

**CENTRAL COLORADO
WATER CONSERVANCY DISTRICT
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**



RECEIVED

By the Office of the State Auditor at 7:56 am, Aug 01, 2017

TABLE OF C O N T E N T S

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-13
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	14
Statement of Activities	15-16
Balance Sheet- Governmental Funds	17-18
Reconciliation of the Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds	20-21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	22
Statement of Net Position- Proprietary Fund	23
Statement of Revenues, Expenses and Changes in Net Position Proprietary Fund	24
Statement of Cash Flows – Proprietary Fund	25
Notes to Financial Statements	26-48
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget to Actual) – General Fund	49
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget to Actual) – Special Revenue WAS	50
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget to Actual) – Special Revenue GMS	51
Schedule of District's Proportionate Share of the Net Pension Liability	52
Schedule of District Contributions	53
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget to Actual) – Debt Service Fund	54
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget to Actual) – Debt Service Fund WAS	55
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget to Actual) – Debt Service Fund GMS	56
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget to Actual) – Water Enterprise Fund	57
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget to Actual) – Water Enterprise Fund GMS	58



CERTIFIED
PUBLIC
ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Central Colorado Water Conservancy District
Greeley, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Central Colorado Water Conservancy District (the "District"), as of and for the year then ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

400 South Colorado Boulevard, Suite 690 • Denver, Colorado 80246
303 733-3796 • FAX 303 733-6230 • www.pnacpa.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Correction of Errors

As described in Note 13 to the financial statements, the District determined that certain amounts paid during the year ended December 31, 2015, benefited fiscal year 2016 and should have been recorded as prepaid expenses. As a result, net assets for the Governmental Activities and Well Augmentation Subdistrict of Central Colorado Water Conservancy District (WAS) Special Revenue Fund fund balance were increased \$118,492 for the year ending December 31, 2016. Also, net assets for the Business-type Activities and Ground Water Management Subdistrict of Central Colorado Water Conservancy District Water (GMS) Enterprise Fund net position was increased \$247,782 for the year ending December 31, 2016. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, budgetary comparison information on page 49 through 51, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 52, and the Schedule of District Contributions on page 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual budgetary schedules are the responsibility of management and were derived from the relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and

reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Payette & Adams, LLC

June 2, 2017
Denver, Colorado

**Central Colorado Water Conservancy District
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

This section of the annual financial report offers readers of the Central Colorado Water Conservancy District (the "District") financial statements its discussion and analysis of the District's financial performance during the year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follows this section.

Background Information

On September 15, 1965, pursuant to the applicable provisions of the "Water Conservancy Act" of the State of Colorado, the District Court in and for Weld County, Colorado, approved the creation and establishment of a water conservancy district to be known as "Central Colorado Water Conservancy District." The principal purpose of the District is to provide for the conservation of the water resources of the State of Colorado for the greatest beneficial use of water within this state and the territory within the District. The District includes two blended component units, the Ground Water Management Subdistrict of Central Colorado Water Conservancy District ("GMS"), and the Well Augmentation Subdistrict of Central Colorado Water Conservancy District ("WAS"), within its reporting entity.

Financial Highlights

- The District's financial status increased over the course of the 2016 fiscal year, with total net position increasing by \$8,728,511.
- Total revenues decreased by \$309,886, in the 2016 calendar year.
- The District had \$8,201,587 in expenses, with the major categories being professional services, water leases and assessments, and administration.
- Outlays for capital assets were primarily equipment purchases and repairs caused by the 2013 flood, and new bond construction projects being started. See the capital assets section of this management's discussion and analysis for more information.
- The District's governmental activities debt decreased by \$416,475, for the year ended December 31, 2016. The District's business-type activities debt increased \$1,016,100 due to water purchases.

Overview of the Financial Statements

This annual financial report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services were financed in the short-term, as well as what remains for future spending.

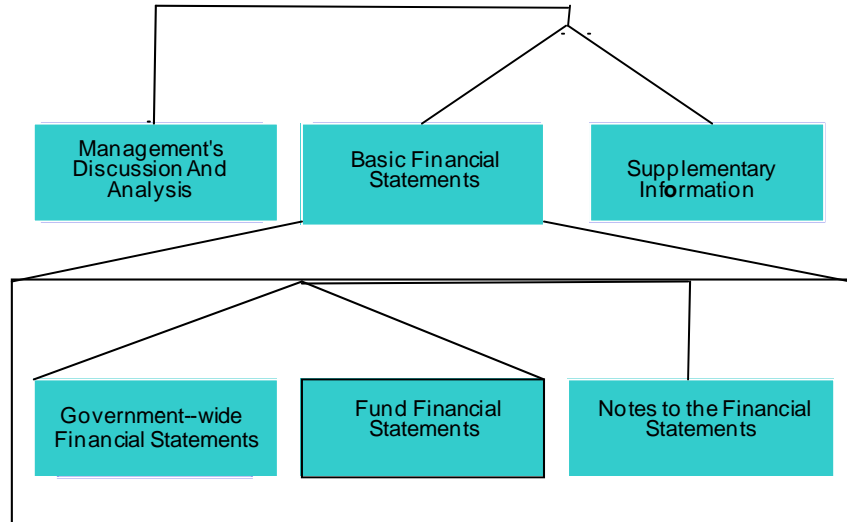
The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

**Central Colorado Water Conservancy District
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

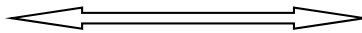
Detailed in the following diagram is how the various parts of this annual report are arranged and relate to one another.

Table 1

**Organization of the Central Colorado Water
Conservancy District's Annual Financial Report**



SUMMARY



DETAIL

Table 2 displayed on the following page, summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements, government-wide and fund financial statements.

**Central Colorado Water Conservancy District
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Table 2

Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District	Activities the District operates similar to private businesses
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses and Changes in Net Position Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business. These statements provide both short-term and long-term information about the District's overall financial status. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the categories reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors, such as the condition of water projects, buildings and equipment.

**Central Colorado Water Conservancy District
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). Included in governmental activities are most of the District's basic services.

The basic government-wide financial statements can be found on pages 14-16 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- *Governmental funds:* The District's basic services are included in governmental funds, which generally focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the government-wide statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

The District maintains six individual governmental funds. Included in the required supplementary information section is budget-to-actual information for the general and two major special revenue funds.

The basic governmental fund financial statements can be found on pages 17-22 of this report.

The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its business-type activities in the Ground Water Subdistrict of Central Colorado Water Conservancy District as well as the District itself.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 23-25 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-48 of this report.

**Central Colorado Water Conservancy District
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Financial Analysis of the District as a Whole

Net position and Changes in Net position

The District's combined net position was larger on December 31, 2016, than it was the year before, increasing 17% to \$52,375,542. Table 3 provides a summary of the District's net position at December 31, 2016.

**Table 3
Condensed Statement of Net Position**

	2016			2015
	Governmental Activities	Business-type Activities	Totals	RESTATED Totals
Assets				
Current assets	\$40,436,489	\$ 2,729,129	\$ 43,165,618	\$ 62,824,867
Capital assets, net	78,515,046	1,041,395	79,556,441	54,301,220
Total assets	118,951,535	3,770,524	122,722,059	117,126,087
Deferred outflows of resources				
Deferred outflows of resources related to pensions	346,648	67,840	414,488	154,638
Liabilities				
Current liabilities	6,743,713	770,669	7,514,382	908,628
Long-term liabilities	52,728,460	890,332	53,618,792	60,011,205
Total liabilities	59,472,173	1,661,001	61,133,174	60,919,833
Deferred inflows of resources				
Deferred inflows of resources related to pensions	23,134	4,527	27,661	138
Unearned revenue - property taxes	9,413,966	186,204	9,600,170	12,713,723
Total deferred inflows of resources	9,437,100	190,731	9,627,831	12,713,861
Net position				
Net investment in capital assets	20,797,019	25,295	20,822,314	(4,449,485)
Restricted	21,148,489	-	21,148,489	39,357,362
Unrestricted	8,443,402	1,961,337	10,404,739	8,739,154
Total net position at December 31,	\$50,388,910	\$ 1,986,632	\$ 52,375,542	\$ 43,647,031

**Central Colorado Water Conservancy District
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Table 4 provides a summary of the changes in net position.

