present in the distribution system. The rule requires public water distribution systems to develop an initial inventory by October 16, 2024.

The District has spent an average of \$4.9 million annually in the last 10 years in upgrading and installing new waterlines and treatment facilities within the District. It is anticipated that similar or larger amounts will be spent annually into the foreseeable future to maintain and expand the District's supply, treatment, and distribution facilities. In addition to ongoing infrastructure maintenance, the major focus of the District's efforts continues to be on increasing waterline sizes in those areas that are experiencing growth, replacing older deteriorating waterlines, and expanding distribution waterlines into developing areas.

In November 2022, the Board of Directors of the District adopted new water and water tap rates. The new water rates were effective February 1, 2023, and are expected to increase water and tap fee revenues by approximately 15%. The District reviews water and tap rates annually to evaluate the need for possible changes. See pages 46 and 47 for the water and tap rate schedules in effect over the last ten years.

Ute Water Conservancy District has fully redeemed its outstanding Series 2012 Water Revenue Refunding Bonds. These were called in June of 2022, paying off the remaining \$13,500,000 and saving the District approximately \$2.5 million dollars in future interest payments. The District's Series 2009 Water Revenue Refunding Bonds matured in June of 2020. See pages 29 and 30 for additional details of the District's debt.

Future Projects

The District maintains an on-going five-year long-term capital plan and a five-year revenue and expenditure forecast. The principal non-routine expenditure components of the five-year projection are major capital costs. The costs of estimated major capital improvements over the next five years total \$109 million. The major elements of this plan include:

- Water supply reservoir expansion and new development

- Major distribution line replacements, upgrades, and extensions
- An improved chemical feed system
- The ongoing replacement of vehicles and equipment

Financial Information

Internal Controls – Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Included in the internal control structure is the use of budgetary controls. The objective of budgetary controls is to ensure compliance with the annually appropriated budget approved by the District's Board of Directors. While the adoption of the annual budget by the Board of Directors appropriates funds at the fund level, the District prepares the budget by line item for each department to improve budgetary controls. The finance committee of the Board of Directors is deeply involved in the budget preparation process and in periodic budget to actual reviews and reviews of water and tap rates.

Cash and Investment Administration – The principal objective of the District's investment policy is safety while attaining an appropriate rate of return. As of December 31, 2022, approximately 66% of the District's investments were held in U.S. government and agency securities and 34% held in State of Colorado local government investment pools. The District earned an average return of approximately 1.1% on cash and investments in 2022 compared to approximately 0.61% in 2021. See pages 22 through 25 for additional details of the District's cash and investments.

Other Information

Independent Audit – State statutes require an annual audit by independent certified public accountants. The firm of Chadwick, Steinkirchner, Davis & Co., P.C., was selected to perform this audit for 2022. The auditor's report on the basic financial statements is included in the financial section of this report.

Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ute Water Conservancy District for its annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the twenty-fourth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted U.S. accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement

Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgment – The preparation of this report could not have been accomplished without the efficient and dedicated assistance of the entire staff of the Finance Department. We would also like to express appreciation to the staff in other departments who provided great assistance in the preparation of this report. Due credit also should be given to the Board of Directors for their interest and support in planning and conducting operations of the District in a responsible and progressive manner.

We would also like to commend our external auditors, Chadwick, Steinkirchner, Davis and Co., P.C., for their comprehensive and efficient examination of the District's accounts and records for the year ended December 31, 2022.

Respectfully submitted,



Larry W. Clever
General Manager



Scott N Olsen
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Ute Water Conservancy District
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

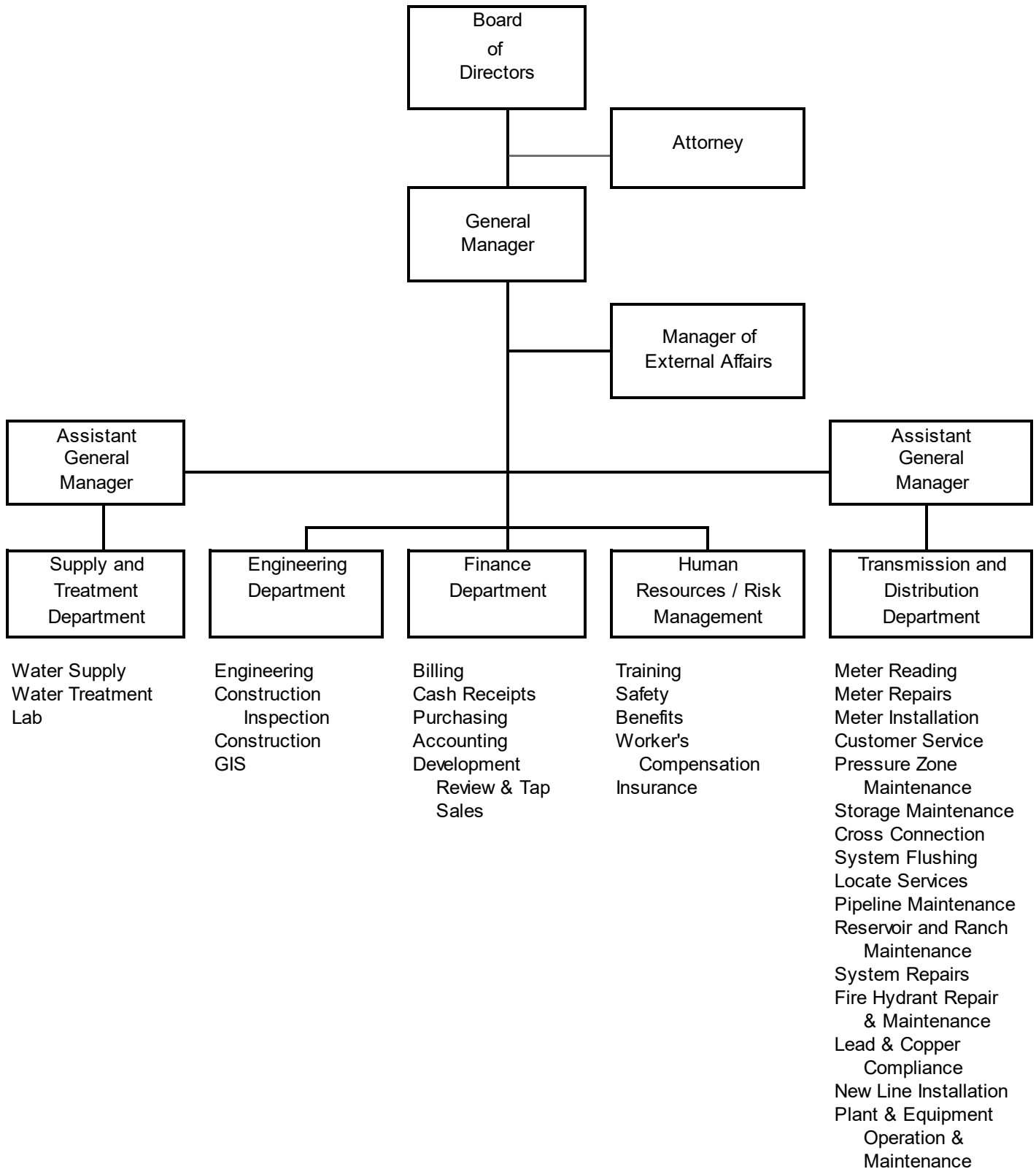
December 31, 2021

Christopher P. Morill

Executive Director/CEO

UTE WATER CONSERVANCY DISTRICT

ORGANIZATION CHART



Ute Water Conservancy District

At December 31, 2022

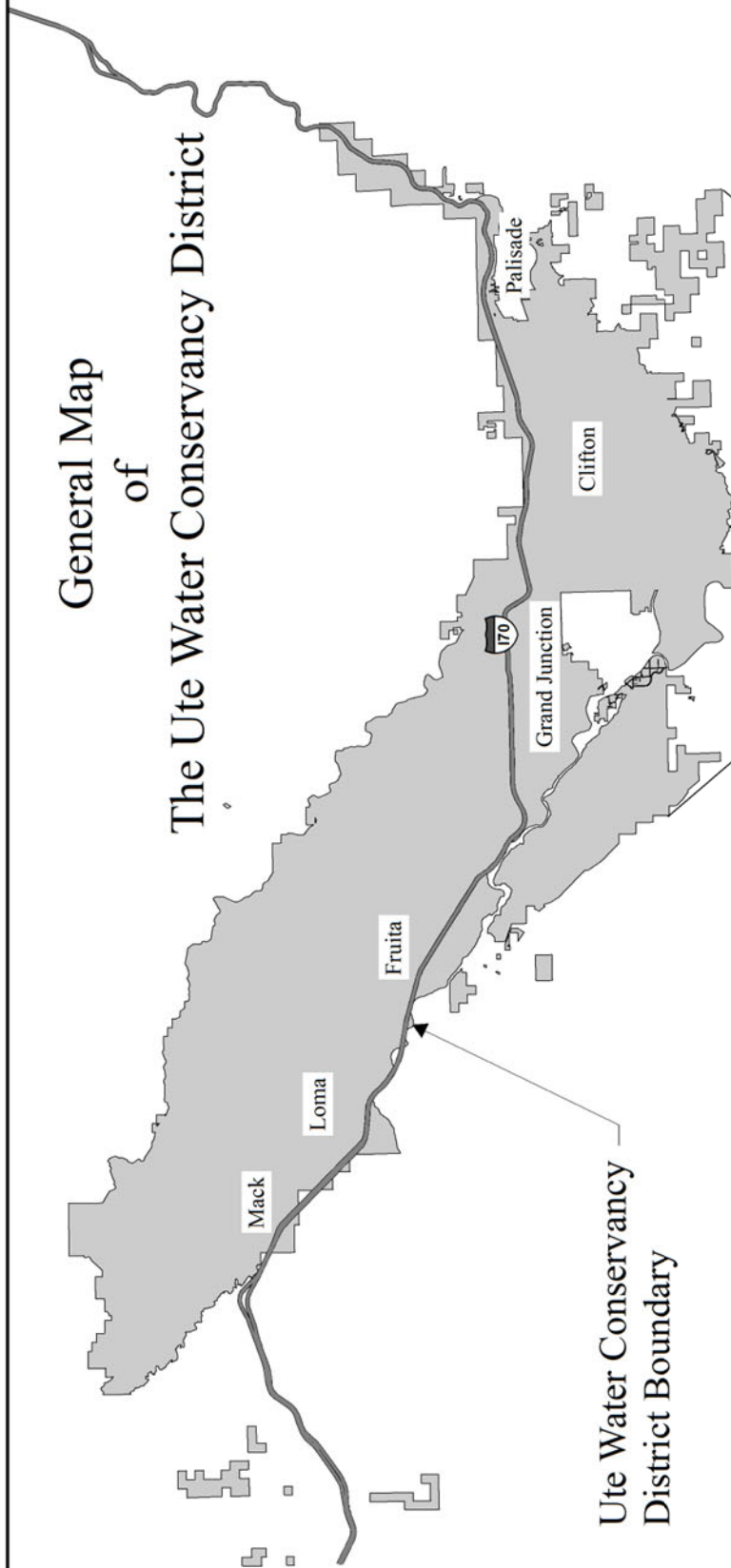
BOARD OF DIRECTORS

<u>District</u>	<u>Name</u>	<u>Term Expires</u>
5	Greg Green, <i>President</i>	May 2024
2	Ben Miller, <i>Vice-President</i>	May 2024
4	Briana Board, <i>Secretary</i>	May 2026
3	Robert Wilson, <i>Treasurer</i>	May 2024
1	Pat Brennan	May 2025
1	Bruce Talbot	May 2026
1	Sally Huddle	May 2024
2	James N. Burkhalter	May 2025
2	Robert Foster	May 2026
3	Ken Henry	May 2023
3	Troy Waters	May 2024
3	Dan Cronk	May 2024
4	Carl Conner	May 2025
5	Tammy Eret	May 2026

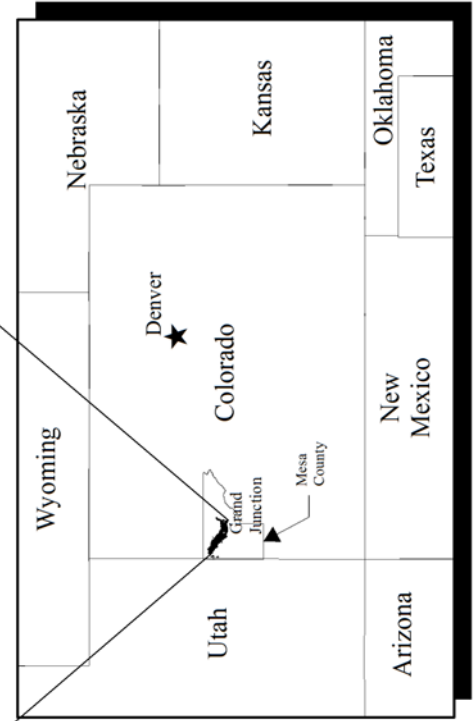
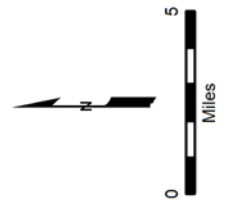
DISTRICT STAFF

<i>General Manager</i>	Larry W. Clever
<i>Assistant General Manager</i>	Stephen Ryken
<i>Assistant General Manager - Treatment and Source</i>	David Payne
<i>Assistant General Manager - Transmission and Distribution</i>	Gregory Williams
<i>District Engineer</i>	David Piske
<i>Superintendent of Transmission and Distribution</i>	Timothy Moore
<i>Treatment Plant Superintendent</i>	Benjamin Hoffman
<i>Finance Director</i>	Scott N Olsen
<i>Human Resources / Risk Manager</i>	Jamie George
<i>Project Engineer</i>	Jeremy Lyon
<i>External Affairs Manager</i>	Andrea Lopez

General Map of The Ute Water Conservancy District



Ute Water Conservancy
District Boundary





INDEPENDENT AUDITOR'S REPORT

President and Board of Directors
Ute Water Conservancy District
Grand Junction, CO

Opinions

We have audited the accompanying financial statements of Ute Water Conservancy District (the District) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Ute Water Conservancy District, as of December 31, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's 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



President and Board of Directors
Ute Water Conservancy District
Page Two

and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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



President and Board of Directors
Ute Water Conservancy District
Page Three

or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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.

Chadwick, Steinkirchner, Davis & Co., P.C.

Chadwick, Steinkirchner, Davis & Co., P.C.

May 15, 2023

Management's Discussion and Analysis (unaudited)
As of and for the Years Ended December 31, 2022 and 2021

The purpose of the management's discussion and analysis is designed to provide an analysis of the District's financial condition and operating results and to also inform the reader on District financial issues and activities. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements that follow this MD&A.

HIGHLIGHTS – Business-type Activities

- In 2022, net position increased by \$6.8 million (or 2.9%) when compared to 2021.
- Total operating expenses increased by \$1.27 million (or 6.8%) to 20 million for 2022.
- Current assets decreased by \$8.4 million (or 14.6%) to \$49.3 million in 2022.
- Capital contributions increased \$0.49 million (or 21.8%) from 2021 to 2022.
- Non-current liabilities decreased by \$12.45 million (or 98.8%) to \$151 thousand in 2022.