**Table 4
Changes in Net Position from Operating Results**

	2016			2015
	Governmental Activities	Business-type Activities	Totals	RESTATED Totals
<u>Revenues</u>				
Program revenues				
Charges for services	\$ 988,320	\$ 1,754,573	\$ 2,742,893	\$ 3,075,222
Capital grants and contributions	364,619	-	364,619	293,630
General revenues				
Taxes	13,452,282	-	13,452,282	11,474,058
Earnings on investments	133,872	6,630	140,502	16,725
Intergovernmental	-	-	-	480,436
Other	229,802	-	229,802	460,536
Transfers	(311,867)	311,867	-	-
Total revenues	14,857,028	2,073,070	16,930,098	15,800,607
<u>Expenses</u>				
Personnel	907,370	-	907,370	834,222
Travel	21,611	-	21,611	24,531
Maintenance	840,558	-	840,558	812,821
Supplies	118,766	-	118,766	93,193
Professional fees	1,015,286	-	1,015,286	1,989,579
Business meals	10,904	-	10,904	10,128
Water leases and assessments	961,840	-	961,840	7,739
Other	942,649	-	942,649	1,851,361
Interest	1,689,386	-	1,689,386	1,691,354
Water enterprise	-	1,693,217	1,693,217	1,710,152
Total expenses	6,508,370	1,693,217	8,201,587	9,025,080
Increase in net position	\$ 8,348,658	\$ 379,853	\$ 8,728,511	\$ 6,775,527

**Central Colorado Water Conservancy District
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Detailed below in Tables 5 and 6 are charts displaying revenues by sources and expenses by program for the District.

Table 5

Sources of Revenues (including the Subdistricts)

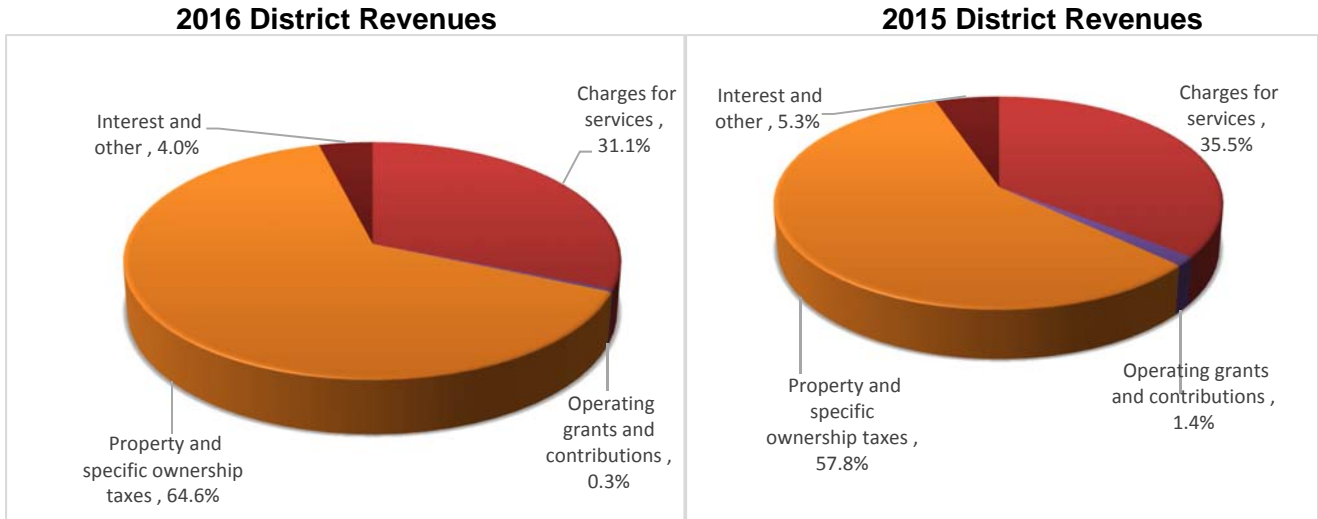
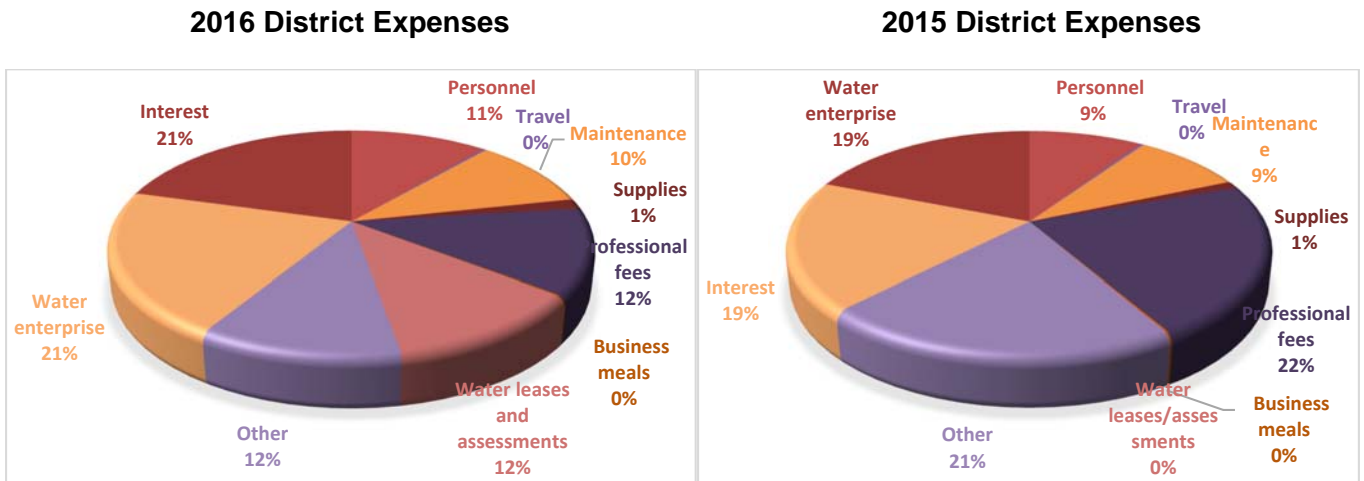


Table 6

Expenses (including the Subdistricts)



**Central Colorado Water Conservancy District
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Governmental Activities

The governmental funds monitor cash resources and expenditures.

Table 7 reflects the program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted property taxes.

**Table 7
Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Personnel	\$ 907,370	\$ (907,370)
Travel	21,611	(21,611)
Maintenance	840,559	(475,940)
Supplies	118,766	(118,766)
Professional fees	1,015,286	(1,015,286)
Business meals	10,904	(10,904)
Water leases and assessments	961,840	26,480
Other	942,648	(942,648)
Interest	1,689,386	(1,689,386)
	<u>\$ 6,508,370</u>	<u>\$ (5,155,431)</u>
Total		

**Central Colorado Water Conservancy District
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Financial Analysis of District's Funds

General Fund

The general fund was established and is continually funded to provide for the daily activities, salaries, expenses, and operating costs of the District. This fund provides for functional areas of the organization - administration, water quality, and gravel pit reservoirs. The general fund also provides for such other items as insurance, utilities, and other costs the District incurs. The primary funding source for the general fund is taxation of real property. The primary projects or program efforts for establishing needed funding during 2016 were:

1. Salaries and benefits for all existing full-time personnel of the District.
2. Normal operational costs of the District.
3. Maintenance of the gravel pit reservoirs.
4. Water quality projects.
5. Capital repairs resulting from the 2013 flood.

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements.

Long-Term Debt

At year-end, the District, WAS and GMS's governmental activities had \$56,357,171 in outstanding loans from the Colorado Water Conservation Board ("CWCB"), a general obligation bond, a capital lease obligation, and other long term debt. This is a decrease of \$1,132,575 from the previous year, as shown in Table 9. More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements. The Business-type activities entered into a capital lease for the purchase of water.

**Table 9
Outstanding Long-Term Debt**

	Total District		% of Change 2015-2016
	<u>2016</u>	<u>2015</u>	
Governmental Activities:			
CWCB loans	\$ 27,888,042	\$ 28,835,153	-3.3%
General obligation bonds	27,880,803	28,889,819	-3.5%
Compensated absences and other	80,276	32,041	150.5%
Capital lease obligation	<u>508,050</u>	<u>32,733</u>	1452.1%
	<u>\$ 56,357,171</u>	<u>\$ 57,789,746</u>	
Business-type Activities			
Capital lease obligation	<u>\$ 1,016,100</u>	<u>\$ -</u>	100.0%

Colorado Revised Statute 37-5-102 (2)(a)(I), states that a water conservancy district shall have a limit of bonded indebtedness determined by a specific formula. The District's outstanding debt is below this limit.

**Central Colorado Water Conservancy District
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

Central Colorado Water Conservancy's District's 2017 budget provides for property tax revenue of \$5,661,350 (based on an assessed valuation for the District, of \$2,825,025,289 and a mill levy of 2.004 mills) with budget expenditures of \$24,160,878. The property taxes together with fund balance carryover and the remainder of the \$30,000,000 in bond funds will cover budgeted expenditures.

Ground Water Management Subdistrict of Central Colorado Water Conservancy District's 2017 budget provides for property tax revenue of \$2,485,376 (based on an assessed valuation for the District, of \$1,570,042,055 and a mill levy of 1.583 mills) with budget expenditures of \$6,680,928. The property taxes together with fund balance carryover should be able to fund budgeted expenditures.

Well Augmentation Subdistrict of Central Colorado Water Conservancy District's 2017 budget provides for property tax revenue of \$1,453,444 (based on an assessed valuation for the District of \$161,153,562 and a mill levy of 9.019 mills) with budget expenditures of \$5,463,322. The property taxes together with fund balance carryover, in addition to CWCB funding opportunities, should be able to fund budgeted expenditures.

Contacting the District's Financial Management

This financial report is designed to provide the District's taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Central Colorado Water Conservancy District at 3209 West 28th Street, Greeley, Colorado 80634.

BASIC FINANCIAL STATEMENTS

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
STATEMENT OF NET POSITION
December 31, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 30,550,287	\$ 2,111,151	\$ 32,661,438
Receivables	9,842,648	186,904	10,029,552
Internal balances	(78,255)	78,255	-
Prepaid items	121,809	352,819	474,628
Cash and investments-restricted	16,138,260	-	16,138,260
Capital assets, not being depreciated	34,340,864	1,016,100	35,356,964
Capital assets, net of accumulated depreciation	28,035,922	25,295	28,061,217
Total assets	<u>118,951,535</u>	<u>3,770,524</u>	<u>122,722,059</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>346,648</u>	<u>67,840</u>	<u>414,488</u>
LIABILITIES			
Accounts payable	370,483	398,192	768,675
Accrued interest payable	490,898	-	490,898
Noncurrent liabilities			
Retainage payable	993,000	-	993,000
Net pension liability	1,260,621	246,709	1,507,330
Due within one year	2,520,695	112,400	2,633,095
Due in more than one year	53,836,476	903,700	54,740,176
Total liabilities	<u>59,472,173</u>	<u>1,661,001</u>	<u>61,133,174</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	23,134	4,527	27,661
Unavailable revenue-property taxes	9,413,966	186,204	9,600,170
Total deferred inflows of resources	<u>9,437,100</u>	<u>190,731</u>	<u>9,627,831</u>
NET POSITION			
Net investment in capital assets	20,797,019	25,295	20,822,314
Restricted	21,148,489	-	21,148,489
Unrestricted	8,443,402	1,961,337	10,404,739
Total net position	<u>\$ 50,388,910</u>	<u>\$ 1,986,632</u>	<u>\$ 52,375,542</u>

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

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental activities:						
Personnel	\$ 907,370	\$ -	\$ -	\$ (907,370)	\$ -	\$ (907,370)
Travel	21,611	-	-	(21,611)	-	(21,611)
Maintenance	840,558	-	364,619	(475,939)	-	(475,939)
Supplies	118,766	-	-	(118,766)	-	(118,766)
Professional	1,015,286	-	-	(1,015,286)	-	(1,015,286)
Business meals	10,904	-	-	(10,904)	-	(10,904)
Water purchases	961,840	988,320	-	26,480	-	26,480
Utilities	136,613	-	-	(136,613)	-	(136,613)
Augmentation plan	237,526	-	-	(237,526)	-	(237,526)
Other	568,510	-	-	(568,510)	-	(568,510)
Interest on long-term debt	1,689,386	-	-	(1,689,386)	-	(1,689,386)
Total governmental activities	<u>6,508,370</u>	<u>988,320</u>	<u>364,619</u>	<u>(5,155,431)</u>	<u>-</u>	<u>(5,155,431)</u>
Business-type activities						
Water Enterprise Fund-District	100	191,720	-	-	191,620	191,620
Water Enterprise Fund-GMS	1,693,117	1,562,853	-	-	(130,264)	(130,264)
Total business-type activities	<u>1,693,217</u>	<u>1,754,573</u>	<u>-</u>	<u>-</u>	<u>61,356</u>	<u>61,356</u>
 Total primary government	 <u>\$ 8,201,587</u>	 <u>\$ 2,742,893</u>	 <u>\$ 364,619</u>	 <u>(5,155,431)</u>	 <u>61,356</u>	 <u>(5,094,075)</u>

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

General revenues:			
Taxes	13,452,282		13,452,282
Investment earnings	133,872	6,630	140,502
Insurance proceeds	5,000		5,000
Other	224,802		224,802
Transfers	(311,867)	311,867	-
Total general revenues	<u>13,504,089</u>	<u>318,497</u>	<u>13,822,586</u>
Change in net position	8,348,658	379,853	8,728,511
Net position - Beginning-Restated	<u>42,040,252</u>	<u>1,606,779</u>	<u>43,647,031</u>
Net position - Ending	<u>\$ 50,388,910</u>	<u>\$ 1,986,632</u>	<u>\$52,375,542</u>

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016**

	<u>General District</u>	<u>Special Revenue</u>	
		<u>WAS</u>	<u>GMS</u>
ASSETS			
Cash and investments	\$ 5,891,063	\$ 2,111,963	\$ 3,044,365
Cash and investments-restricted	14,728,741	-	25,000
Accounts receivable	51,552	357,518	19,612
Due from other funds	405,405	-	27,478
Property taxes receivable	1,662,412	405,946	780,863
Prepaid expenses	5,189	111,431	5,189
Total assets	<u>\$22,744,362</u>	<u>\$ 2,986,858</u>	<u>\$ 3,902,507</u>
LIABILITIES DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 333,883	\$ 17,401	\$ 19,199
Due to other funds	-	268,802	123,422
Retainage payable	-	243,000	750,000
Total liabilities	<u>333,883</u>	<u>529,203</u>	<u>892,621</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable grant revenues	50,587	202,350	-
Unavailable revenue-property taxes and assessments	1,662,412	405,946	780,863
Total deferred inflows of resources	<u>1,712,999</u>	<u>608,296</u>	<u>780,863</u>
FUND BALANCES			
Nonspendable			
Prepaid expenses	5,189	111,431	5,189
Restricted			
Emergency reserves	270,628	66,508	42,852
Debt service	-	-	-
Assigned			
Subdistricts	-	1,671,420	2,180,982
Unassigned	20,421,663	-	-
Total fund balances	<u>20,697,480</u>	<u>1,849,359</u>	<u>2,229,023</u>
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
	<u>\$22,744,362</u>	<u>\$ 2,986,858</u>	<u>\$ 3,902,507</u>