USING THIS ANNUAL REPORT

The financial statements included in this annual report are those of a special-purpose government engaged only in a business-type activity. The following statements and schedules are included:

- **Statements of net position** – reports the District's current financial resources (short-term spendable resources with capital assets and long-term obligations). (See page 12)
- **Statements of revenues, expenses, and changes in net position** – reports the District's operating and non-operating revenues by major source along with operating and non-operating expenses and capital contributions. (See page 13)
- **Statements of cash flows** – reports the District's cash flows from operating, investing, capital and non-capital activities. (See pages 14 - 15)
- **Schedules of revenues and expenditures – budget and actual – (non-GAAP budgetary basis)** – reports the District's revenues and expenditures on the same basis as the budget. (See pages 36 – 37)

CHANGES IN NET POSITION

The following schedule summarizes the revenues, expenses, and capital contributions resulting in the overall change in total net position.

Years ended December 31,	2022	2021	2020
Revenues	\$ 24,239,404	\$ 24,542,990	\$ 25,238,650
Expenses	(20,123,446)	(19,215,477)	(18,390,415)
Excess before capital contributions	4,115,958	5,327,513	6,848,235
Capital contributions	2,732,256	2,243,368	1,387,973
Increase in Net Position	6,848,214	7,570,881	8,236,208
Net position, beginning of year	237,982,747	230,411,866	222,175,658
Net position, end of year	\$ 244,830,961	\$ 237,982,747	\$ 230,411,866

Management's Discussion and Analysis (unaudited)
As of and for the Years Ended December 31, 2022 and 2021

The following table shows the condensed statement of net position for the past three years.

STATEMENT OF NET POSITION

Years ended December 31,	2022	2021	2020
Current assets	\$ 49,303,236	\$ 57,716,531	\$ 52,622,455
Capital assets	198,325,502	195,076,086	193,686,112
Non-current assets	172,786	1,840,491	1,975,515
Total assets	247,801,524	254,633,108	248,284,082
Current liabilities	2,731,320	3,891,727	3,862,501
Non-current liabilities	151,428	12,600,579	13,760,542
Total liabilities	2,882,748	16,492,306	17,623,043
Deferred inflow of resources	77,612	147,852	238,970
Total liabilities and deferred inflow of resources	2,960,360	16,640,158	17,862,013
Net position			
Net investment in capital assets	197,410,131	181,288,339	178,938,065
Restricted	50,000	1,677,750	1,677,750
Unrestricted	47,381,033	55,026,861	49,806,254
Total net position	\$ 244,841,164	\$ 237,992,950	\$ 230,422,069

The District is a lessor for multiple parcels of land and a single cell tower site. During the year ended December 31, 2022, the District implemented GASB Statement No. 87 requiring the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and are now to be recognized as inflows of resources or outflows of resources based on the payment provisions of the lease agreements. See pages 26-27 for more information regarding the District's leases.

The decreases in total assets in 2022 was primarily due to the District calling the Series 2012 bonds principal amount of \$13.5 million. Total assets decreased \$6.83 million (or 2.7%) from 2021 to 2022 and increased \$6.35 million (or 2.6%) from 2020 to 2021.

Total liabilities from 2020 to 2021 decreased \$1.13 million (or 6.4%). This included the reduction in bonds payable of \$1.09 million. From 2021 to 2022, total liabilities decreased \$13.68 million (or 82.2%). This consisted mainly of the reduction in bonds payable of \$13.6 million.

From 2020 to 2021, net investment in capital assets increased by \$2.35 million (or 1.3%) to \$181.29 million. From 2021 to 2022 this item increased by \$16.12 million or 8.9% to \$197.41 million. Unrestricted net position increased by \$5.22 million (or 10.5%) to \$55.03 million from 2020 to 2021. From 2021 to 2022 unrestricted net position decreased by 13.9% or \$7.6 million to \$47.38 million. Only the unrestricted net position is readily available to finance continuing and future operations of the water system. During 2021 and 2022, the District continued to expend significant amounts for treatment and distribution system upgrades, system development, and the purchase and development of additional water storage and water rights.

The net position of the District increased to \$238 million during 2021, an increase of \$7.57 million over 2020. This increase was made up of \$4.33 million in non-operating revenues over expenses, \$1 million in operating income, and \$2.24 million in capital contributions.

In 2022, the District's net position increased to \$244.8 million, an increase of 6.85 million over 2021. This increase was made up of \$4.25 million in non-operating revenues over expenses, a \$0.13 million loss in operating income, and \$2.73 million in capital contributions.

Management's Discussion and Analysis (unaudited)
As of and for the Years Ended December 31, 2022 and 2021

REVIEW OF REVENUES

Years ended December 31,

	2022	2021	2020
Operating revenues			
Waters sales	\$ 18,817,660	\$ 18,883,187	\$ 19,008,177
Fee for tap connections	562,634	539,571	464,104
Other	485,053	302,032	266,768
Total	<u>19,865,347</u>	<u>19,724,790</u>	<u>19,739,049</u>
Non-operating revenues			
Property taxes	118	(252)	7,960
Tap fee in excess of connection costs	4,728,241	4,878,929	4,336,121
Investment income	(783,206)	(25,286)	800,780
Miscellaneous income	429,235	333,016	379,539
Gain (loss) on disposition of capital assets	(331)	(368,207)	(24,799)
Total	<u>4,374,057</u>	<u>4,818,200</u>	<u>5,499,601</u>
Total revenues	<u>\$ 24,239,404</u>	<u>\$ 24,542,990</u>	<u>\$ 25,238,650</u>

In 2021, operating revenues decreased \$14,000 (or 0.1%) from 2020. Increases related to water tap fees collected for connection costs and development fees, totaling \$111,000, partially offset the \$125,000 decrease of water sales from 2020 amounts due to a decrease in billed consumption amounts of approximately 1.8%. Non-operating revenues decreased \$681,000 (or 12.4%) from 2020. The decrease of non-operating revenue primarily resulted from a decrease of \$826,000 in investment income from 2020 amounts due to unrealized losses for the year in the amount of \$364,000. A loss on disposition of capital assets in the amount of \$368,000 primarily due to a capital project that was re-done also impacted non-operating revenue. These two amounts were offset by an increase in tap fees in excess of connection costs in the amount of \$543,000 over 2020 amounts. Property tax abatement amounts resulted in reimbursement amounts owed to Mesa County for previously collected tax payments.

In 2022, operating revenues increased \$140,500 (or 0.7%) from 2021. This is comprised of increases related to water tap fees collected for connection costs and development fees, totaling \$206,000, less the \$65,500 decrease of water sales from 2021 amounts due to a decrease in billed consumption amounts of approximately 2%. Non-operating revenues decreased \$444,000 (or 9.2%) from 2021. The decrease of non-operating revenue primarily resulted from a decrease of \$758,000 in investment income from 2021 amounts due to unrealized losses for the year in the amount of \$1,327,000. Property tax collections and abatements will continue until all owed amounts have been collected or abated. Until then small residual amounts will remain.

Management's Discussion and Analysis (unaudited)
As of and for the Years Ended December 31, 2021 and 2020

REVIEW OF EXPENSES

Years ended December 31,	2022	2021	2020
Operating expenses			
Water supply and treatment	\$ 3,230,972	\$ 2,879,502	\$ 2,777,781
Transmission and distribution	4,769,078	4,412,951	3,932,258
Engineering and construction	1,162,582	1,009,107	946,562
Administration	1,965,480	1,817,640	1,746,272
Finance and accounting	1,864,707	1,750,084	1,753,177
Depreciation	7,007,500	6,857,327	6,684,386
Total	<u>20,000,319</u>	<u>18,726,611</u>	<u>17,840,436</u>
Non-operating expenses			
Interest expense	123,125	488,868	549,990
County treasurer's fees	2	(2)	(11)
Total	<u>123,127</u>	<u>488,866</u>	<u>549,979</u>
Total expenses	<u>\$ 20,123,446</u>	<u>\$ 19,215,477</u>	<u>\$ 18,390,415</u>

In 2021, the District's operating expenses increased \$886,000 (or 5%) when compared to 2020. A portion of this increase resulted from personnel expense increases of \$436,000 that consisted of increases in wage and benefit costs. Additional operating expense increases include an increase of \$193,000 due primarily to increases in pumping and electrical costs for treating the Colorado River, \$104,000 in increased vehicle and equipment expenses including repairs and fuel, and a \$173,000 increase in depreciation resulting from capital asset additions. Non-operating expenses decreased approximately \$61,000 due to decreased interest expense.

In 2022, the District's operating expenses increased \$1,274,000 (or 6.8%) when compared to 2021. A portion of this increase resulted from personnel expense increases of \$622,000 that consisted of increases in wage and benefit costs. Additional operating expense increases include an increase of \$290,000 due to increases in chemical costs for water treatment and \$58,000 in increased fuel costs. Non-operating expenses decreased approximately \$366,000 due to decreased interest expense.

CAPITAL CONTRIBUTIONS

Years ended December 31,	2022	2021	2020
Developer donated assets and system upgrades	<u>\$ 2,732,256</u>	<u>\$ 2,243,368</u>	<u>\$ 1,387,973</u>

Capital contributions result from the donation of line extensions, subdivision lines, and other system assets from developers. Changes in amounts from year to year are dependent on the amount of residential and commercial development within the District.

Management's Discussion and Analysis (unaudited)
As of and for the Years Ended December 31, 2022 and 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

(in thousands)

Capital assets, net of depreciation

Balances for years ended December 31,	2022	2021	2020
Source of supply	\$ 85,251	\$ 86,807	\$ 88,357
Transmission and distribution	83,286	79,215	78,754
Water treatment	14,768	15,524	16,695
General plant and equipment	7,092	7,133	7,273
Construction in progress	7,928	6,397	2,607
	<u>\$ 198,325</u>	<u>\$ 195,076</u>	<u>\$ 193,686</u>

Capital assets had net increases (additions, retirements, and depreciation) of about \$3,249,000 in 2022, and \$1,390,000 in 2021.

The major capital asset additions were as follows:

(in thousands)	2022	2021
Transmission & distribution system upgrades	\$ 5,464	\$ 3,914
Treatment & supply upgrades and improvements	2,703	3,164
Meter & service installations	562	539
Vehicle & equipment purchases	522	396
Reservoir permitting, design, and expansion	1,098	695
Land & water rights	-	-
Total capital asset additions	<u>\$ 10,349</u>	<u>\$ 8,708</u>

Additional information regarding capital assets is available in the footnotes to the financial statements (see page 28).

DEBT OUTSTANDING

In 2021, the District reduced the balance of bonds payable by \$1,090,000. The District did not incur any additional bonds or notes payable in 2021. In 2022, the District reduced the balance of bonds payable by \$13,500,000 to fully redeem all remaining bond amounts. The District did not incur any additional bonds or notes payable in 2022. Further debt information is available in the notes to the financial statements (see pages 29 to 30).

ECONOMIC AND OTHER FACTORS

The economy of the region surrounding the District has grown and diversified over the last several decades. Prior to 2017, the effects of the national economy significantly impacted the region's natural gas and construction industries which in turn resulted in substantially reduced levels of growth of the local area's economy. This slowdown in the local economy appears to have reversed as low residential real estate inventory and reduced foreclosure filings support the renewed levels of residential and commercial construction activity. The region's economic diversification and the desirability of the area as a place to live has resulted in an increase in medical, industrial, recreational, and service-related businesses.

Management's Discussion and Analysis (unaudited)
As of and for the Years Ended December 31, 2022 and 2021

The number of water tap connections (tap sales), county building permits (see page 49), and subdivision development reflect the renewed level of growth the valley is experiencing with historically low lot inventory for new development. The District continues to plan for future growth with the continued emphasis on upgrading the District's treatment and distribution systems. The determination of future water needs and the purchase and development of additional water rights and water sources continue as a priority for the District.

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added a new section 20 to Article X of the Colorado Constitution. (See Note J to the financial statements on page 31). Under TABOR, the District is subject to statutory revenue growth limits and cannot receive over 10% of its revenues from taxes and remain an enterprise under state law. While the enterprise status under state law allows the District to remain exempt from many of the provisions of TABOR, over the period from 2005 to 2008 the District reduced its reliance on property tax revenues by reducing its mill levy from 2.000 mills to 0.500 mills, and finally to 0.000 mills as of December 2019.

FINANCIAL CONTACT

The District's financial statements are designed to present financial statement users (water users, taxpayers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions concerning this report or need additional financial information, please contact the Finance Department, Ute Water Conservancy District, P.O. Box 460, Grand Junction, Colorado 81502.

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**Ute Water Conservancy District
Financial Statements,
Notes to Financial Statements,
and Supplemental Information**



UTE WATER CONSERVANCY DISTRICT

STATEMENTS OF NET POSITION

December 31, 2022 and 2021

	2022	2021 (As Restated)
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 16,014,991	\$ 31,140,458
Restricted cash and cash equivalents	50,000	50,000
Cash held for others	479,609	489,144
Investments	29,509,830	23,028,079
Accounts receivable, less allowance of \$3,900	1,703,446	1,553,165
Lease receivable	65,530	78,303
Loans receivable - current portion	5,703	5,640
Accrued interest receivable	117,547	58,613
Inventories	1,224,721	952,281
Prepaid expenses	131,859	360,848
<i>TOTAL CURRENT ASSETS</i>	<u>49,303,236</u>	<u>57,716,531</u>
NON-CURRENT ASSETS		
Restricted investments	-	1,627,750
Capital assets - not being depreciated	44,514,492	42,983,503
Capital assets - being depreciated	153,811,010	152,092,583
Lease receivable - long term portion	30,946	57,821
Loans receivable - long term portion	141,840	154,920
<i>TOTAL NON-CURRENT ASSETS</i>	<u>198,498,288</u>	<u>196,916,577</u>
<i>TOTAL ASSETS</i>	<u>247,801,524</u>	<u>254,633,108</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	1,359,184	1,425,996
Funds held for others	479,609	489,144
Accrued interest payable	-	23,058
Accrued wages payable	178,983	166,435
Unearned revenue	262,712	247,543
Current portion of bonds payable	-	1,125,000
Compensated absences payable	450,832	414,551
<i>TOTAL CURRENT LIABILITIES</i>	<u>2,731,320</u>	<u>3,891,727</u>
NON-CURRENT LIABILITIES		
Compensated absences payable	151,428	112,362
Bonds payable, less current maturities	-	12,488,217
<i>TOTAL NON-CURRENT LIABILITIES</i>	<u>151,428</u>	<u>12,600,579</u>
<i>TOTAL LIABILITIES</i>	<u>2,882,748</u>	<u>16,492,306</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Lease revenue	77,612	147,852
<i>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</i>	<u>2,960,360</u>	<u>16,640,158</u>
<u>NET POSITION</u>		
Net investment in capital assets	197,410,131	181,288,339
Restricted for constitutional emergency reserves	50,000	50,000
Restricted for debt service	-	1,627,750
Unrestricted	47,381,033	55,026,861
<i>TOTAL NET POSITION</i>	<u>\$ 244,841,164</u>	<u>\$ 237,992,950</u>

The accompanying notes are an integral part of these statements.