<u>District</u>	<u>Debt Service Fund</u>		<u>Total Governmental Funds</u>
	<u>WAS</u>	<u>GMS</u>	
\$ 9,015,099	\$ 4,707,300	\$ 5,780,497	\$ 30,550,287
-	428,124	956,395	16,138,260
-	-	-	428,682
-	-	-	432,883
3,898,534	1,047,498	1,618,713	9,413,966
-	-	-	121,809
<u>\$12,913,633</u>	<u>\$ 6,182,922</u>	<u>\$ 8,355,605</u>	<u>\$ 57,085,887</u>

\$ -	\$ -	\$ -	\$ 370,483
37,649	48,687	32,578	511,138
-	-	-	993,000
<u>37,649</u>	<u>48,687</u>	<u>32,578</u>	<u>1,874,621</u>

-	-	-	252,937
3,898,534	1,047,498	1,618,713	9,413,966
<u>3,898,534</u>	<u>1,047,498</u>	<u>1,618,713</u>	<u>9,666,903</u>

-	-	-	121,809
-	-	-	379,988
8,977,450	5,086,737	6,704,314	20,768,501
-	-	-	3,852,402
-	-	-	20,421,663
<u>8,977,450</u>	<u>5,086,737</u>	<u>6,704,314</u>	<u>45,544,363</u>

<u>\$12,913,633</u>	<u>\$ 6,182,922</u>	<u>\$ 8,355,605</u>	<u>\$ 57,085,887</u>
---------------------	---------------------	---------------------	----------------------

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2016**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - Total governmental funds	\$ 45,544,363
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	62,376,786
The proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to their participation in the Colorado Public Employees' Retirement Association is not recorded in governmental funds but is recorded in the statement of net position.	(937,107)
A portion of the receivables related to federal grants are not collected soon enough to be available as financial resources for the current year. The revenues related to these receivables are not recognized as revenue in the governmental funds.	252,937
Accrued interest payable is not included in the funds.	(490,898)
Noncurrent liabilities, including capital leases and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(56,357,171)</u>
Net position of governmental activities	<u><u>\$ 50,388,910</u></u>

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

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2016

	General District	Special Revenue	
		WAS	GMS
REVENUES			
Taxes	\$ 2,840,025	\$ 1,211,742	\$ 1,637,777
Water assessments	5,000	983,320	-
Investment income	62,680	5,594	8,894
Grant revenue	78,404	16,639	16,639
Miscellaneous	33,592	22,899	168,311
Total revenues	<u>3,019,701</u>	<u>2,240,194</u>	<u>1,831,621</u>
EXPENDITURES			
Current			
Operating expenses	1,720,145	1,540,419	776,321
Debt service			
Principal	32,733	-	-
Interest	1,341	-	-
Capital outlay	7,345,106	693,168	668,718
Total expenditures	<u>9,099,325</u>	<u>2,233,587</u>	<u>1,445,039</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,079,624)</u>	<u>6,607</u>	<u>386,582</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(311,867)	-	-
Proceeds from the issuance of debt	-	508,050	-
Insurance proceeds	-	-	5,000
Total other financing sources (uses)	<u>(311,867)</u>	<u>508,050</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCES	(6,391,491)	514,657	391,582
FUND BALANCES - BEGINNING OF YEAR-RESTATED	<u>27,088,971</u>	<u>1,334,702</u>	<u>1,837,441</u>
FUND BALANCES - END OF YEAR	<u>\$20,697,480</u>	<u>\$ 1,849,359</u>	<u>\$ 2,229,023</u>

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

District	Debt Service Fund		Total Governmental Funds
	WAS	GMS	
\$ 3,897,028	\$ 2,244,381	\$ 1,621,329	\$ 13,452,282
-	-	-	988,320
25,482	12,957	18,265	133,872
-	-	-	111,682
-	-	-	224,802
<u>3,922,510</u>	<u>2,257,338</u>	<u>1,639,594</u>	<u>14,910,958</u>
58,770	33,719	24,367	4,153,741
960,000	384,877	562,234	1,939,844
1,008,762	328,663	394,163	1,732,929
-	-	-	8,706,992
<u>2,027,532</u>	<u>747,259</u>	<u>980,764</u>	<u>16,533,506</u>
<u>1,894,978</u>	<u>1,510,079</u>	<u>658,830</u>	<u>(1,622,548)</u>
-	-	-	(311,867)
-	-	-	508,050
-	-	-	5,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>201,183</u>
1,894,978	1,510,079	658,830	(1,421,365)
7,082,472	3,576,658	6,045,484	46,965,728
<u>\$ 8,977,450</u>	<u>\$ 5,086,737</u>	<u>\$ 6,704,314</u>	<u>\$ 45,544,363</u>

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended December 31, 2016**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - Total governmental funds	\$ (1,421,365)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported net of depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>	
Capital outlay	8,706,992
Depreciation	(605,573)
<p>Changes in the District's proportionate share of the net pension liability, deferred inflows and outflows of resources related to the Colorado Public Employees' Retirement Association for the current year are not reported in governmental funds but are reported in the Statement of Net Position</p>	
	(59,466)
<p>Intergovernmental revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenues in the Statement of Activities</p>	
	252,937
<p>Certain expenses, such as interest expense and compensated absences, reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as an expenditure in the governmental funds</p>	
	53,840
<p>The issuance of long-term debt (e.g. capital leases and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Proceeds from the issuance of debt	(508,050)
Additional debt related to CWCB loans	(10,501)
Principal payments made	1,939,844
	8,348,658
Change in net position of governmental activities	\$ 8,348,658

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

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2016

	Business-Type Activities Water Enterprise Fund		
	District	GMS	Total
ASSETS			
Current assets			
Cash and investments	\$ 504,311	\$ 1,606,840	\$ 2,111,151
Receivables	-	700	700
Property taxes receivable	100,404	85,800	186,204
Due from other funds	-	78,255	78,255
Prepaid items	-	352,819	352,819
Total current assets	<u>604,715</u>	<u>2,124,414</u>	<u>2,729,129</u>
Noncurrent assets			
Capital assets, not being depreciated	-	1,016,100	1,016,100
Capital assets, net of accumulated depreciation	-	25,295	25,295
Total noncurrent assets	<u>-</u>	<u>1,041,395</u>	<u>1,041,395</u>
Total assets	<u>604,715</u>	<u>3,165,809</u>	<u>3,770,524</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>-</u>	<u>67,840</u>	<u>67,840</u>
LIABILITIES			
Current liabilities			
Accounts payable	-	398,192	398,192
Current portion of capital lease payable	-	112,400	112,400
Total current liabilities	<u>-</u>	<u>510,592</u>	<u>510,592</u>
Noncurrent liabilities			
Net pension liability	-	246,709	246,709
Capital lease payable	-	903,700	903,700
Total noncurrent liabilities	<u>-</u>	<u>1,150,409</u>	<u>1,150,409</u>
Total liabilities	<u>-</u>	<u>1,661,001</u>	<u>1,661,001</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	-	4,527	4,527
Unavailable revenue-property taxes	100,404	85,800	186,204
Total deferred inflows of resources	<u>100,404</u>	<u>90,327</u>	<u>190,731</u>
NET POSITION			
Net investment in capital assets	-	25,295	25,295
Unrestricted	504,311	1,457,026	1,961,337
Total net position	<u>\$ 504,311</u>	<u>\$ 1,482,321</u>	<u>\$ 1,986,632</u>

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

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
PROPRIETARY FUND
December 31, 2016

	Business-Type Activities Water Enterprise Fund		
	District	GMS	Total
OPERATING REVENUES			
Water assessments	\$ 191,720	\$ 1,491,466	\$ 1,683,186
Water lease revenue	-	23,250	23,250
Miscellaneous	-	48,137	48,137
Total operating revenues	<u>191,720</u>	<u>1,562,853</u>	<u>1,754,573</u>
OPERATING EXPENSES			
Personnel	-	154,196	154,196
Operating expenses	100	1,535,294	1,535,394
Depreciation expense	-	558	558
Total operating expenses	<u>100</u>	<u>1,690,048</u>	<u>1,690,148</u>
OPERATING INCOME (LOSS)	<u>191,620</u>	<u>(127,195)</u>	<u>64,425</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	824	5,806	6,630
Interest expense	-	(3,069)	(3,069)
Total nonoperating revenues (expenses)	<u>824</u>	<u>2,737</u>	<u>3,561</u>
Income (loss) before transfers	192,444	(124,458)	67,986
Transfers in	<u>311,867</u>	<u>-</u>	<u>311,867</u>
CHANGE IN NET POSITION	504,311	(124,458)	379,853
NET POSITION - BEGINNING OF YEAR-RESTATED	-	1,606,779	1,606,779
NET POSITION - END OF YEAR	<u>\$ 504,311</u>	<u>\$ 1,482,321</u>	<u>\$ 1,986,632</u>

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
STATEMENT OF CASHFLOWS
PROPRIETARY FUND
December 31, 2016

	Business-Type Activities Water Enterprise Fund		
	District	GMS	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 191,720	\$ 1,578,986	\$ 1,770,706
Cash paid to suppliers	(100)	(1,332,319)	(1,332,419)
Cash paid to employees	-	(167,118)	(167,118)
Net cash flows used by operating activities	<u>191,620</u>	<u>79,549</u>	<u>271,169</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	311,867	-	311,867
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings on investments	<u>824</u>	<u>5,806</u>	<u>6,630</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	504,311	85,355	589,666
CASH AND CASH EQUIVALENTS BEGINNING OF THE YEAR	-	1,521,485	1,521,485
CASH AND CASH EQUIVALENTS END OF THE YEAR	<u>\$ 504,311</u>	<u>\$ 1,606,840</u>	<u>\$ 2,111,151</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss	\$ 191,620	\$ (127,195)	\$ 64,425
Adjustments to reconcile operating income to net cash flows from operating loss			
Depreciation	-	558	558
Related to the pension liability	-	(12,922)	(12,922)
Changes in assets and liabilities			
Receivables	-	16,133	16,133
Due from other districts	-	(86,646)	(86,646)
Prepaid expenses	-	(105,037)	(105,037)
Accounts payable	-	394,658	394,658
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 191,620</u>	<u>\$ 79,549</u>	<u>\$ 271,169</u>
NONCASH TRANSACTIONS			
Capital assets acquired through capital lease	\$ -	\$ 1,016,100	\$ 1,016,100
Interest owed, but not paid, on capital lease	-	3,069	3,069
Amounts related to pension liability	-	(12,922)	(12,922)
Increase in prepaid expenses due to an equity restatement	-	247,782	247,782

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Form of Organization

On September 15, 1965, pursuant to the applicable provisions of the “Water Conservancy Act” of the State of Colorado, the District Court in and for Weld County, Colorado, approved the creation and establishment of a water conservancy district to be known as Central Colorado Water Conservancy District, (The “District”). The principal purpose of the District is to provide for the conservation of the water resources of the State of Colorado for the greatest beneficial use of water within this state and the territory within the District.

Reporting Entity

In evaluating how to define the governmental entity, the District has considered all potential component units. The decision to include or exclude a potential unit was made by applying the criteria defined by Governmental Accounting Standards Board (GASB) Statement No. 14 and Governmental Accounting Standard Board (GASB) Statement No. 61, “The Financial Reporting Entity: Omnibus”. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District.

Based on this criteria, there are two organizations that are considered blended component units of the District, Well Augmentation Subdistrict of Central Colorado Water Conservancy District (“WAS”) and Ground Water Management Subdistrict of Central Colorado Water Conservancy District (“GMS”).

Blended Component Units

WAS was established to conserve the water resources of the State of Colorado for the greatest beneficial use of water within this state to develop a plan of augmentation, which will replace the depletion of the river caused by underground water users in the South Platte River Basin. The fifteen-member Board of Directors is the same as the District’s. The District and the Subdistrict have the same management.

WAS has two governmental funds, the General Fund and Debt Service Fund. The General Fund of WAS is presented as a major special revenue fund of the District, and the Debt Service fund is presented pursuant to its function. Separate financial statements of WAS are available from the District’s office.

GMS was established to develop a plan of augmentation, which will replace the depletion of the river caused by underground water users in the South Platte River Basin.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

The fifteen-member Board of Directors is the same as the District's. The District and the Subdistrict have the same management.

GMS has two governmental funds: the General Fund and Debt Service Fund, and one proprietary enterprise fund, the Water Enterprise Fund. The General Fund of GMS is presented as a major special revenue fund of the District, and the Debt Service and Water Enterprise funds are presented pursuant to their function. Separate financial statements of GMS are available from the District's office.

Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. Any fiduciary activities of the District are not included in these statements. For the most part, the effect of interfund activity has been removed from all these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The District does not have any nonmajor funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resource, liabilities, and deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances present increases and decreases in those net current assets. These funds use the modified accrual basis of accounting whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

Property taxes, intergovernmental grants, and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

In accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 33, *Accounting and Financial Reporting for Non exchange Transactions*, (“GASB No. 33”) the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

Governmental funds are used to account for all or most of a government’s general activities. The following are the District’s major governmental funds:

The *General Fund* is the District’s primary operating fund. It accounts for all the financial resources of the District, except those required to be accounted for in another fund.

WAS Special Revenue Fund- The General Fund of WAS is reported as a special revenue fund of the District. It accounts for all the financial resources of WAS, except for those accounted for in the WAS Debt Service Fund.

GMS Special Revenue Fund- The General Fund of GMS is reported as a special revenue fund of the District. It accounts for all the financial resources of GMS, except for those accounted for in the GMS Debt Service Fund and the GMS Water Enterprise Fund.

The *Debt Service Fund* is used to account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

WAS Debt Service Fund- The Debt Service Fund of WAS is used to account for the resources accumulated and payments for principal and interest on the long-term debt its governmental funds.

GMS Debt Service Fund- The Debt Service Fund of GMS is used to account for the resources accumulated and payments for principal and interest on the long-term debt of its governmental funds.

A *proprietary fund* operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

An *enterprise fund* is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District's major enterprise funds are the Water Enterprise Fund and the GMS Water Enterprise Fund. These funds account for the financial transactions related to the water enterprise operations of both the District and GMS.

Budgets

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

- By October 15, the District staff submits to the Board of Directors (the "Board"), a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Any budget revisions that alter the total expenditures of any fund must be approved by the Board of Directors through passage of a formal resolution.
- The District legally adopts budgets for all the funds. Budgets for the governmental and enterprise funds are adopted on a basis consistent with GAAP, except that for the enterprise fund, purchases of capital assets and the payment of principal on debt are budgeted as expenditures.

Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

For the year ended December 31, 2016, the WAS Debt Service Fund and the District Water Enterprise Fund incurred expenditures which exceeded the final approved appropriations. This maybe a violation of Colorado State Statutes.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The District has defined Cash and cash equivalents include amounts in demand deposits as well as short-term investments with an original maturity of three months or less.

Investments

Investments are reported at fair value.

Receivables

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at December 31, 2016. Property taxes levied on December 31, 2016 are identified as property taxes receivable and deferred inflows of resources.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position and, classified as due from other funds or due to other funds on the balance sheet and proprietary statements of net position.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items and will be reported as expenditures in the following year. Because these assets do not represent current financial resources, these amounts are shown as a nonspendable fund balance in the governmental funds.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements and on the proprietary statements of net position. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset lives are expensed.

Depreciation of capital assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. Estimated useful lives for asset types are as follows:

	Estimated Lives
Well and ditch improvements	10-75 years
Office building and improvements	15-40 years
Water projects	50-100 years
Equipment and vehicles	5-25 years
Land, easements, water and construction in progress	Not depreciated

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for Deferred Outflows of Resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources include certain amounts related to the District's defined benefit pension plan which is to be amortized and recognized as revenue/expense in future periods.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes earned but levied for a subsequent period and certain amounts related to the District's defined benefit pension plan which is to be amortized and recognized as revenue/expense in future periods.