UTE WATER CONSERVANCY DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended December 31, 2022 and 2021

	2022	2021 (As Restated)
OPERATING REVENUES		
Water sales	\$ 18,817,660	\$ 18,883,187
Fees for making water tap connections	562,634	539,571
Other operating revenue	485,053	302,032
<i>TOTAL OPERATING REVENUES</i>	19,865,347	19,724,790
OPERATING EXPENSES		
Water supply and treatment	3,230,972	2,879,502
Transmission and distribution	4,769,078	4,412,951
Engineering and construction	1,162,582	1,009,107
Administration	1,965,480	1,817,640
Finance and accounting	1,864,707	1,750,084
Depreciation and amortization	7,007,500	6,857,327
<i>TOTAL OPERATING EXPENSES</i>	20,000,319	18,726,611
<i>OPERATING INCOME (LOSS)</i>	(134,972)	998,179
NON-OPERATING REVENUES (EXPENSES)		
Property taxes	118	(252)
Tap fees in excess of connection costs	4,728,241	4,878,929
Investment income	(783,206)	(25,286)
Miscellaneous income	429,235	333,016
Interest expense	(123,125)	(488,868)
County treasurer's fees	(2)	2
Gain (loss) on disposition of capital assets	(331)	(368,207)
<i>TOTAL NON-OPERATING REVENUES (EXPENSES)</i>	4,250,930	4,329,334
<i>INCOME (LOSS) BEFORE CONTRIBUTIONS</i>	4,115,958	5,327,513
CAPITAL CONTRIBUTIONS:		
Developer donated lines	2,732,256	2,243,368
<i>CHANGE IN NET POSITION</i>	6,848,214	7,570,881
Net Position, beginning of year	237,992,950	230,422,069
Net Position, end of year	\$ 244,841,164	\$ 237,992,950

The accompanying notes are an integral part of these statements.

UTE WATER CONSERVANCY DISTRICT

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 19,167,601	\$ 19,229,486
Cash paid to suppliers	(5,476,635)	(3,486,629)
Cash paid to employees	(8,279,393)	(7,739,375)
Cash received for making water tap connections	562,634	539,571
Miscellaneous nonoperating receipts	<u>333,828</u>	<u>233,992</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>6,308,035</u>	<u>8,777,045</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Property tax revenue received (abated)	<u>116</u>	<u>(250)</u>
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>116</u>	<u>(250)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Tap fees in excess of connection costs	4,728,241	4,878,929
Proceeds from sale of capital assets	92,025	92,370
Proceeds from lease of capital assets	61,851	112,582
Interest received from lease of capital assets	2,965	5,395
Purchase of capital assets	(6,697,891)	(6,380,340)
Wages and benefits capitalized in capital assets	(178,285)	(106,677)
Principal payments on bonds	(13,500,000)	(1,090,000)
Interest paid	<u>(259,400)</u>	<u>(535,150)</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(15,750,494)</u>	<u>(3,022,891)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	5,700,000	18,668,000
Interest received	498,506	356,867
Purchase of investments	(11,894,647)	(14,067,890)
Payments received on loans receivable	<u>13,017</u>	<u>40,856</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(5,683,124)</u>	<u>4,997,833</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,125,467)	10,751,737
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>31,190,458</u>	<u>20,438,721</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 16,064,991</u></u>	<u><u>\$ 31,190,458</u></u>

The accompanying notes are an integral part of these statements.

UTE WATER CONSERVANCY DISTRICT

STATEMENTS OF CASH FLOWS - continued

For the years ended December 31, 2022 and 2021

	2022	2021
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
<i>OPERATING INCOME (LOSS)</i>	<i>\$ (134,972)</i>	<i>\$ 998,179</i>
ADJUSTMENTS TO RECONCILE NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	7,007,500	6,857,327
(Increase) decrease in accounts receivable	(150,281)	21,312
(Increase) in inventory	(272,440)	(177,680)
(Increase) decrease in prepaid expenses	228,989	(190,102)
Increase (decrease) in accounts payable	(66,812)	982,763
(Increase) decrease in accounts payable due to the purchase of capital assets on account	(740,841)	22,507
Increase in accrued wages and compensated absences payable	87,895	5,792
Increase in unearned revenue	15,169	22,955
Miscellaneous nonoperating receipts included in operating activities	333,828	233,992
TOTAL ADJUSTMENTS	6,443,007	7,778,866
<i>NET CASH PROVIDED BY OPERATING ACTIVITIES</i>	<i>\$ 6,308,035</i>	<i>\$ 8,777,045</i>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Purchase of capital assets on account	\$ 915,371	\$ 174,530
Lease revenue from a reduction in deferred lease	92,777	94,005
Lease gains/(losses) from amortization & adjustments	30,590	(18,577)
Amortization of bond premium	113,217	44,829
Unrealized gain (loss) on investments	(1,340,646)	(364,212)
Amortization of discount on investment (Investment in District Bond Trust)	-	20,242
Contributed capital - developer donated lines	2,732,256	2,243,368
County Treasurer's fees deducted (reimbursed) from property taxes collected	2	(2)

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ute Water Conservancy District (District) is a political subdivision of the State of Colorado with all the powers of a public or quasi-municipal corporation. The District was created April 4, 1956, by decree of the District Court in and for Mesa County as provided by Colorado Revised Statutes, Title 37, Article 45; the “Water Conservancy Act”. The District is organized to provide domestic water service to most rural areas of the Grand Valley in Mesa County in central western Colorado. Water service is also provided within the City of Fruita. A Board of Directors consisting of fourteen members governs the District. The members of the Board of Directors are appointed for staggered four-year terms of office by the Mesa County District Court.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (GAAP) accepted in the United States and as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District applies all applicable GASB pronouncements. A summary of significant accounting policies follows.

This summary of significant accounting policies of Ute Water Conservancy District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are representations of the District’s appointed officials and management, who are responsible for their integrity and objectivity. These accounting policies have been consistently applied in the presentation of the financial statements.

Reporting Entity

The reporting entity of the District includes those activities and functions over which the District is considered to be financially accountable. The District’s financial statements include the accounts and operations of all the District’s functions. The District’s functions include the construction and maintenance of domestic water supply and delivery lines and the operation of a domestic water system. The District is the primary government and does not include any component units using the criteria set forth in GAAP.

Basic Financial Statements

The District is a special-purpose government engaged only in a business-type activity. For this type of government, only enterprise fund financial statements are presented.

Basis of Presentation - Fund Accounting

The accounts of the District are organized and operated on a fund basis. The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflow of resources, liabilities, deferred inflow of resources, net position, revenues, and expenses. The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to those applicable to businesses in the private sector.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

GAAP sets forth minimum criteria for the determination of major funds to be presented in the financial statements. Since the operations of the District are accounted for on a fund basis in a single enterprise fund, it is the only fund presented.

Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues; (b) has third-party requirements that the cost of providing services, including capital costs, be recovered with fees or charges or; (c) has a pricing policy designed for the fees and charges to recover similar costs. Enterprise funds may also be used to account for operations (a) that are financed and operated in a manner similar to business enterprises and where the intent of the governing body is that costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

Basis of accounting refers to when revenues or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Proprietary (enterprise) funds are presented on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred inflows, liabilities, and deferred outflows associated with the operation of a fund are included on the statement of net position. Net position is categorized as net investment in capital assets, restricted, and unrestricted. Fund operating statements present increases (e.g., revenues and contributions) and decreases (e.g., expenses) in net position. Proprietary (enterprise) funds are presented on an accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. The District records unbilled water service receivables as revenue at year-end.

The District reports unearned revenue on its statement of net position. Unearned revenues arise when potential revenue is measurable but has not yet been earned. In subsequent periods, when the steps required for the revenue to be earned are met, the liability for unearned revenue is removed from the statement of net position and revenue is recognized. Unearned revenues include prepaid user charges, billing corrections, and account adjustments (e.g., leak adjustments) resulting in customer account credit balances where the credit will be applied against future account usage charges.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Budgets and Budgetary Accounting

The Board of Directors approves the annual budget in accordance with Colorado Revised Statutes and prior to December 31, the District adopts a resolution appropriating sums of money for the ensuing fiscal year. The statutory details of the budget calendar are as follows:

December 15,	Statutory deadline for certification of mill levies to the Board of County Commissioners
December 22,	Statutory deadline for Board of County Commissioners to levy all taxes and certify the levies

The District's budget is prepared on the accrual basis of accounting modified to include the proceeds of debt issuance in revenues, to include capital expenditures and debt service principal payments in expenditures, to exclude contributed capital from revenues, and to exclude contributed capital, depreciation, and amortization from expenditures.

The District's level of budgetary control (the level at which expenditures may not exceed the appropriated amount) is established at the fund level. A supplemental budget appropriation may be adopted by the Board of Directors when necessary. The District does not record commitments related to unperformed contracts for goods and services outstanding at year-end. Appropriations lapse at year-end.

For the year ended December 31, 2022, the District's original appropriation and expenditures were limited to \$37,884,963. The District did not make any supplemental appropriations for the year ended December 31, 2022. For the year ended December 31, 2021, the District's original appropriation and expenditures were limited to \$23,709,487. The District did not make any supplemental appropriations for the year ended December 31, 2021.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Investments

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

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

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The District's investment policy limits District investments to the first three listed categories except for investments specifically approved by the District's Board of Directors. The District's investment policy does not include limits of investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Colorado statutes limit authorized investments to investments having maturities of five years or less, unless the entity's governing body specifically authorizes longer maturities.

Property Taxes

In December 2019, the District Board adopted a resolution to set the mill levy for 2019 property taxes to be collected in 2020 at 0.000 mills. This resulted in property taxes receivable and deferred inflows being reduced to \$0 at the end of 2019. Unknown amounts related to delinquent property and specific ownership taxes will continue to be intermittently received in future periods until remitted in full.

Inventory and Prepaid Items

Inventory held by the District consists of repair and replacement parts, treatment chemicals, and equipment fuel and is stated at cost using the average unit cost basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets (property, plant, and equipment) are recorded at cost, or in the case of donations, at their acquisition value on the date donated. Cost includes the capitalization of materials and direct labor for additions made by District personnel. The District's capitalization level for capital assets is \$5,000.

Maintenance, repairs, and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Upon the disposition of property, infrastructure or equipment, the costs and related accumulated depreciation are removed from the corresponding accounts and gains or losses are included in income.

Depreciation is computed using the straight-line method over estimated useful lives, as follows:

	<u>Estimated lives</u>
Buildings and improvements	30 to 50 years
Utility plant and system	30 to 60 years
Storage reservoirs and tanks	10 to 50 years
Equipment	3 to 25 years

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Compensated Absences

Through 2019, the District paid full time employees for accumulated vacation leave up to a maximum of 30 days upon termination. In 2020, the District temporarily lifted the 30-day maximum vacation accrual amount to alleviate potential staffing concerns caused by COVID-19. Beginning in 2020, vacation and sick leave balances began accruing immediately upon full-time employment and in 2021 the maximum amount of vacation leave that can be accumulated was raised to 35 days. Unused sick leave at termination, which had accumulated prior to August 1, 1987, is paid to the remaining eligible employees upon termination at 17% to 20% of full pay rates as of August 1, 1987. There is no compensation upon termination for unused sick leave accrued after August 1, 1987. All compensated absences liabilities include salary related payments where applicable.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to future periods and will not be recognized as an expense/expenditure until such future period. A deferred inflow of resources represents an acquisition of net asset that applies to future periods and will not be recognized as revenue until the future period.

Leases Receivable

The District is a lessor for multiple parcels of land and a single cell tower site, and recognizes leases receivable and deferred inflows of resources related to leases in the financial statements as required by GASB Statement No. 87 Leases. At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. The deferred inflows of resources are recognized as revenue over the life of the lease term in a straight-line method.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses U.S. Treasury rates at the time a new lease is executed as the discount rate.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Net Position

Investment in capital assets is intended to reflect the portion of net position that is associated with non-liquid capital assets, less outstanding capital related debt. Restricted assets are assets that have third-party (constitutional/statutory or bond covenant) limitation on their use. The District typically uses restricted assets when the restriction first makes them available but reserves the right to selectively defer their use.

Restricted – Constitutional Emergency Reserve – Provisions of the Colorado constitution require the District to maintain a portion of its fiscal year spending in reserve which is restricted for declared emergencies only. As of year-end 2022 and 2021, the restricted amount of net position for constitutional emergency reserves is \$50,000.

Restricted – Debt Service – Bond covenants for the District's Water Revenue Refunding Bonds Series 2012 require maintaining debt service reserve amounts that provide a continuing reserve to be used, if necessary, only to prevent deficiencies in the payment of principal and interest. For the year ending 2022, the District no longer has a debt service reserve requirement as all bonds were called in 2022. For the year ending 2021, the restricted amount of \$1,627,750 was reserved for debt service of the Series 2012 Bonds.

Bond Premiums, Discounts, and Deferred Amount on Bond Refunding

Bond premiums and discounts are amortized over the lives of the related bonds using the effective interest rate method. The deferred amount on bond refunding is amortized over the life of the new bonds using the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds payable. Bond discounts are presented as a reduction to the face amount of the bonds payable.

Reclassifications

For comparability, 2021 amounts have been reclassified where appropriate to conform to the year 2022 financial presentation.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, deferred outflow of resources, liabilities, deferred inflow of resources, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE B – CASH AND INVESTMENTS

The captions on the statements of net position of the District related to cash and investments are as follows:

	2022	2021
Cash and cash equivalents	\$ 16,014,991	\$ 31,140,458
Restricted Cash and cash equivalents	50,000	50,000
Cash held for others	479,609	489,144
Investments	29,509,830	23,028,079
Restricted investments	-	1,627,750
	<u>\$ 46,054,430</u>	<u>\$ 56,335,431</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles and GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The composition, including level under the GASB 72 fair value hierarchy, where applicable, of all cash and investments held by the District at December 31, 2022 and 2021 is as follows:

	2022	2021
Cash on hand	\$ 1,700	\$ 1,700
Cash in bank account(s)	1,283,577	958,759
Investment pools:		
COLOTRUST EDGE/Plus+	11,902,437	21,874,445
CSAFE CORE (Level 1)	2,877,277	8,355,554
CSAFE Cash (Level 1)	479,609	489,144
U.S. Treasury Notes (Level 1)	11,582,800	8,761,999
Federal Agency securities:		
Federal Home Loan Bank (Level 1)	9,397,640	5,944,960
Federal Home Loan Mortgage Corporation (Level 1)	8,529,390	6,932,190
Federal Farm Credit Banks Funding Corp (Level 1)	-	3,016,680
	<u>\$ 46,054,430</u>	<u>\$ 56,335,431</u>

Deposits

District policy requires that the District only have deposits with eligible public depositories as defined in Colorado statutes including the Public Deposit Protection Act (PDPA) of 1989. Under the Act, the depository is required to pledge eligible collateral having a market value at all times equal to at least 102% of the aggregate public deposits held by the depository not insured by the Federal Deposit Insurance Corporation. The District's cash deposits at December 31, 2022 and 2021 had bank balances and carrying balances as follows:

	2022	2021
Bank Balance	\$ 1,632,087	\$ 1,090,794
Carrying Balance	1,283,577	958,759

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE B – CASH AND INVESTMENTS – continued

Investments

The District's investments include external investment pool portfolio options provided by Colorado Surplus Asset Fund Trust (CSAFE) and Colorado Government Liquid Asset Trust (COLOTRUST). CSAFE and COLOTRUST are local government investment pool trust funds registered with the Colorado Securities Commissioner pursuant to the Local Government Investment Pool Trust Fund Administration and Enforcement Act.