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the District will compensate the employees for the benefits earned. Upon termination of employment from the District, an employee will be compensated for all accrued vacation and compensatory time at their current rate of pay; there is no payment for sick leave upon termination.

A liability for accrued vacation and compensatory time is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Pensions

The Subdistrict participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-Term Debt

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activity.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, proceeds from debt issuances are reported as other financing sources. Payment on debt and debt costs are reported as debt service expenditures. Debt issuance costs are recognized as expenditures during the period of issuance.

Funds Balance and Net Position

In the government-wide and enterprise fund financial statements, net position is classified in the following categories:

Net Investments in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislations.

Unrestricted net position – This category represents the net positions of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, fund balances of governmental funds are classified in five separate categories. The five categories, and their general meanings, are as follows:

Nonspendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Directors (the “Board”). The Board is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has authority to assign amounts for specific purposes.

Unassigned – all other spendable amounts. The General Fund is the only fund that would report a positive unassigned fund balance. However, in government funds other than the General Fund, if expenditures incurred for specific purposes exceed the amount that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned balance in that fund.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Property Taxes

Property taxes are levied prior to December 31 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on the last day of February and June 15. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November. The County Treasurers' offices collect property taxes and remits to the District on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflows of resources are recorded at December 31. As the tax is collected in the succeeding year, the deferred inflows of resources is recognized as revenue and the receivable is reduced.

Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

A summary of deposits and investments at December 31, 2016, follows:

Cash on hand	825
Cash with County Treasurer	65,995
Cash deposits	608,354
Investments	<u>48,124,524</u>
Total cash and investments	<u>\$ 48,799,698</u>
Cash and investments	\$ 32,661,438
Cash and investments-restricted	<u>16,138,260</u>
Total cash and investments	<u>\$ 48,799,698</u>

Custodial Credit Risk – Deposits - In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. The Colorado Public Deposit Protection Act (PDPA), governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2016, the District had deposits with a financial institution with a carrying amount of \$608,354. The bank balance with the financial institution was \$701,292. All of these amounts were covered by FDIC insurance.

Investments:

Colorado Statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- U.S. Treasury obligations
- U.S. instrumentality obligations
- Certificates of deposit
- Commercial paper rated in the highest tier by a nationally recognized rating agency
- Repurchase agreements
- Investment grade obligations of state, county and local governments and public authorities
- Money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist of only dollar denominated securities
- Local government investment pools

Credit Risk – The District does not have a specific policy regarding credit risk, but is required to comply with State of Colorado (State) statutes which specify instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk.

The District and Subdistricts invest funds in the Colorado Local Government Liquid Asset Trust (“COLOTRUST”), an investment vehicle established for local government entities in Colorado to pool surplus funds (pool). At December 31, 2016, the District and Subdistricts have invested \$48,124,524. The State Securities Commissioner administers and enforces all State statutes governing the pool. The pool operates similarly to a money market fund and each share is equal in value to \$1.00. The pool offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies.

A designated custodial bank serves as custodian for the pool's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the pool's investment portfolios and provides services as the depository in connection with direct investments and withdrawals.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

The custodian's internal records segregate investments owned by the Trust. COLOTRUST places no restrictions or limitations on withdrawals. COLOTRUST is rated AAAM by Standards & Poor's.

As COLOTRUST is valued at a net asset value, there is not an investment component to be valued under GASB Statement No. 72, *Fair Value Measurement and Application*.

Interest Rate Risk - Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in the statutes. The District has interest rate risk related to its investments in COLOTRUST. At December 31, 2016 COLOTRUST Plus + had a weighted average maturity of 56 days to reset and 73 days to final maturity.

Custodial Credit Risk – Investments - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a specific policy for custodial credit risk.

Concentration of Credit Risk - The District places no limit on the amount that may be invested in any one issuer.

Restricted Cash and Investments – At December 31, 2016, the City had the following restricted cash balances:

Debt service reserves-CWCB loans	\$ 1,384,520
Construction surety	25,000
Unexpended bond proceeds	<u>14,728,740</u>
Total Restricted Cash	<u>\$ 16,138,260</u>

NOTE 3 - INDIVIDUAL FUND INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Transfers

Transfers are used to move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them or use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. For the year ended December 31, 2016, the General Fund transferred \$311,867 to the District Water Enterprise Fund as beginning fund balance.

Due to Due From Funds

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position and as due from other funds due to other funds on the fund statement balance sheets. Internal balances are eliminated in the statement of net position. All interfund receivables and payables are expected to be paid within the next year.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 3 - INDIVIDUAL FUND INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (CONTINUED)

As of December 31, 2016, the District had the following interfund receivables and payables:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 405,405	\$ -
Special Revenue – WAS	-	268,802
Special Revenue – GMS	27,478	123,422
Debt Service-District	-	37,649
Debt Service – WAS	-	48,687
Debt Service – GMS	-	32,578
Water Enterprise Fund – GMS	78,255	-
	<u>\$ 511,138</u>	<u>\$ 511,138</u>

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2016, was as follows:

	<u>Beginning</u>		<u>Ending</u>	
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Capital assets, not being depreciated:				
Perpetual easements	\$ 489,941	\$ -	\$ -	\$ 489,941
Water rights	21,514,710	573,050	-	22,087,760
Land	2,202,303	714,510	-	2,916,813
Construction in progress	<u>1,907,564</u>	<u>7,230,063</u>	<u>(291,277)</u>	<u>8,846,350</u>
Total capital assets, not being depreciated	26,114,518	8,517,623	(291,277)	34,340,864
Capital assets, being depreciated:				
Office building and improvements	491,679	-	-	491,679
Water projects	30,994,316	291,277	-	31,285,593
Equipment and vehicles	<u>2,168,619</u>	<u>189,370</u>	<u>-</u>	<u>2,357,989</u>
Total capital assets, being depreciated	33,654,614	480,647	-	34,135,261
Accumulated depreciation for:				
Office building and improvements	(292,640)	(15,167)	-	(307,807)
Water projects	(4,177,910)	(442,278)	-	(4,620,188)
Equipment and vehicles	<u>(1,023,215)</u>	<u>(148,129)</u>	<u>-</u>	<u>(1,171,344)</u>
Total accumulated depreciation	<u>(5,493,765)</u>	<u>(605,574)</u>	<u>-</u>	<u>(6,099,339)</u>
Total capital assets, being depreciated, net	<u>28,160,849</u>	<u>(124,927)</u>	<u>-</u>	<u>28,035,922</u>
Total capital assets, net	<u>\$ 54,275,367</u>	<u>\$8,392,696</u>	<u>\$(291,277)</u>	<u>\$ 62,376,786</u>

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 4 - CAPITAL ASSETS (CONTINUED)

The 2016 depreciation expense of \$605,574 has been allocated to the maintenance activity.

Capital asset activity for the business-type activities for the year ended December 31, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Water rights	\$ -	\$ 1,016,100	\$ -	\$ 1,016,100
Total capital assets, not being depreciated	-	1,016,100	-	1,016,100
Capital assets, being depreciated:				
Water projects	27,899	-	-	27,899
Total capital assets, being depreciated	27,899	-	-	-
Accumulated depreciation for:				
Water projects	(2,046)	(558)	-	(2,604)
Total capital assets, being depreciated, net	25,853	(558)	-	25,295
Total capital assets, net	<u>\$ 25,853</u>	<u>\$ 1,015,542</u>	<u>\$ -</u>	<u>\$ 1,041,395</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt of the District for the year ended December 31, 2016:

Governmental Activities

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
2013 general obligation bond	\$ 27,885,000	\$ -	\$ 960,000	\$ 26,925,000	\$ 975,000
Bond premium	1,004,819	-	49,016	955,803	-
2013 CWCB construction loan	1,050,099	-	-	1,050,099	-
2010 CWCB loan	13,146,538	-	384,877	12,761,661	394,499
2004 CWCB loan	11,279,826	-	430,571	10,849,255	442,412
2005 CWCB loan	3,358,690	-	131,663	3,227,027	134,954
2013 capital lease on equipment	32,733	-	32,733	-	-
Capital lease-water	-	508,050	-	508,050	508,050
Accrued interest on 2013 loan	-	48,031	-	48,031	48,031
Accrued loan fee on 2013 loan	-	10,501	-	10,501	10,501
Accrued compensated absences	32,041	57,305	67,602	21,744	7,248
Total	<u>\$ 57,789,746</u>	<u>\$ 623,887</u>	<u>\$ 2,056,462</u>	<u>\$ 56,357,171</u>	<u>\$ 2,520,695</u>

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Business-Type Activities

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Capital lease-water	\$ -	\$ 1,016,100	\$ -	\$ 1,016,100	\$ 112,400

In 2013, the District obtained a 23 year general obligation bond for \$30,000,000. Escalating principal payments paid annually; interest payments with varying coupon rates of 1.5% to 5.0% paid semi-annually through December 1, 2036. Property taxes have been pledged for the purpose of repayment of this loan.

In 2013, the WAS obtained a construction loan from Colorado Water Conservation Board (“CWCB”) for \$3,030,000 with four years to draw the funds. Once all funds are drawn, the loan converts to 30 year term loan. At that time a 1% loan fee and accrued interest to date will be due. WAS has included a liability for the loan fee (\$10,501) and the accrued interest (\$48,031) in long-term debt. The loan has annual escalating principal payments and interest rate to be 1.75%. Property taxes collected have been pledged to the CWCB for the purpose of repayment of this loan. After the WAS has drawn all loan proceeds, a debt service reserve account is required to be established and funded at an amount equal to one-tenth of an annual payment on the due date of the first payment and annually thereafter for the first ten years.

In 2010, WAS obtained a loan from CWCB for \$14,934,612, requiring annual payments of \$713,541 principal and interest, at 2.50%, through June 1, 2040. Property taxes have been pledged to CWCB for the purpose of repayment of this loan. A debt service reserve account is required to be established and funded at an amount equal to one-tenth of an annual payment on the due date of the first payment and annually thereafter for the first ten years.

In 2004, the GMS obtained a loan from the CWCB for \$15,000,000, requiring annual payments of \$740,766, principal and interest, at 2.75%, through June 1, 2035. Property taxes have been pledged to CWCB for the purpose of repayment of this loan. A debt service reserve account is required to be established and funded at an amount equal to one-tenth of an annual payment on the due date of the first payment and annually thereafter for the first ten years.

In 2005, the GMS obtained a loan from the CWCB for \$4,513,200, requiring annual payments of \$215,630, principal and interest, at 2.50%, through June 1, 2035. Property taxes have been pledged to CWCB for the purpose of repayment of this loan. A debt service reserve account is required to be established and funded at an amount equal to one-tenth of an annual payment on the due date of the first payment and annually thereafter for the first ten years.

In 2013 the District entered into 4 year capital lease on equipment for \$65,550. Monthly payments are \$1,453 including interest of 5.99%. A balloon payment of \$21,000 is due October 8, 2016. The principal balance of this lease was paid during 2016.

In 2016, GMS entered into a 9 year capital lease for the purchase of water for \$1,016,100. Annual payments are \$125,768 including interest at 2.450%. The value of the assets under this lease are \$1,016,100.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 5 - LONG-TERM DEBT (CONTINUED)

In 2016, WAS entered into a 9 year capital lease for the purchase of water for \$508,050. Annual payments are \$62,884 including interest at 2.450%. During 2017, this lease was renegotiated and the lease balance, plus interest, was paid in full. The value of the assets under this lease are \$508,050.

The annual requirements to amortize all debt outstanding, as of December 31, 2016, are as follows:

Governmental Activities Year Ending December 31,	Annual Maturities	Interest	Total Payment
2017	\$ 2,454,915	\$ 1,699,119	\$ 4,154,034
2018	1,997,267	1,637,782	3,635,049
2019	2,043,335	1,594,214	3,637,549
2020	2,090,086	1,547,063	3,637,149
2021	2,157,539	1,478,011	3,635,550
2022-2026	11,825,320	6,372,777	18,198,097
2027-2031	13,697,927	4,491,719	18,189,646
2032-2036	13,420,283	1,861,505	15,281,788
2037-2041	4,584,321	207,840	4,792,161
Totals	<u>\$ 54,270,993</u>	<u>\$ 20,890,030</u>	<u>\$ 75,161,023</u>

The above table does not include the 2013 CWCB construction loan as the project is not complete. When the project is completed, the District will receive a payment schedule.

Business-Type Activities Year Ending December 31,	Annual Maturities	Interest	Total Payment
2017	\$ 112,400	\$ 13,368	\$ 125,768
2018	103,627	22,141	125,768
2019	106,166	19,602	125,768
2020	108,767	17,001	125,768
2021	111,432	14,336	125,768
2022-2026	473,708	29,366	503,074
Totals	<u>\$ 1,016,100</u>	<u>\$ 115,814</u>	<u>\$ 1,131,914</u>

On November 6, 2012, the District's voters approved the issuance of up to \$60,000,000 of debt. At December 31, 2016, \$30,750,000 of this debt remains unissued.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 6 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance covering specific and general risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

NOTE 7 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO

Plan description

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

Benefits provided

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at CRS 21-51-602, 604, 1713, and 1714.

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

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

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

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

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 7 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
(CONTINUED)

Benefits provided (Continued)

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments ("COLAs"), referred to as annual increases in the CRS. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

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

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

Contributions

Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in CRS 24-51-208(1)(f)	(1.02%)
Amount Apportioned to the LGDTF	8.98%
Amortization Equalization Disbursement (AED) as specified in CRS 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS 24-51-411	1.50%
Total Employer Contribution Rate to the LGDTF	12.68%

*Rates are expressed as a percentage of salary as defined in CRS 24-51-101(42)

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$109,477 for the year ended December 31, 2016.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 7 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
(CONTINUED)

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

At December 31, 2016, the District reported a liability of \$1,507,330 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District's proportion of the net pension liability was based on District contributions to the LGDTF for the Calendar year 2015 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2015, the District's proportion was 0.13683 percent, which was a decrease of .0000224 percent from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the District recognized pension expense \$46,544.

At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual Experience	\$ 11,309	\$ 52
Changes in assumptions	-	27,609
Net difference between projected and actual earnings on pension plan investments	290,171	-
Changes in proportionate share	3,531	-
District contributions subsequent to the measurement date	109,477	-
	\$ 414,488	\$ 27,661

The \$109,477 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2017	\$ 66,229
2018	74,352
2019	76,699
2020	60,070
	\$ 277,350

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 7 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
(CONTINUED)

Actuarial assumptions

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90-10.85 percent
Long-term investment rate of return, net of pension Plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; And DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Changes to assumptions or other inputs since the December 31, 2015 actuarial valuation:

The following program changes were made:

Refinement of the 18 month annual increase timing.

Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

The following methodology changes were made:

Recognition of merit salary increases in the first projection year.

Elimination of the assumption that 35% of future disabled members elect to receive a refund.

Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.

Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board November 15, 2013 and January 17, 2014.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 7 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
(CONTINUED)

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Geometric Real Rate of Return*</u>
U.S. Equity- Large Cap	26.76%	5.00%
U.S. Equity- Small Cap	4.40%	5.19%
Non U.S. Equity- Developed	22.06%	5.29%
Non U.S. Equity- Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%

Discount rate

The discount rate used to measure the total pension liability was 7.50 percent. Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%. Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 7 - PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
(CONTINUED)

Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions. Employer contributions and the amount to total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate. The AIR balance was excluded from the initial fiduciary net position, as per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate.