CSAFE Cash investments follow GASB 79 valuing investments at their amortized cost basis, CSAFE Core investments use GASB 72 valuing investments at fair value. Both investment pools are considered Level 1 inputs according to the hierarchy disclosure requirements of GASB 72.

COLOTRUST measures its investments at fair value in accordance with Paragraph 41 of GASB 79 and Paragraph 11 of GASB 31, and therefore a Participant's investment in COLOTRUST is not required to be categorized within the fair value hierarchy for purposes of GASB 72.

As of December 31, 2022, the District had \$15,259,323 in the CSAFE and COLOTRUST government investment pools established for local governments in Colorado to pool surplus funds. The underlying investments of these pools consist of U.S. Treasury and Agency securities, the highest rated commercial paper, and repurchase agreements collateralized by U.S. Treasury and agency securities.

Investments in the CSAFE Cash investment pool portfolio option are valued at \$1 net asset value (NAV) per share and the underlying investments held in the portfolio are valued at amortized cost which approximates fair value. There are no limitations on withdrawals in the CSAFE Cash option. The CSAFE Cash portfolio is rated AAAM by Standard & Poor's.

Investments in the CSAFE CORE investment pool portfolio option are valued at \$2 net asset value (NAV) per share and the underlying investments held in the portfolio are valued at fair value. Participants are limited to three (3) redemptions per month in the CSAFE Core option. The CSAFE CORE portfolio is rated AAAf/S1 by Fitch.

Investments in the COLOTRUST Plus+ investment pool portfolio option are valued at \$1 net asset value (NAV) per share and the underlying investments held in the portfolio are valued at fair value. There are no limitations on withdrawals in the COLOTRUST Plus+ option. The COLOTRUST Plus+ portfolio is rated AAAM by Standard & Poor's. These investments were converted to the COLOTRUST EDGE portfolio in 2021 to take advantage of the higher interest rates offered due to longer term investments held in that portfolio.

COLOTRUST EDGE is a variable net asset value (NAV) local government investment pool that offers weekly liquidity to Participants. COLOTRUST EDGE has a NAV that is managed to approximate a \$10.00 transactional share price and there are no limitations on withdrawals, though a 5 day settlement period applies. COLOTRUST EDGE is rated AAAf/S1 by Fitch.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE B – CASH AND INVESTMENTS - continued

In 2014, the District was appointed administrator and custodian of the Grand Valley Fund. The Grand Valley Fund, and any earnings, are to be used for water supply, water quality and/or water infrastructure projects benefiting the Grand Valley. There are six Grand Valley entities, including the District, that determine the use of these funds. In 2022 these entities authorized net disbursements of \$17,953, decreasing the December 31, 2021 balance of \$489,144 to \$479,609 at December 31, 2022 after monthly interest earnings totaled \$8,418 in 2022. The CSAFE Cash investment pool portfolio are funds and associated earnings being held for the Grand Valley Fund and are offset by a District liability in the same amount.

Investments in U.S. Treasury securities at December 31, 2022, were as follows:

Face Amount	Security	CUSIP	Coupon	Yield	Carrying Value
\$ 2,000,000	U.S. Treasury note due May 15, 2023	912828VB3	1.750%	4.153%	\$ 1,979,060
2,000,000	U.S. Treasury note due August 15, 2023	912828VS6	2.500%	4.598%	1,972,340
2,000,000	U.S. Treasury note due January 31, 2024	912828V80	2.250%	4.566%	1,947,260
2,000,000	U.S. Treasury note due June 30, 2024	9128286Z8	1.750%	0.831%	1,916,560
2,000,000	U.S. Treasury note due August 15, 2024	91282CCT6	0.375%	0.702%	1,868,440
2,000,000	U.S. Treasury note due September 30, 2024	912828YH7	1.500%	0.812%	1,899,140
<u>\$ 12,000,000</u>	<i>Total Federal Treasury securities</i>				<u>\$ 11,582,800</u>

Investments in U.S. government agency securities at December 31, 2022, were as follows:

Face Amount	Security	CUSIP	Coupon	Yield	Carrying Value
\$ 2,000,000	FHLB note due March 12, 2024	3130ALJ70	0.400%	0.400%	\$ 1,892,860
2,000,000	FHLB note due July 22, 2024	3130ALW34	0.500%	0.500%	1,866,680
2,000,000	FHLB note due October 15, 2024	3130AN4L1	0.625%	0.625%	1,856,020
2,000,000	FHLB note due February 27, 2025	3130AQY49	2.000%	2.007%	1,887,320
2,000,000	FHLB note due March 28, 2025	3130ARDA6	2.230%	2.230%	1,894,760
<u>10,000,000</u>	<i>Total Federal Home Loan Banks</i>				<u>9,397,640</u>
2,000,000	FHLMC note due November 6, 2023	3137EAEZ8	0.250%	0.292%	1,924,100
1,000,000	FHLMC note due February 26, 2024	3134SWSK3	0.400%	0.400%	948,610
2,000,000	FHLMC note due May 24, 2024	3134GXCF9	0.400%	0.403%	1,881,340
2,000,000	FHLMC note due November 25, 2024	3134GXDZ4	0.450%	0.465%	1,843,900
2,000,000	FHLMC note due May 12, 2025	3134GXRW6	3.250%	3.259%	1,931,440
<u>9,000,000</u>	<i>Total Federal Home Loan Mortgage Corporation</i>				<u>8,529,390</u>
<u>\$ 19,000,000</u>	<i>Total Federal Agency securities</i>				<u>\$ 17,927,030</u>

All of the Federal Agency securities held by the District at December 31, 2022, are rated AA+ by Standard & Poor's and Aaa by Moody's.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE B – CASH AND INVESTMENTS – continued

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to a depositor or investor. To limit credit risk, the District's investment policy limits District investments to obligations of the United States and certain U.S. government agency securities, specified local government investment pools, and general obligation and revenue bonds of United States local government entities.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the District will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. The District's deposits are either covered by depository insurance or are collateralized under the Colorado Public Deposit Protection Act and are therefore not deemed to be exposed to custodial credit risk. The District's investments are not deemed to be exposed to custodial credit risk because the investments are held by the District or by the District's custody agent in the District's name.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not place a limit on the amount that may be invested in any one issuer. Investments amounting to 5% or more in any single issuer of the District's investments total include investment pools, U.S. Treasury securities, and securities of the Federal Home Loan Bank, and the Federal Home Loan Mortgage Corporation. These investments are 34.1%, 25.9%, 21%, and 19.1% respectively, of the District's total investments at December 31, 2022.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure by coordinating investment maturities with anticipated cash flow requirements, establishing a pattern of rolling maturity dates, and employing a buy-and-hold strategy.

Investment Type	Investment Maturities as of December 31, 2022			Cash, Cash Equivalents, & Investments
	Less than 1 Year	1 - 2 Years	2 - 3 Years	
Deposits	\$ 1,285,277	\$ -	\$ -	\$ 1,285,277
Investment Pools	15,259,323	-	-	15,259,323
U.S. Treasury Securities	3,951,400	7,631,400	-	11,582,800
Federal Agency Securities	1,924,100	10,289,410	5,713,520	17,927,030
Total	\$ 22,420,100	\$ 17,920,810	\$ 5,713,520	\$ 46,054,430

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE C – LOANS RECEIVABLE

The purpose of the District's loans receivable was to provide various property owners, formerly on a well system, with the ability to compensate the District for the costs of infrastructure capital improvements related to new and upgraded water services in a service area of the District. The District installed the required infrastructure capital improvements. Certain property owners in the affected service area elected to pay infrastructure charges in full rather than elect the District's loan option. The District views the loan principal repayments as contributions to be used to offset costs for the new and upgraded water services and associated distribution system component improvements that are owned and maintained by the District. The loans receivable originated in 2009 and are due in installments through 2039. The loans bear interest at 6% and are collateralized by liens on the affected properties.

Loan Receivable activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Principal Received	Ending Balance	Amounts due within one year
Loans receivable	<u>\$ 160,560</u>	<u>\$ 13,017</u>	<u>\$ 147,543</u>	<u>\$ 5,703</u>

Loan Receivable activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Principal Received	Ending Balance	Amounts due within one year
Loans receivable	<u>\$ 201,416</u>	<u>\$ 40,856</u>	<u>\$ 160,560</u>	<u>\$ 5,640</u>

NOTE D – LEASES RECEIVABLE

The District leases multiple parcels of land and a single cell tower site, and recognizes leases receivable. Leases receivable consist of agreements with others for the "right-to-use" the underlying land asset at various locations owned by the District. The remaining terms of the agreements that were used in calculating the leases receivable range from 1 to 4 years. For the fiscal year ended December 31, 2022, the District recognized \$61,850 in lease revenue and \$2,257 in interest revenue, and the outstanding receivable amount was \$96,476.

For the fiscal year ended December 31, 2021, the District recognized \$112,582 in lease revenue and \$5,338 in interest revenue, and the outstanding receivable amount was \$136,124.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE D – LEASES RECEIVABLE – continued

Lease Receivable activity for the year ended December 31, 2022, was as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within one year	Amounts Due in More Than One Year
\$ 136,124	\$ 22,202	\$ (61,850)	\$ 96,476	\$ 65,530	\$ 30,946

Lease Receivable activity for the year ended December 31, 2021, was as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within one year	Amounts Due in More Than One Year
\$ 245,819	\$ 2,887	\$ (112,582)	\$ 136,124	\$ 78,303	\$ 57,821

Required Payments for Leases, Including Interest as of December 31, 2022, is as follows:

Year	Lease Receivable	Interest Receivable	Total
2023	\$ 65,530	\$ 2,120	\$ 67,650
2024	18,725	525	19,250
2025	7,278	222	7,500
2026	4,943	57	5,000
	<u>\$ 96,476</u>	<u>\$ 2,924</u>	<u>\$ 99,400</u>

Deferred Inflows of Resources for Leases as of December 31, 2022, is as follows:

Year	Total
2023	\$ 47,494
2024	18,217
2025	7,148
2026	4,753
	<u>\$ 77,612</u>

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE E – CAPITAL ASSETS

At December 31, 2022, capital assets (property, plant, and equipment) transactions and balances include the following:

	December 31, 2021	Additions	Dispositions	Transfers	December 31, 2022
Capital assets, not being depreciated:					
Land and water rights	\$ 36,586,134	\$ -	\$ -	\$ -	\$ 36,586,134
Construction in progress	6,397,369	5,642,823	(89,525)	(4,022,309)	7,928,358
Total capital assets not being depreciated	42,983,503	5,642,823	(89,525)	(4,022,309)	44,514,492
Capital assets, being depreciated:					
Structures and improvements	51,631,972	17,638	-	96,916	51,746,526
Equipment, tools, and furniture	7,818,524	517,994	(144,340)	-	8,192,178
Reservoirs, supply lines, mains, and services	215,167,437	4,170,817	(504,781)	3,925,393	222,758,866
Total capital assets being depreciated	274,617,933	4,706,449	(649,121)	4,022,309	282,697,570
Less accumulated depreciation for:					
Structures and improvements	(24,021,150)	(1,414,195)	-	-	(25,435,345)
Equipment, tools, and furniture	(5,159,557)	(509,885)	141,509	-	(5,527,933)
Reservoirs, supply lines, mains, and services	(93,344,643)	(5,083,420)	504,781	-	(97,923,282)
Total accumulated depreciation	(122,525,350)	(7,007,500)	646,290	-	(128,886,560)
Total capital assets being depreciated, net	152,092,583	(2,301,051)	(2,831)	4,022,309	153,811,010
Total capital assets, net	\$ 195,076,086	\$ 3,341,772	\$ (92,356)	\$ -	\$ 198,325,502

At December 31, 2021, capital assets (property, plant, and equipment) transactions and balances include the following:

	December 31, 2020	Additions	Dispositions	Transfers	December 31, 2021
Capital assets, not being depreciated:					
Land and water rights	\$ 36,586,134	\$ -	\$ -	\$ -	\$ 36,586,134
Construction in progress	2,607,192	3,918,777	(13,575)	(115,025)	6,397,369
Total capital assets not being depreciated	39,193,326	3,918,777	(13,575)	(115,025)	42,983,503
Capital assets, being depreciated:					
Structures and improvements	52,169,462	77,841	(615,331)	-	51,631,972
Equipment, tools, and furniture	7,541,127	489,789	(212,392)	-	7,818,524
Reservoirs, supply lines, mains, and services	211,054,643	4,221,470	(223,701)	115,025	215,167,437
Total capital assets being depreciated	270,765,232	4,789,100	(1,051,424)	115,025	274,617,933
Less accumulated depreciation for:					
Structures and improvements	(22,757,979)	(1,440,591)	177,420	-	(24,021,150)
Equipment, tools, and furniture	(4,880,784)	(487,201)	208,428	-	(5,159,557)
Reservoirs, supply lines, mains, and services	(88,633,683)	(4,929,535)	218,575	-	(93,344,643)
Total accumulated depreciation	(116,272,446)	(6,857,327)	604,423	-	(122,525,350)
Total capital assets being depreciated, net	154,492,786	(2,068,227)	(447,001)	115,025	152,092,583
Total capital assets, net	\$ 193,686,112	\$ 1,850,550	\$ (460,576)	\$ -	\$ 195,076,086

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE F – LONG-TERM DEBT

Long-term liabilities activity for the year ended December 31, 2022, was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Amounts due within one year
Bonds payable	\$13,500,000	\$ -	\$(13,500,000)	\$ -	\$ -
Add unamortized bond premium	113,217	-	(113,217)	-	-
Total bonds payable	13,613,217	-	(13,613,217)	-	-
Compensated absences payable	526,913	515,528	(440,181)	602,260	450,832
Total long-term liabilities	<u>\$14,140,130</u>	<u>\$ 515,528</u>	<u>\$(14,053,398)</u>	<u>\$ 602,260</u>	<u>\$ 450,832</u>

Long-term liabilities activity for the year ended December 31, 2021, was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Amounts due within one year
Bonds payable	\$14,590,000	\$ -	\$(1,090,000)	\$ 13,500,000	\$ 1,125,000
Add unamortized bond premium	158,046	-	(44,829)	113,217	-
Total bonds payable	14,748,046	-	(1,134,829)	13,613,217	1,125,000
Compensated absences payable	458,490	509,648	(441,225)	526,913	414,551
Total long-term liabilities	<u>\$15,206,536</u>	<u>\$ 509,648</u>	<u>\$(1,576,054)</u>	<u>\$ 14,140,130</u>	<u>\$ 1,539,551</u>

Long-term debt consists of the following:

	2022	2021
<i>Bonds payable:</i>		
\$22,555,000 Ute Water Conservancy District Water Revenue Refunding Bonds, Series 2012, consisted of \$16,140,000 serial bonds bearing interest at 0.4% to 5.0%, with principal payments of \$630,000 to \$1,430,000 due June 15 annually in 2012 to 2025 and 2027 to 2029, and term bonds of \$2,240,000 bearing interest at 4.125% due June 15, 2026, and term bonds of \$4,175,000 bearing interest at 3.5% due June 15, 2031. The term bonds were subject to mandatory sinking fund redemption on June 15, 2025 and 2026, and June 15, 2029 to 2031, in amounts from \$925,000 to \$1,595,000. Bonds maturing after June 15, 2022, were subject to early redemption at par at the District's option on or after June 15, 2022, which was elected. These bonds were secured by a pledge of system revenues and restricted investments in the amount of \$1,627,750.	\$ -	\$ 13,500,000
Add unamortized bond premium	-	113,217
	-	13,613,217
Total bonds payable	-	13,613,217
Less current maturities	-	(1,125,000)
	<u>\$ -</u>	<u>\$ 12,488,217</u>

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE F – LONG-TERM DEBT - continued

The District is in material compliance with all sections of the Water Revenue Refunding Bonds, Series 2012. The ratio of net revenue available for debt service to the total average future annual debt requirements of the Series 2012 bond issues was 8.04 in 2021 (8.04 times coverage). In 2022, the ratio of net revenue available for debt service to the total average future annual debt requirements of the Series 2012 bond issues would have been 7, (7 times coverage) based on the 2022 debt requirement.

NOTE G – DEFINED CONTRIBUTION PLAN

Through District resolutions, the District provides retirement benefits for all full-time employees through a defined contribution plan administered by the Colorado Retirement Association (CRA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

Under the defined contribution retirement plan, the District is required to match the employee's required contribution of 8% to the plan, and will match up to a total of 10% of employee contributions. Employees are eligible to participate in the plan following 90 days of employment. The plan provides retirement benefits based upon the employee's vested account. A participant becomes 100% vested upon completion of five years of covered service. Amounts forfeited by employees who leave employment before they become fully vested are divided up among the remaining participants in the plan. Under the plan, employees direct the investment of both the employee and employer contributions among several investment options available through an outside plan administrator.

For the years ended December 31, 2022 and 2021, total payroll, covered payroll, and the employee and employer contributions to the plan were as follows:

	2022	2021
Total payroll	\$ 6,476,869	\$ 6,109,560
Covered payroll	6,270,032	5,936,318
District contribution	505,862	474,904
Percent of covered payroll	8.1%	8.0%
Employee contribution	501,603	474,904
Percent of covered payroll	8.0%	8.0%

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE H – DEFERRED COMPENSATION PLAN

District employees may defer a portion of their compensation under District sponsored Deferred Compensation Plan options created in accordance with Internal Revenue Code Section 457. Participants can elect to contribute to a 457(b) plan that defers the tax liability of contributed amounts from their compensation until it is distributed to them, or they can elect to make contributions to a Roth designated 457(b) plan in which the participant elects to include contributed amounts in gross taxable income. Distributions from either plan option may be made only at termination, retirement, or death.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of Plan participants and their beneficiaries. Since the assets held under these plans are not the District's property and are not subject to District control, they have been excluded from these financial statements.

NOTE I – RISK MANAGEMENT

The District purchases general liability, property, and various other types of insurance through commercial carriers to provide coverage for all significant losses, claims, and judgments. There have been no significant reductions in insurance coverage, nor have settlement amounts materially exceeded coverage for the current or prior three years.

NOTE J – TAX, SPENDING, AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations and certain election requirements that apply to the State of Colorado and all local governments. TABOR is complex and subject to interpretation. The District's management believes the District is in compliance with the provisions of TABOR as it is understood from judicial interpretations, legal opinions, and commonly accepted practices.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE K – RECONCILIATION OF REVENUES AND EXPENSES - BUDGETARY BASIS TO GAAP BASIS

	<u>2022</u>	<u>2021</u>
Excess (deficiency) of revenues over (under) expenditures (Budget Basis)	<u>\$ (10,026,497)</u>	<u>\$ 5,065,032</u>
Adjustments:		
Less:		
Depreciation	(7,007,500)	(6,857,327)
Net book value of disposed property, plant and equipment	(92,356)	(460,577)
Principal adjustments of lease receivables	(80,986)	(112,582)
Amortization of deferred amount on refunding	-	-
Add:		
Capital expenditures	7,438,732	6,357,833
Contributed capital - donated lines	2,732,256	2,243,368
Bond principal payments	13,500,000	1,090,000
Amortization of bond premium	113,217	44,829
Amortization of deferred lease revenue	93,063	93,628
Personnel costs capitalized	<u>178,285</u>	<u>106,677</u>
	<u>16,874,711</u>	<u>2,505,849</u>
Change in Net Position (GAAP Basis)	<u>\$ 6,848,214</u>	<u>\$ 7,570,881</u>

NOTE L – COMMITMENTS AND CONTINGENCIES

The District is an objector in various water matters pending before various courts. The District opposes applications for water rights made by third parties in order to protect the District's water rights.

The District is involved in several claims as the result of the normal conduct of District business. District management believes that these will not have a material effect on the financial statements of the District.

UTE WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS

As of and for the years ended December 31, 2022 and 2021

NOTE M – RESTATEMENT OF NET POSITION

As a result of implementation of GASB Statement No. 87, Leases, net position as of December 31, 2020 has been restated as follows:

Net position at December 31, 2020 as previously reported	\$ 230,415,220
Restatement to implement GASB Statement No. 87	<u>6,849</u>
Total Restatement	<u>6,849</u>
Net position at December 31, 2020 as restated	<u><u>\$ 230,422,069</u></u>

	Originally Reported	Adjustments	As Restated
Leases Receivable, due within one year	\$ -	\$ 93,020	\$ 93,020
Leases Receivable, due in more than one year	-	152,799	152,799.0
Lease-related deferred inflows of resources	-	<u>(238,970)</u>	<u>(238,970)</u>
Total Adjustments		<u>6,849</u>	
Net Position	<u>\$ 230,415,220</u>	<u>\$ 6,849</u>	<u>\$ 230,422,069</u>

	Originally Reported	Adjustments	As Restated
2020 Miscellaneous Income	\$ 382,893	\$ (3,354)	\$ 379,539
2019 Adjustment to implement beginning balances		<u>10,203</u>	
Total Adjustments		<u>6,849</u>	
Net Position	<u>\$ 230,415,220</u>	<u>\$ 6,849</u>	<u>\$ 230,422,069</u>

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SUPPLEMENTAL INFORMATION – FINANCIAL



UTE WATER CONSERVANCY DISTRICT

SCHEDULES OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the years ended December 31, 2022 and 2021

	2022			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Tap connection fees	\$ 4,200,000	\$ 4,200,000	\$ 5,290,875	\$ 1,090,875
Water sales	18,600,000	18,600,000	18,817,660	217,660
Service charges	223,000	223,000	230,188	7,188
Other operating revenues	100,000	100,000	254,865	154,865
Miscellaneous revenues	213,000	213,000	417,158	204,158
Investment income	200,000	200,000	(783,206)	(983,206)
Proceeds from disposal of capital assets	10,000	10,000	2,500	(7,500)
Property taxes	-	-	118	118
TOTAL REVENUES	23,546,000	23,546,000	24,230,158	684,158
EXPENDITURES				
Operating expenditures:				
Water supply and treatment	2,556,413	2,556,413	2,932,474	(376,061)
Transmission and distribution	5,137,074	5,137,074	5,138,444	(1,370)
Engineering and construction	1,249,629	1,249,629	1,051,438	198,191
Administration	2,183,635	2,183,635	1,964,658	218,977
Finance and accounting	1,820,662	1,820,662	1,861,031	(40,369)
Treasurer's fees	-	-	2	(2)
Capital expenditures:				
Water supply and treatment	5,328,900	5,328,900	2,775,885	2,553,015
Transmission and distribution	1,243,750	1,243,750	1,388,706	(144,956)
Engineering and construction	3,983,500	3,983,500	3,289,361	694,139
Administration	-	-	18,119	(18,119)
Finance and accounting	22,000	22,000	100,195	(78,195)
Purchase of land and water rights	-	-	-	-
Unallocated:				
Bond principal payments	13,500,000	13,500,000	13,500,000	-
Interest on debt	259,400	259,400	236,342	23,058
Contingency	600,000	600,000	-	600,000
TOTAL EXPENDITURES	37,884,963	37,884,963	34,256,655	3,628,308
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$(14,338,963)</u>	<u>\$(14,338,963)</u>	<u>\$ (10,026,497)</u>	<u>\$ 4,312,466</u>
Adjustments - budgetary basis to GAAP basis			<u>16,874,711</u>	
CHANGE IN NET POSITION - (GAAP Basis)			<u>\$ 6,848,214</u>	

UTE WATER CONSERVANCY DISTRICT

SCHEDULES OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – continued

For the years ended December 31, 2022 and 2021

	2021			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Tap connection fees	\$ 3,850,000	\$ 3,850,000	\$ 5,418,500	\$ 1,568,500
Water sales	18,200,000	18,200,000	18,883,187	683,187
Service charges	221,000	221,000	197,985	(23,015)
Other operating revenues	100,000	100,000	104,046	4,046
Miscellaneous revenues	186,000	186,000	351,971	165,971
Investment income	350,000	350,000	(25,286)	(375,286)
Proceeds from disposal of capital assets	10,000	10,000	78,795	68,795
Property taxes	-	-	(252)	(252)
TOTAL REVENUES	<u>22,917,000</u>	<u>22,917,000</u>	<u>25,008,946</u>	<u>2,091,946</u>
EXPENDITURES				
Operating expenditures:				
Water supply and treatment	2,347,567	2,347,567	2,461,148	(113,581)
Transmission and distribution	4,753,056	4,753,056	4,681,934	71,122
Engineering and construction	1,021,522	1,021,522	980,481	41,041
Administration	2,004,332	2,004,332	1,816,725	187,607
Finance and accounting	1,834,971	1,834,971	1,745,446	89,525
Treasurer's fees	-	-	(2)	2
Capital expenditures:				
Water supply and treatment	5,499,689	5,499,689	3,286,750	2,212,939
Transmission and distribution	983,600	983,600	1,041,956	(58,356)
Engineering and construction	3,032,500	3,032,500	2,300,226	732,274
Administration	2,600	2,600	915	1,685
Finance and accounting	4,500	4,500	4,638	(138)
Purchase of land and water rights	-	-	-	-
Unallocated:				
Bond principal payments	1,090,000	1,090,000	1,090,000	-
Interest on debt	535,150	535,150	533,697	1,453
Contingency	600,000	600,000	-	600,000
TOTAL EXPENDITURES	<u>23,709,487</u>	<u>23,709,487</u>	<u>19,943,914</u>	<u>3,765,573</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (792,487)</u>	<u>\$ (792,487)</u>	<u>\$ 5,065,032</u>	<u>\$ 5,857,519</u>
Adjustments - budgetary basis to GAAP basis			<u>2,505,849</u>	
CHANGE IN NET POSITION - (GAAP Basis)			<u>\$ 7,570,881</u>	

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Ute Water Conservancy District
Statistical Section



STATISTICAL SECTION

This part of Ute Water Conservancy District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures say about the District's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	41-43
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate water revenue, tap fees, and property taxes.	44-53
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt.	54-56
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	57-59
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	60-63

Ute Water Conservancy District

Schedule 1

**NET POSITION BY COMPONENT,
LAST TEN YEARS**
(Accrual basis of accounting)

	As of December 31				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net investment in capital assets	\$156,534,457	\$157,373,554	\$161,688,777	\$165,246,901	\$168,034,757
Restricted	3,202,909	3,202,909	3,202,909	3,202,909	3,202,909
Unrestricted	17,956,211	22,446,563	24,054,421	27,555,578	33,283,831
Total Net Position	<u>\$177,693,577</u>	<u>\$183,023,026</u>	<u>\$188,946,107</u>	<u>\$196,005,388</u>	<u>\$204,571,497</u>
	As of December 31				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Net investment in capital assets	\$171,603,912	\$175,870,824	\$178,938,065	\$181,288,339	\$197,410,131
Restricted	3,252,909	3,252,909	1,677,750	1,677,750	50,000
Unrestricted	38,422,564	43,062,128	49,806,254	55,026,861	47,381,033
Total Net Position	<u>\$213,279,385</u>	<u>\$222,185,861</u>	<u>\$230,422,069</u>	<u>\$237,992,950</u>	<u>\$244,841,164</u>

Source: District Finance Department

Ute Water Conservancy District

Schedule 2

CHANGES IN NET POSITION, LAST TEN YEARS

(Accrual basis of accounting)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:				
Water sales	\$18,817,660	\$18,883,187	\$19,008,177	\$17,907,968
Service and late charges	150,628	120,755	116,013	160,266
Fees for tap connections	562,634	539,571	464,104	475,582
Other operating revenue	334,425	181,277	150,755	228,571
Total operating revenue	<u>19,865,347</u>	<u>19,724,790</u>	<u>19,739,049</u>	<u>18,772,387</u>
OPERATING EXPENSES:				
Water supply and treatment	3,230,972	2,879,502	2,777,781	2,546,751
Transmission and distribution	4,769,078	4,412,951	3,932,258	3,538,496
Engineering and construction	1,162,582	1,009,107	946,562	893,443
Administration	1,965,480	1,817,640	1,746,272	1,729,983
Finance and accounting	1,864,707	1,750,084	1,753,177	1,555,541
Depreciation and amortization	7,007,500	6,857,327	6,684,386	6,461,748
Total operating expense	<u>20,000,319</u>	<u>18,726,611</u>	<u>17,840,436</u>	<u>16,725,962</u>
OPERATING INCOME (LOSS)	<u>(134,972)</u>	<u>998,179</u>	<u>1,898,613</u>	<u>2,046,425</u>
NONOPERATING REVENUES (EXPENSES):				
Property taxes	118	(252)	7,960	790,406
Tap fee in excess of connection costs	4,728,241	4,878,929	4,336,121	3,313,118
Investment income (loss)	(783,206)	(25,286)	800,780	1,238,903
Miscellaneous income	429,235	333,016	379,539	326,519
Interest expense (net of capitalized interest)	(123,125)	(488,868)	(549,990)	(650,201)
County Treasurer's fees	(2)	2	11	(13,772)
Gain (loss) on disposition of capital assets	(331)	(368,207)	(24,799)	31,000
Total nonoperating revenues (expenses)	<u>4,250,930</u>	<u>4,329,334</u>	<u>4,949,622</u>	<u>5,035,973</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>4,115,958</u>	<u>5,327,513</u>	<u>6,848,235</u>	<u>7,082,398</u>
CAPITAL CONTRIBUTIONS:				
Developer donated lines	2,732,256	2,243,368	1,387,973	1,824,076
Developer donated land	-	-	-	-
CHANGE IN NET POSITION	<u><u>\$6,848,214</u></u>	<u><u>\$7,570,881</u></u>	<u><u>\$8,236,208</u></u>	<u><u>\$8,906,474</u></u>

Source: District Finance Department

Ute Water Conservancy District

Schedule 2 - continued

CHANGES IN NET POSITION, LAST TEN YEARS

(Accrual basis of accounting)

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$18,220,430	\$17,962,733	\$17,360,229	\$16,110,687	\$15,523,099	\$14,628,883
165,410	182,389	174,071	174,908	180,090	172,417
420,706	351,012	291,514	222,149	204,375	138,137
195,004	149,345	130,862	135,807	110,135	195,200
<u>19,001,550</u>	<u>18,645,479</u>	<u>17,956,676</u>	<u>16,643,551</u>	<u>16,017,699</u>	<u>15,134,637</u>
2,414,307	2,267,047	2,218,592	2,202,302	2,118,326	2,010,767
3,516,103	3,150,517	3,044,874	2,872,123	3,070,666	3,077,167
947,110	846,916	837,713	810,438	811,767	782,526
1,598,979	1,490,940	1,352,632	1,260,159	1,161,108	1,162,889
1,495,722	1,401,134	1,387,745	1,296,460	1,274,540	1,162,236
6,250,868	6,048,983	5,823,534	5,643,372	5,591,394	5,467,357
<u>16,223,089</u>	<u>15,205,537</u>	<u>14,665,090</u>	<u>14,084,854</u>	<u>14,027,801</u>	<u>13,662,942</u>
<u>2,778,461</u>	<u>3,439,942</u>	<u>3,291,586</u>	<u>2,558,697</u>	<u>1,989,898</u>	<u>1,471,695</u>
781,098	778,810	752,574	727,780	716,457	784,196
3,392,819	2,929,538	1,968,341	2,290,316	2,424,775	2,043,323
763,085	297,853	364,085	237,114	411,399	(31,412)
234,511	241,958	337,143	409,396	386,254	412,430
(742,263)	(825,116)	(897,078)	(957,891)	(1,008,261)	(1,304,526)
(13,616)	(13,495)	(13,348)	(12,783)	(12,605)	(13,598)
(21,447)	75,999	712,908	(57,880)	(131,974)	(17,489)
<u>4,394,187</u>	<u>3,485,547</u>	<u>3,224,625</u>	<u>2,636,052</u>	<u>2,786,045</u>	<u>1,872,924</u>
7,172,648	6,925,489	6,516,211	5,194,749	4,775,943	3,344,619
1,585,242	1,590,620	540,350	728,332	553,506	944,556
-	-	2,720	-	-	-
<u>\$8,757,890</u>	<u>\$8,516,109</u>	<u>\$7,059,281</u>	<u>\$5,923,081</u>	<u>\$5,329,449</u>	<u>\$4,289,175</u>

Source: District Finance Department

Ute Water Conservancy District

Schedule 3

NUMBER OF CUSTOMERS, GALLONS SOLD, AND WATER REVENUE, LAST TEN YEARS

<u>Year</u>	<u>Residential</u>			<u>Other</u>			<u>Total</u>		
	<u>Number of Customers Billed</u>	<u>Gallons Sold (000's)</u>	<u>Water Revenue</u>	<u>Number of Customers Billed</u>	<u>Gallons Sold (000's)</u>	<u>Water Revenue</u>	<u>Number of Customers Billed</u>	<u>Gallons Sold (000's)</u>	<u>Water Revenue</u>
2013	33,457	2,081,670	\$ 10,895,708	1,265	719,689	\$ 3,733,175	34,722	2,801,359	\$ 14,628,883
2014	33,757	2,032,738	11,687,293	1,280	704,717	3,835,806	35,037	2,737,455	15,523,099
2015	34,432	2,049,672	12,156,488	1,296	714,654	3,954,199	35,728	2,764,326	16,110,687
2016	34,753	2,098,331	13,262,223	1,318	721,886	4,098,006	36,071	2,820,217	17,360,229
2017	35,314	2,171,310	13,686,422	1,338	755,109	4,276,311	36,652	2,926,419	17,962,733
2018	35,622	2,179,724	13,856,072	1,368	770,268	4,364,358	36,990	2,949,992	18,220,430
2019	36,174	2,102,785	13,575,774	1,386	754,867	4,332,194	37,560	2,857,652	17,907,968
2020	36,881	2,291,129	14,514,247	1,396	774,116	4,493,930	38,277	3,065,245	19,008,177
2021	37,650	2,202,880	14,178,399	1,414	805,817	4,704,789	39,064	3,008,697	18,883,188
2022	38,195	2,135,630	14,032,774	1,417	813,934	4,784,886	39,612	2,949,564	18,817,660

Note: Residential includes single-family and multi-family residential units.
Number of monthly billed customers as of December.
Other includes industrial, commercial, agricultural, government, schools, churches, and other connections.

Source: District Finance Department

Ute Water Conservancy District

Schedule 4

WATER PRODUCTION AND USES WITH RELATED INFORMATION, LAST TEN YEARS

Year	Raw Water Inflows to Treatment Plant	Finished Water Produced	Gallons Sold	Gallons of Water Unbilled	Percent of Water Unbilled	Other Water Used*	Gallons of Water not Accounted For	Percent of Water not Accounted For	Average Daily Water Production	Peak Daily Water Production	Rainfall in Inches	
											Year	4/1 to 9/30
2013	3,104,276	3,134,222	2,801,359	332,863	10.62%	15,650	317,213	10.12%	8,587	13,366	12.43	7.71
2014	3,079,068	3,039,895	2,737,465	302,430	9.95%	19,666	282,764	9.30%	8,328	13,113	11.96	8.45
2015	3,046,645	2,951,467	2,764,399	187,068	6.34%	19,578	167,490	5.67%	8,086	13,184	13.25	7.90
2016	3,152,023	2,987,622	2,820,217	167,405	5.60%	25,175	142,230	4.76%	8,185	12,638	8.83	4.49
2017	3,281,554	3,266,495	2,926,419	340,076	10.41%	40,462	299,614	9.17%	8,949	14,634	5.08	2.81
2018	3,350,129	3,285,552	2,949,992	335,560	10.21%	53,537	282,023	8.58%	9,002	13,611	8.21	2.25
2019	3,246,902	3,207,239	2,857,652	349,587	10.90%	38,807	310,780	9.69%	8,787	13,715	8.48	3.39
2020	3,479,345	3,414,101	3,065,245	348,856	10.22%	50,278	298,578	8.75%	9,354	14,750	5.11	2.06
2021	3,394,198	3,375,311	3,008,697	366,614	10.86%	37,422	329,192	9.75%	9,247	14,589	9.79	4.87
2022	3,459,125	3,404,270	2,949,564	454,706	13.36%	78,066	376,640	11.06%	9,327	13,659	9.33	4.38

* Other uses include water for flushing lines, filling and disinfecting new lines, construction, and known leaks.

Note: All water flows are in thousands of gallons.

Source: Water flows - District Treatment Plant
Rainfall - National Weather Service, Grand Junction, Colorado.
All other - District Finance Department

Ute Water Conservancy District

Schedule 5

WATER AND TAP RATES COVERING THE LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Residential Tap Fees</u>										
3/4" x 5/8"	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 6,800	\$ 6,700	\$ 6,500
3/4" x 3/4"	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,500	8,375	8,125
1"	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,200	10,050	9,750
<u>Commercial Tap Fees</u>										
3/4" x 5/8"	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 6,800	\$ 6,700	\$ 6,500
3/4" x 3/4"	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,500	8,375	8,125
1"	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,200	10,050	9,750
1 1/2"	15,725	15,725	15,725	15,725	15,725	15,725	15,725	15,275	15,050	14,600
2"	23,150	23,150	23,150	23,150	23,150	23,150	23,150	22,500	22,160	21,500
3"	41,700	41,700	41,700	41,700	41,700	41,700	41,700	40,500	39,900	38,700
4"	73,100	73,100	73,100	73,100	73,100	73,100	73,100	71,000	69,900	67,800
6"	182,800	182,800	182,800	182,800	182,800	182,800	182,800	177,600	175,000	169,800
Fee effective as of:	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-15	Jan-14	Feb-13

Taps larger than 6 inches require District Board approval.

Monthly

Residential Base Rate

3/4" x 5/8"	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 20.00	\$ 19.00	\$ 17.00
3/4" x 3/4"	22.00	22.00	22.00	22.00	22.00	22.00	22.00	20.00	19.00	17.00
1"	22.00	22.00	22.00	22.00	22.00	22.00	22.00	20.00	19.00	17.00

Monthly residential base rate includes first 3,000 gallons of usage.

Residential Tiered Rates

3,000 gal - 9,000 gal	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.60
9,000 gal -15,000 gal	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.10
15,000 gal - 21,000 gal	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.85
21,000 gal - 30,000 gal	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.60
30,000 gal +	10.20	10.20	10.20	10.20	10.20	10.20	10.20	10.20	10.20	10.10

Rates effective as of:	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-15	Jan-14	Feb-13
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Rates are per thousand gallons, billed on a monthly basis.

Source: District Finance Department

			<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Meter Size	Monthly Commercial Base Rate	<i>Gallons included in base rate</i>										
	3/4" x 5/8"	3,000	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 20.00	\$ 19.00	\$ 17.00
	3/4" x 3/4"	3,000	22.00	22.00	22.00	22.00	22.00	22.00	22.00	20.00	19.00	17.00
	1"	3,000	22.00	22.00	22.00	22.00	22.00	22.00	22.00	20.00	19.00	17.00
	1 1/2"	15,000	110.00	110.00	110.00	110.00	110.00	110.00	110.00	100.00	95.00	85.00
	2"	24,000	176.00	176.00	176.00	176.00	176.00	176.00	176.00	160.00	152.00	136.00
	3"	52,500	385.00	385.00	385.00	385.00	385.00	385.00	385.00	350.00	332.50	297.50
	4"	90,000	660.00	660.00	660.00	660.00	660.00	660.00	660.00	600.00	570.00	510.00
	6"	210,000	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,400.00	1,330.00	1,190.00
Meter Size	Commercial Tiered Rates											
5/8" &	3,000 gal - 9,000 gal	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.60
3/4" &	9,000 gal - 15,000 gal	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.10
1"	15,000 gal +	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.85
1 1/2"	15,000 gal - 45,000 gal	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.60
	45,000 gal - 75,000 gal	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.10
	75,000 gal +	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.85
2"	24,000 gal - 72,000 gal	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.60
	72,000 gal - 120,000 gal	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.10
	120,000 gal +	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.85
3"	52,500 gal - 157,500 gal	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.60
	157,500 gal - 262,500 gal	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.10
	262,500 gal +	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.85
4"	90,000 gal - 270,000 gal	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.60
	270,000 gal - 450,000 gal	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.10
	450,000 gal +	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.85
6"	210,000 gal - 630,000 gal	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.60
	630,000 gal - 1,050,000 gal	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.10
	1,050,000 gal +	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.85
Rates effective as of:			Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-16	Jan-15	Jan-14	Feb-13

Rates are per thousand gallons, billed on a monthly basis.

Source: District Finance Department

Ute Water Conservancy District

Schedule 6

TEN LARGEST WATER CUSTOMERS, CURRENT YEAR AND NINE YEARS AGO

<u>Business Type</u>	<u>2022</u>			<u>2013</u>		
	<u>Revenue</u>	<u>Rank</u>	<u>%</u>	<u>Revenue</u>	<u>Rank</u>	<u>%</u>
Fill Station/Construction	\$ 213,938	1	1.14%			
Manufacturer	117,969	2	0.63%	\$ 149,344	1	1.02%
Education	115,631	3	0.61%			
Hotel	104,643	4	0.56%	77,607	4	0.53%
Mobile Home Park	81,447	5	0.43%	79,929	3	0.55%
Car Wash	78,993	6	0.42%	100,857	2	0.69%
Manufacturer	76,155	7	0.40%			
Food Producer	71,758	8	0.38%	58,745	5	0.40%
Hotel	51,039	9	0.27%	39,783	8	0.27%
Retail Sales	49,306	10	0.26%			
Mobile Home Park				46,687	6	0.32%
Retail Sales				41,408	7	0.28%
Hotel				37,328	9	0.26%
Hotel				33,285	10	0.23%
Subtotal (10 largest)	<u>960,879</u>		<u>5.10%</u>	<u>664,973</u>		<u>4.55%</u>
Balance from other customers	<u>17,856,781</u>		<u>94.90%</u>	<u>13,963,910</u>		<u>95.45%</u>
Total	<u><u>\$18,817,660</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 14,628,883</u></u>		<u><u>100.00%</u></u>

Note: This schedule represents actual billings made for water during the year.

The difference from amounts on the accrual basis is not significant.

Source: District Finance Department

Ute Water Conservancy District

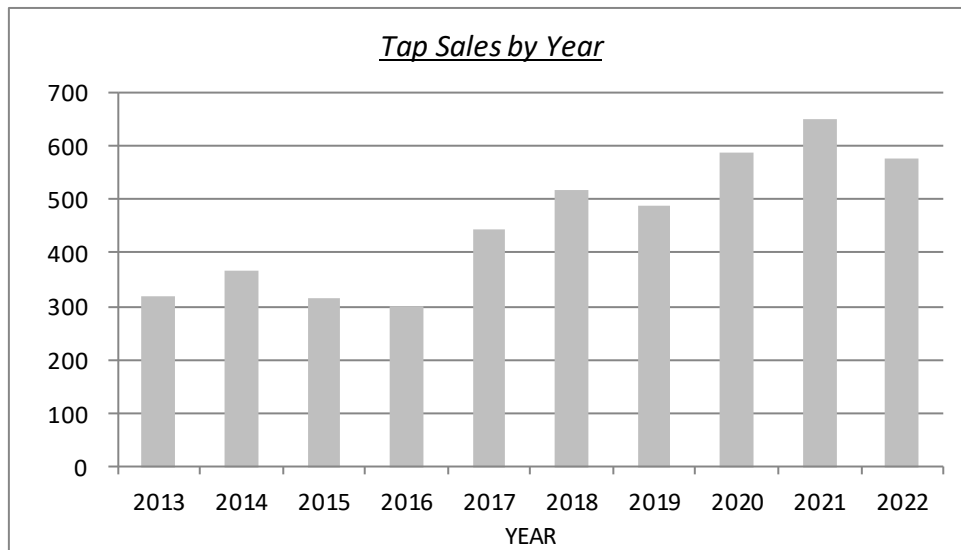
Schedule 7

TAP SALES AND CONSTRUCTION PERMITS, LAST TEN YEARS

Year	Tap Sales by Year (a)		Construction Permits by Year (b)			
	Number of Tap Sales	Amount of Tap Sales	New Commercial Construction		New Residential Construction	
			Number of Permits	Value of Permits	Number of Permits	Value of Permits
2013	317	\$ 2,181,460	28	\$ 30,543,393	498	\$ 99,219,141
2014	366	2,629,150	39	22,780,818	513	112,752,810
2015	316	2,512,465	25	25,105,921	480	112,747,421
2016	299	2,259,855	24	11,814,561	536	121,381,719
2017	443	3,280,550	34	19,797,039	761	143,310,625
2018	516	3,813,525	46	29,618,525	862	125,468,551
2019	487	3,788,700	44	18,750,135	794	121,261,012
2020	587	4,800,225	27	16,252,822	849	142,857,798
2021	650	5,418,500	37	14,688,789	984	172,327,489
2022	577	5,290,875	39	46,058,536	772	138,565,758

Source: (a) District Finance Department

(b) Mesa County Building Department - County-wide permits excluding incorporated municipalities completely outside of the Ute Water District



Ute Water Conservancy District

Schedule 8

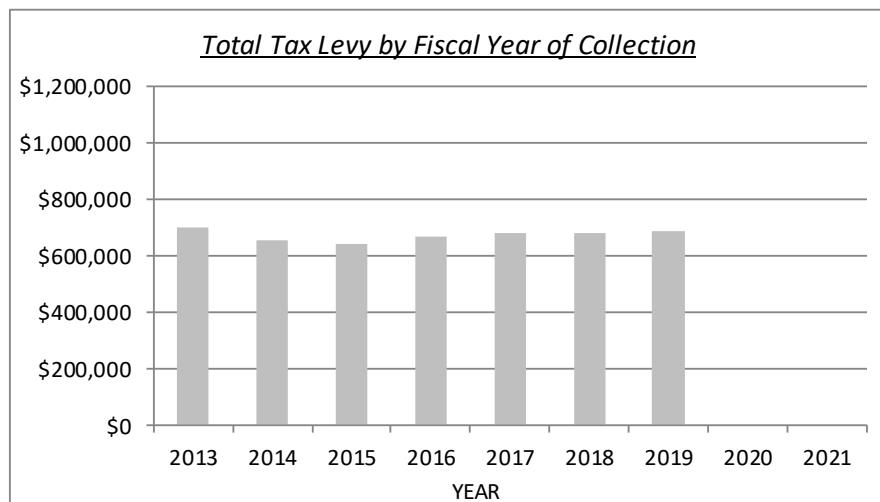
PROPERTY TAX LEVIES AND COLLECTIONS, LAST TEN YEARS

Levy Year	Fiscal Year of Collection	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percentage of Current Tax Levy
2012	2013	\$ 699,382	\$ 697,555	99.74%	\$ 241	\$ 697,796	99.77%
2013	2014	653,399	627,686	96.06%	828	628,514	96.19%
2014	2015	637,839	636,086	99.73%	1,695	637,781	99.99%
2015	2016	668,681	666,631	99.69%	(386)	666,245	99.64%
2016	2017	678,609	674,472	99.39%	(692)	673,780	99.29%
2017	2018	682,043	680,145	99.72%	(426)	679,719	99.66%
2018	2019	688,565	687,138	99.79%	284	687,422	99.83%
2019	2020	-	-	N/A	(644)	(644)	N/A
2020	2021	-	-	N/A	(175)	(175)	N/A
2021	2022	-	-	N/A	50	50	N/A

Notes: After property taxes are levied by the Board of Directors, the Mesa County Assessor may adjust the valuation of various properties due to corrections, abatements, refunds, and adjustments to the property tax rolls. The tax levy as shown is the original levy as approved by the District.

Property tax levies and collections exclude specific ownership taxes collected.

Source: District Finance Department



Ute Water Conservancy District

Schedule 9

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY, LAST TEN YEARS

Levy Year	Fiscal Year of Collection	Mesa County-Wide Valuations					Total Assessed Value
		Commercial/Industrial Property	Agricultural Property	Residential Property	Total Taxable Assessed Property	Tax-Exempt Property	
2012	2013	\$ 1,138,499,380	\$ 25,680,910	\$ 853,052,530	\$ 2,017,232,820	\$ 473,074,220	\$ 2,490,307,040
2013	2014	1,064,212,210	27,249,000	734,716,840	1,826,178,050	381,085,680	2,207,263,730
2014	2015	1,032,666,110	27,839,710	744,510,470	1,805,016,290	449,483,850	2,254,500,140
2015	2016	1,017,803,470	32,936,330	838,018,250	1,888,758,050	452,929,650	2,341,687,700
2016	2017	962,779,190	33,401,450	849,295,690	1,845,476,330	451,552,500	2,297,028,830
2017	2018	969,971,530	36,397,010	850,360,870	1,856,729,410	395,583,340	2,252,312,750
2018	2019	1,002,324,630	36,655,800	864,390,840	1,903,371,270	405,432,970	2,308,804,240
2019	2020	1,161,320,500	35,264,880	1,004,807,290	2,201,392,670	451,591,130	2,652,983,800
2020	2021	1,119,523,510	35,262,590	1,023,809,700	2,178,595,800	457,810,990	2,636,406,790
2021	2022	1,092,062,480	40,383,670	1,178,692,360	2,311,138,510	519,768,500	2,830,907,010
2022	2023	1,170,870,650	37,642,300	1,170,963,970	2,379,476,920	534,190,370	2,913,667,290
		District Taxable Assessed Valuation	Total Direct Tax Rate	Estimated Actual District Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value	Ratio of Assessed to Estimated Actual Value	
2012	2013	\$ 1,398,763,950	0.500	\$ 11,271,930,810	12.41%	7.96 - 29%	
2013	2014	1,306,797,600	0.500	9,823,599,530	13.30%	7.96 - 29%	
2014	2015	1,275,677,660	0.500	9,952,031,370	12.82%	7.96 - 29%	
2015	2016	1,337,362,252	0.500	10,890,114,190	12.28%	7.96 - 29%	
2016	2017	1,357,218,380	0.500	11,030,816,890	12.30%	7.96 - 29%	
2017	2018	1,364,085,006	0.500	12,019,284,620	11.35%	7.20 - 29%	
2018	2019	1,377,130,506	0.500	12,205,239,570	11.28%	7.20 - 29%	
2019	2020	1,563,372,750	0.000	14,316,473,950	10.92%	7.15 - 29%	
2020	2021	1,580,255,028	0.000	14,566,763,930	10.85%	7.15 - 29%	
2021	2022	1,737,762,147	0.000	16,562,275,180	10.49%	7.15 - 29%	
2022	2023	1,733,733,533	0.000	16,903,150,540	10.26%	7.15 - 29%	

Source: Mesa County Assessor's office

Ute Water Conservancy District

Schedule 10

**PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION (MILL LEVY)
DIRECT AND OVERLAPPING GOVERNMENTS, LAST TEN YEARS**

Levy Year	Year of Collection	<u>MILL LEVY</u>			
		Ute Water Conservancy District	Mesa County	Mesa County School District #51	All Other Taxing Entities
2013	2014	0.500	12.272	36.693	12.081
2014	2015	0.500	12.214	36.572	12.204
2015	2016	0.500	12.297	36.845	11.960
2016	2017	0.500	12.214	36.079	12.370
2017	2018	0.500	12.246	43.784	12.409
2018	2019	0.500	12.357	43.768	12.565
2019	2020	0.000	8.554	41.971	11.665
2020	2021	0.000	11.977	41.985	14.344
2021	2022	0.000	11.764	43.845	14.286
2022	2023	0.000	12.213	45.077	16.449

PROPERTY TAX REVENUE LEVY

Levy Year	Year of Collection	Ute Water Conservancy District	Mesa County	Mesa County School District #51	All Other Taxing Entities
2013	2014	\$ 653,399	\$ 22,278,629	\$ 59,097,954	\$ 10,851,626
2014	2015	637,839	21,922,758	57,942,455	10,796,150
2015	2016	668,681	23,101,741	60,784,192	11,394,708
2016	2017	678,609	22,540,647	60,866,935	11,429,841
2017	2018	682,043	22,617,251	62,708,144	11,445,134
2018	2019	688,565	23,401,595	73,764,272	11,828,431
2019	2020	-	18,830,713	80,840,836	13,170,871
2020	2021	-	25,496,106	80,774,587	14,308,519
2021	2022	-	27,809,931	92,461,681	15,335,194
2022	2023	-	28,918,391	94,726,164	16,180,670

Notes: Tax rates shown are for a representative taxing area within the Ute Water Conservancy District and exclude several taxing entities that are wholly or partially within the District.

Property tax levy revenues exclude specific ownership tax revenues.

Source: Mesa County Assessor's office

Ute Water Conservancy District

Schedule 11

PRINCIPAL PROPERTY TAXPAYERS, CURRENT YEAR AND NINE YEARS AGO

		2022			2013		
		Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
<u>Taxpayer</u>	<u>Business Type</u>						
Xcel Energy (formerly Public Service Company)	Utility	\$ 59,325,220	1	3.41%	\$ 37,514,280	1	2.87%
Union Pacific Railroad Company	Railroad	14,507,530	2	0.83%	8,036,010	3	0.61%
Spectrum Pacific West, LLC (formerly Bresnan)	Utility	11,485,190	3	0.66%	-	-	-
GAHC4 Grand Junction CO MOB LLC	Medical Facility	8,911,870	4	0.51%	-	-	-
Grand Mesa Center	Shopping Mall	6,374,990	5	0.37%	4,591,860	7	0.35%
SM Mesa Mall LLC	Shopping Mall	5,853,220	6	0.34%	8,496,350	2	0.65%
Coorstek	Manufacturing	5,640,380	7	0.32%	-	-	-
Grand Valley Rural Power Lines Inc.	Utility	4,838,740	8	0.28%	4,528,290	8	0.35%
Walmart Real Estate Business Trust	Retail Stores/Shopping Mall	4,059,380	9	0.23%	3,564,980	9	0.27%
Dillon Real Estate Co Inc.	Retail Grocery Store	3,717,060	10	0.21%	3,313,520	10	0.25%
Bresnan Broadband of Colorado LLC	Utility	-	-	-	6,184,660	5	0.47%
Helmerich and Payne International Drilling	Oil / Gas Field Services	-	-	-	5,563,560	6	0.43%
Halliburton Energy Services Inc.	Oil / Gas Field Services	-	-	-	6,811,230	4	0.52%
		<u>\$ 124,713,580</u>		<u>7.18%</u>	<u>\$ 88,604,740</u>		<u>6.78%</u>

Source: Mesa County Assessor's office

Ute Water Conservancy District

Schedule 12

RATIO OF OUTSTANDING DEBT BY TYPE, LAST TEN YEARS

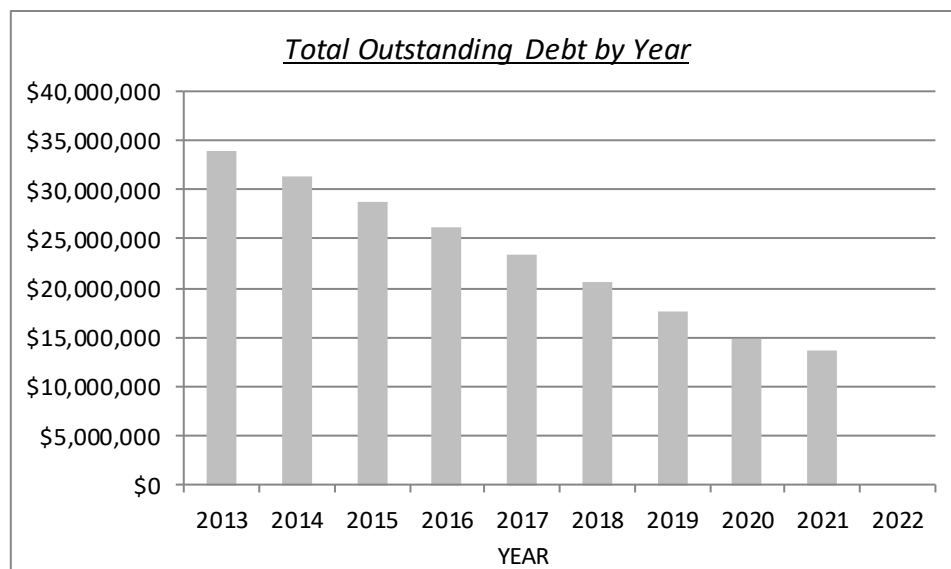
Year	Revenue Bonds	Notes on Parity with Bonds	Non-parity Notes	Total		As a Share of Personal Income (b)
				Amount	Per Capita (a)	
2013	\$ 33,953,983	\$ -	\$ -	\$ 33,953,983	\$ 435.21	1.15%
2014	31,382,217	-	-	31,382,217	398.68	1.00%
2015	28,769,748	-	-	28,769,748	359.50	0.88%
2016	26,104,453	-	-	26,104,453	322.10	0.80%
2017	23,378,210	-	-	23,378,210	283.48	0.66%
2018	20,586,078	-	-	20,586,078	247.53	0.55%
2019	17,711,310	-	-	17,711,310	209.69	0.45%
2020	14,748,046	-	-	14,748,046	170.72	0.35%
2021	13,613,217	-	-	13,613,217	154.21	0.32%
2022	-	-	-	-	N/A	N/A

Notes: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(a) Based on estimated District population from Schedule 15.

(b) Based on per capita personal income from Schedule 15; because personal income data is not available for 2022, for the year 2022 this percentage uses the personal income amount from 2021.

Source: District Finance Department



Ute Water Conservancy District

Schedule 13

DEBT COVERAGE, LAST TEN YEARS

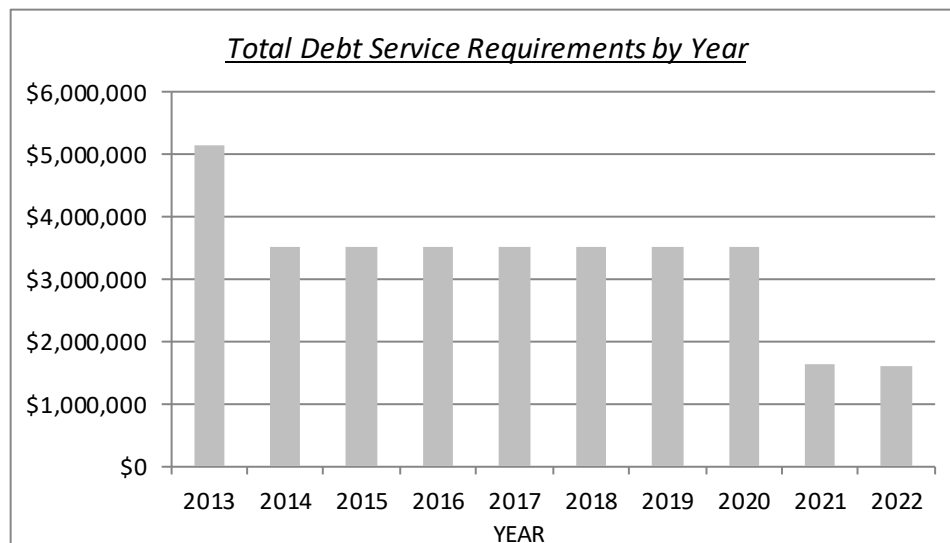
Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage Ratio
				Principal	Interest	Total	
2013	\$ 17,558,978	\$ 8,195,585	\$ 9,363,393	\$3,644,826	\$ 1,507,159	\$5,151,985	1.82
2014	19,240,127	8,436,407	10,803,720	2,315,000	1,191,187	3,506,187	3.08
2015	19,580,377	8,441,482	11,138,895	2,385,000	1,119,294	3,504,294	3.17
2016	20,626,245	8,841,556	11,784,689	2,470,000	1,035,370	3,505,370	3.36
2017	22,114,828	9,156,554	12,958,274	2,565,000	940,862	3,505,862	3.69
2018	23,391,965	9,972,221	13,419,744	2,665,000	836,937	3,501,937	3.82
2019	23,640,724	10,264,214	13,376,510	2,780,000	725,764	3,505,764	3.81
2020	25,258,843	11,156,050	14,102,793	2,900,000	607,021	3,507,021	4.02
2021	24,930,403	11,869,284	13,061,119	1,090,000	533,697	1,623,697	8.04
2022	24,227,540	12,992,819	11,234,721	1,125,000	478,867	1,603,867	7.00

Note: (1) Gross revenues includes investment income, miscellaneous income, and tap fees and excludes property taxes.

(2) Total operating expenses exclusive of depreciation.

(3) Principal and interest debt service requirements excluding refunding or early pay-off amounts.

Source: District Finance Department



Ute Water Conservancy District

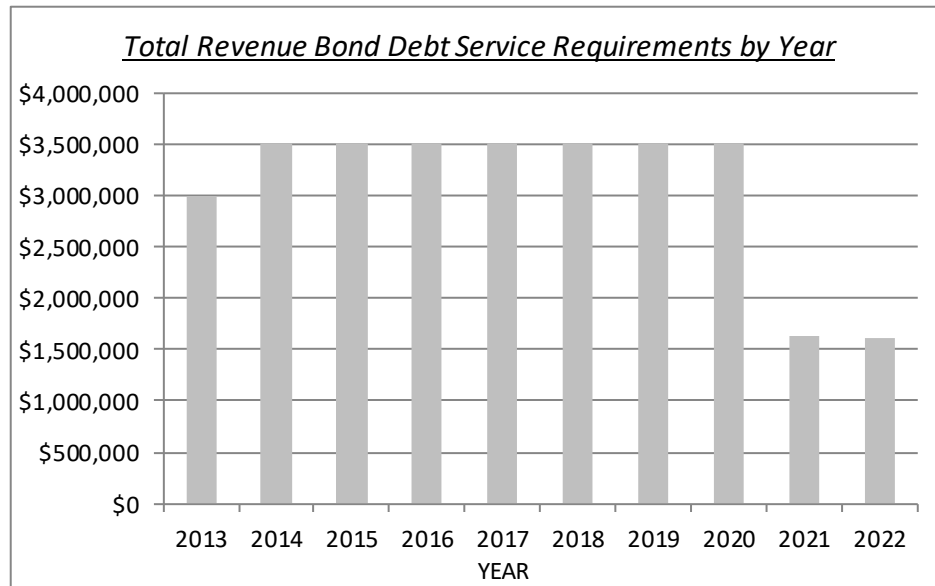
Schedule 14

REVENUE BOND COVERAGE, LAST TEN YEARS

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2013	\$ 17,558,978	\$ 8,195,585	\$ 9,363,393	\$ 1,740,000	\$ 1,245,559	\$ 2,985,559	3.14
2014	19,240,127	8,436,407	10,803,720	2,315,000	1,191,187	3,506,187	3.08
2015	19,580,377	8,441,482	11,138,895	2,385,000	1,119,294	3,504,294	3.17
2016	20,626,245	8,841,556	11,784,689	2,470,000	1,035,370	3,505,370	3.36
2017	22,114,828	9,156,554	12,958,274	2,565,000	940,862	3,505,862	3.69
2018	23,391,965	9,972,221	13,419,744	2,665,000	836,937	3,501,937	3.82
2019	23,640,724	10,264,214	13,376,510	2,780,000	725,764	3,505,764	3.81
2020	25,258,843	11,156,050	14,102,793	2,900,000	607,021	3,507,021	4.02
2021	24,930,403	11,869,284	13,061,119	1,090,000	533,697	1,623,697	8.04
2022	24,227,540	12,992,819	11,234,721	1,125,000	478,867	1,603,867	7.00

- Notes: (1) Gross revenues includes investment income, miscellaneous income, and tap fees and excludes property taxes.
 (2) Total operating expenses exclusive of depreciation.
 (3) Principal and interest for revenue bonds only. Does not include debt defeasance transactions.

Source: District Finance Department



Ute Water Conservancy District

Schedule 15

DEMOGRAPHIC AND ECONOMIC STATISTICS, LAST TEN YEARS

Year	Estimated District	County	School	Personal Income (thousands of dollars) (d)	Per Capita Personal Income (d)	Unemployment Rate			Labor
	Population (a)	Population (b)	Enrollment (c)			Mesa County (e)	State of Colorado (e)	National (f)	Force (e)
2013	78,017	147,928	21,894	\$ 5,555,135	\$37,745	8.1%	6.8%	7.4%	73,542
2014	78,715	147,877	21,742	5,888,618	40,028	6.2%	5.2%	6.2%	73,160
2015	80,028	148,772	21,904	6,038,686	40,795	5.7%	4.1%	5.3%	71,779
2016	81,046	150,350	22,105	6,058,618	40,462	5.4%	3.3%	4.9%	72,087
2017	82,469	152,151	22,084	6,496,022	42,972	3.8%	2.7%	4.4%	73,877
2018	83,165	154,047	22,082	6,944,767	45,405	3.9%	3.1%	3.9%	75,697
2019	84,466	155,117	22,046	7,204,611	46,719	3.5%	2.8%	3.7%	77,631
2020	86,388	155,954	21,081	7,536,582	48,435	7.5%	7.3%	8.1%	75,551
2021	88,279	157,320	21,315	8,200,469	52,121	6.2%	5.6%	5.3%	76,455
2022	89,282	157,636	20,851	N/A	N/A	3.4%	3.0%	3.6%	76,866

Source: (a) District Finance Department (persons per housing unit times residential unit connections)
 (b) Colorado Department of Local Affairs, State Demography Office
 (c) Colorado Department of Education - Data Center - Mesa County Valley School District 51
 (d) US Department of Commerce, Bureau of Economic Analysis - Personal Income Summary for Mesa County
 (e) Colorado Department of Labor and Employment, average for year
 (f) US Department of Labor, Bureau of Labor Statistics, average for year
 N/A - Data not available

Ute Water Conservancy District

Schedule 16

PRINCIPAL EMPLOYERS, CURRENT YEAR AND NINE YEARS AGO

	2022			2013		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Mesa County Valley School District No. 51	2,926	1	3.81%	2,373	1	3.04%
St. Mary's Hospital & Medical Center	2,388	2	3.11%	1,531	2	1.96%
Mesa County Community Hospital	1,268	3	1.65%	987	3	1.26%
Colorado Mesa University	1,151	4	1.50%	585	8	0.75%
VA Medical Center - Grand Junction	806	5	1.05%	582	9	0.75%
City of Grand Junction	790	6	1.03%	648	5	0.83%
Family Health West	667	7	0.87%	636	7	0.82%
Hilltop Community Resources	597	8	0.78%	-	-	-
West Star Aviation	519	9	0.68%	486	10	0.62%
State of Colorado	497	10	0.65%	-	-	-
City Markets, Inc.	-	-	-	759	4	0.97%
	-	-	-	638	6	0.82%
	<u>11,609</u>		<u>15.13%</u>	<u>9,225</u>		<u>11.82%</u>

Source: Grand Junction Economic Partnership

The data provided to the Grand Junction Economic Partnership may not include all leading employers in the area. 2022 survey data as of February 2022

Ute Water Conservancy District

Schedule 17

DISTRICT EMPLOYEES BY TYPE, LAST TEN YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Water Supply and Treatment:										
Managers and Supervisors	3	3	3	3	3	2	2	2	2	2
Water Resource Specialists	0	0	1	1	1	1	1	1	1	1
Water Plant Operators	4	5	4	4	4	4	4	4	4	4
Water Plant Maintenance	2	2	2	2	2	3	3	3	3	3
Laboratory Staff	3	3	3	3	3	3	3	3	3	3
<i>Total Water Supply and Treatment</i>	<u>12</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>
Transmission and Distribution:										
Managers and Supervisors	4	4	4	4	4	4	4	4	5	5
Fleet Mechanics	2	2	2	2	2	2	2	2	2	2
Meter Readers and Service Representatives	7	7	7	7	7	7	7	7	7	7
Maintenance Worker / Technician	15	17	17	17	17	17	19	19	19	19
Customer Service Representative	1	1	1	1	1	1	1	1	1	1
Water Supply Coordinator	1	1	1	1	1	1	1	1	1	1
<i>Total Transmission and Distribution</i>	<u>30</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>34</u>	<u>34</u>	<u>35</u>	<u>35</u>
Engineering and Construction:										
District Engineer	1	1	1	1	1	1	1	1	1	1
Project Engineer	1	1	1	1	1	1	1	1	1	1
Engineering Technician	2	2	2	2	2	2	2	2	2	2
Inspectors	2	2	2	2	2	2	2	2	2	2
GIS Staff	2	2	2	2	2	2	2	2	2	2
<i>Total Engineering and Construction</i>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Administration:										
Managers	2	2	2	2	2	2	2	2	3	3
General Counsel	0	0	0	0	1	1	1	0	0	0
External Affairs Manager	1	1	1	1	1	1	1	1	1	1
External Affairs Assistant	0	0	1	1	1	1	1	0	0	1
Human Resources / Risk Manager	1	1	1	1	1	1	1	1	1	1
Human Resources / Risk Specialist	1	0	1	1	1	1	1	1	1	1
<i>Total Administration</i>	<u>5</u>	<u>4</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>5</u>	<u>6</u>	<u>7</u>
Finance and Accounting:										
Managers and Supervisors	2	2	2	2	2	2	2	2	2	2
Finance Specialist	0	0	0	0	0	1	1	1	0	0
Accounting Clerks	1	2	1	1	1	1	1	1	1	1
Billing / Customer Service Clerks	6	6	6	6	6	6	6	6	6	6
New Services Coordinator	1	1	1	1	1	1	1	1	1	1
Purchasing Agent	1	1	1	1	1	1	1	1	1	1
<i>Total Finance and Accounting</i>	<u>11</u>	<u>12</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>11</u>	<u>11</u>
Total Full-Time Employees	<u><u>66</u></u>	<u><u>69</u></u>	<u><u>70</u></u>	<u><u>70</u></u>	<u><u>71</u></u>	<u><u>72</u></u>	<u><u>74</u></u>	<u><u>72</u></u>	<u><u>73</u></u>	<u><u>74</u></u>

Source: District Finance Department

Ute Water Conservancy District

Schedule 18

OPERATING AND CAPITAL INDICATORS

	2022	2021	2020
Size of watershed (square miles drained)	504	504	504
Terminal reservoirs storage capacity (acre-feet)	8,736	8,736	8,736
Miles of raw water delivery pipeline	21.2	21.2	21.2
Treatment plant capacity (MGD)	34.0	34.0	34.0
Treated water storage (MG)	27.5	27.5	27.5
Miles of transmission & distribution pipeline (by pipe diameter):			
4 inches and smaller	280.58	282.40	285.37
6 inches	109.92	109.90	109.92
8 inches	370.71	364.04	353.87
10 inches to 18 inches	126.89	125.85	126.59
Larger than 18 inches	49.40	49.41	48.37
Total miles of distribution pipeline	<u>937.50</u>	<u>931.60</u>	<u>924.12</u>
Number of fire hydrants in distribution system	4,762	4,679	4,570

Notes: MGD = Million gallons of water per day

MG = Million gallons of water

Acre-foot = 325,829 gallons

Additional operating indicators can be found in schedules 3 and 4.

Source: District GIS Department and District Treatment & Source Department

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Ute Water Conservancy District

Schedule 19

INSURANCE COVERAGE

Effective January 1, 2023

<u>Coverage</u>	<u>Limits</u>	<u>Deductible</u>	<u>Expiration Date</u>
<u>Colorado Special Districts Property and Liability Pool</u>			12/31/2023
Public Entity Liability Coverage	\$ 2,000,000		
General Liability	Included	\$ 5,000	
Medical Payments - Premises	\$ 10,000	None	
Employee Benefits Administration Liability	Included	\$ 5,000	
Public Officials Liability	Included	\$ 1,000	
Employment Practices Liability	Included	\$ 100(*)	
Pre-loss Legal Assistance	\$ 3,500	None	
No-Fault Water & Sewer Back-up - Per Premise(†)	\$ 10,000	\$ 500	
Excess Liability	\$ 5,000,000	None	
Auto Liability	Included	\$ 1,000	
Medical Payments - Auto	\$ 10,000	None	
Non-Owned / Hired Auto Liability	Included	None	
Uninsured Motorist	Included	None	
Cyber Liability(‡)	\$ 200,000	\$ 1,000	
Fiduciary Liability(†)	\$ 200,000	\$ 1,000	
(*) 50% of loss, maximum deductible of \$100,000/occurrence			
(†) Subject to \$1,000,000 all member aggregate limit			
(‡) Subject to \$5,000,000 all member aggregate limit			
Auto Physical Damage			
Hired Auto Physical Damage	\$ 50,000	\$ 500	
Employee Deductible Reimbursement	\$ 2,500	None	
Property Coverage			
Buildings, Business Personal Property (per schedule)	\$ 82,243,732	\$ 5,000	
Portable Equipment, Mobile Equipment and Inland Marine items	\$ 1,887,724	\$ 5,000	
Combined Earthquake and Flood	\$ 2,000,000	2%/Occurrence	
Business Income	\$ 250,000	\$ 10,000	
Equipment Breakdown / Boiler and Machinery			
Comprehensive Boiler, Pressure Vessel, Mechanical and Electrical	\$ 81,712,451	\$ 10,000	

Ute Water Conservancy District

Schedule 19 - continued

INSURANCE COVERAGE

Effective January 1, 2023

<u>Coverage</u>	<u>Limits</u>	<u>Deductible</u>	<u>Expiration Date</u>
<u>Colorado Special Districts Property & Liability Pool</u>			12/31/2023
Comprehensive Crime Coverage	\$ 300,000	\$ 1,500	
Identity Recovery	\$ 35,000	None	
Pollution Coverage	\$ 1,000,000	\$ 1,000	
\$1,000,000 / pollution incident, \$5,000,000 aggregate			
Workers' Compensation Insurance			
Each Accident	\$ 2,000,000	\$ 1,000	
Employee Disease (Policy Limit)	\$ 2,000,000		
Employee Disease (Each Employee)	\$ 2,000,000		

Source: District Human Resource & Risk Department

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