As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investment equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process (i.e., the plan's fiduciary net position is not projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections. Benefit payments and contributions were assumed to be made at the end of the month.

Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net position liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease	Current Discount	1% Increase
Proportionate share of the net pension liability	\$ <u>2,310,890</u>	\$ <u>1,507,330</u>	\$ <u>840,856</u>

Pension plan fiduciary net position

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

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan description- The District, WAS and GMS contribute to the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the HCTF.

Funding Policy- The District, WAS and GMS are required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the C.R.S., as amended. For the years ended December 31, 2014, 2015, and 2016, the District’s employer contributions to the HCTF were \$7,554, \$8,807, and \$9,577, respectively, equal to their required contributions for each year.

NOTE 9 - VOLUNTARY INVESTMENT PROGRAM

Description- Employees of the District, WAS and GMS, who are members of the LGDTF (see Note 7), may voluntarily contribute to the Voluntary Investment Program (“401(k) Plan”), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature. PERA issues a publicly available Comprehensive Annual Financial Report for the 401(k) Plan.

Funding Policy- The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$18,000 for calendar years 2016 and 2015). Catch-up contributions up to \$6,000 for calendar years 2016 and 2015 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC 414(v). The contribution requirements for the District are established under Title 24, Article 51, and Section 1402 of the C.R.S., as amended. None of the District’s employees contributed for the years ended December 31, 2015 and 2016, to the 401(k) plan.

NOTE 10- COMPLIANCE

In November 1992, Colorado voters passed an amendment (the “Amendment” or “TABOR”) to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and “fiscal year spending” include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 10- COMPLIANCE(CONTINUED)

Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). At December 31, 2016, The District has restricted \$379,988 for this purpose.

On November 4, 2014, the voting electors of the District authorized the District to collect, retain, and expend all excess revenues and other funds collected in calendar year 2005 and in each subsequent calendar year thereafter without further voter approval, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution or any other law. This effectively removed all revenue and spending limits imposed by TABOR.

On November 4, 2005, the voting electors of the WAS Subdistrict authorized the Subdistrict to collect, retain, and expend all excess revenues and other funds collected in calendar year 2005 and in each subsequent calendar year thereafter without further voter approval, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution or any other law. This effectively removed all revenue and spending limits imposed by TABOR.

On November 6, 2013, the voting electors of the GMS Subdistrict authorized the Subdistrict to collect, retain, and expend the full amount of revenues generated from all sources without limitation or condition under Article X, Section 20 of the Colorado Constitution and as an exception to the limitations under Section 29-1-301 of the Colorado Revised Statutes and related limits. This effectively removed all revenue and spending limits imposed by TABOR. The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

NOTE 11- COMMITMENTS AND CONTINGENCIES

The District has unexpended proceeds from the Series 2013 General Obligation Bond issue of \$14,728,740. As a result, the District will be required to compute the amount of arbitrage earned on the investment of the proceeds of bond issue. Management anticipates that no rebate penalty will be owed to the federal government.

On November 6, 2012, the District’s voters approved the issuance of up to \$60,000,000 of debt. At December 31, 2016, \$30,750,000 of this debt remains unissued.

The District received a grant from the Federal Emergency Management Agency and are in the process of closing out this grant. The District has recorded a receivable for \$252,937. The amount of expenditures which may be disallowed by the granting agency, if any, related to this receivable, cannot be determined at this time, although the management anticipates such amounts, if any, will be immaterial.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 12- NEW ACCOUNTING PRONOUNCEMENTS

During 2016, the District implemented the following GASB pronouncements:

GASB Statement No. 72, *Fair Value Measurement and Application*. This statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to fair value measurements. This pronouncement resulted in expanded footnote disclosures around fair value. The District had no investments required to be reported under the fair value hierarchy.

GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires state and local governments to disclose tax abatement agreements entered by itself or other governments that reduce the reporting government's tax revenues. The reduction in tax revenues can result from an agreement between one or more governments and an individual entity in which one or more governments promise to forgo tax revenues to which they are otherwise entitled. The individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Neither the District or any other government has entered into an agreement which will result in an abatement of District taxes.

In addition, the GASB has issued several pronouncements prior to December 31, 2016 that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. These Statements replace the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. These statements establish new accounting and financial reporting requirements for OPEB plans. While management is currently determining the effects of the implementation of this statements on the District's financial records, it is anticipated this statement may have a material impact on the District.

NOTE 13- RESTATEMENTS

The District determined that certain amounts paid during the year ended December 31, 2015, benefited fiscal year 2016 and should have been recorded as prepaid expenses. As a result, net assets for the Governmental Activities and Well Augmentation Subdistrict of Central Colorado Water Conservancy District (WAS) Special Revenue Fund fund balance were increased \$118,492 for the year ending December 31, 2016. In addition, net assets for the Business-type Activities and Ground Water Management Subdistrict of Central Colorado Water Conservancy District Water (GMS) Enterprise Fund net position were increased \$247,782 for the year ending December 31, 2016.

REQUIRED SUPPLEMENTARY INFORMATION

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property tax	\$ 2,425,720	\$ 2,420,225	\$ (5,495)
Specific ownership tax	251,000	419,800	168,800
Water assessments	27,250	5,000	(22,250)
Intergovernmental	-	78,404	78,404
Investment income	1,500	62,680	61,180
Miscellaneous	15,000	33,592	18,592
Total revenues	<u>2,720,470</u>	<u>3,019,701</u>	<u>299,231</u>
EXPENDITURES			
Operating			
Personnel	539,500	512,630	26,870
Travel	12,550	6,612	5,938
Maintenance	179,500	95,723	83,777
Supplies	70,000	55,589	14,411
Professional	986,500	740,642	245,858
Business meals	9,000	4,896	4,104
Water purchases	159,500	91,989	67,511
Utilities	42,000	8,933	33,067
Other	1,074,176	203,131	871,045
Debt service			
Principal	32,733	32,733	-
Interest	1,341	1,341	-
Capital outlay	46,636,650	7,345,106	39,291,544
Total expenditures	<u>49,743,450</u>	<u>9,099,325</u>	<u>40,644,125</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(47,022,980)</u>	<u>(6,079,624)</u>	<u>40,943,356</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(311,867)	(311,867)
Proceeds from debt	28,400,000	-	(28,400,000)
Total other financing sources (uses)	<u>28,400,000</u>	<u>(311,867)</u>	<u>(28,711,867)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (18,622,980)</u>	<u>(6,391,491)</u>	<u>\$ 12,231,489</u>
FUND BALANCE - BEGINNING OF YEAR		<u>27,088,971</u>	
FUND BALANCE - END OF YEAR		<u>\$ 20,697,480</u>	

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND-WAS
Year Ended December 31, 2016**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property tax	\$ 994,211	\$ 1,008,343	\$ 14,132
Specific ownership tax	86,250	203,399	117,149
Water assessments	943,000	983,320	40,320
Intergovernmental	-	16,639	16,639
Investment income	350	5,594	5,244
Miscellaneous	-	22,899	22,899
Total revenues	<u>2,023,811</u>	<u>2,240,194</u>	<u>216,383</u>
EXPENDITURES			
Operating			
Personnel	274,500	257,753	16,747
Travel	8,850	8,107	743
Maintenance	163,500	67,735	95,765
Supplies	28,000	18,669	9,331
Professional	202,500	193,701	8,799
Business meals	2,000	2,689	(689)
Water purchases	806,360	574,338	232,022
Utilities	125,500	56,119	69,381
Augmentation plan	268,750	237,526	31,224
Other	139,000	123,782	15,218
Capital outlay	<u>2,292,900</u>	<u>693,168</u>	<u>1,599,732</u>
Total expenditures	<u>4,311,860</u>	<u>2,233,587</u>	<u>2,078,273</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,288,049)</u>	<u>6,607</u>	<u>2,294,656</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from the issuance of debt	-	508,050	508,050
Total other financing sources (uses)	<u>-</u>	<u>508,050</u>	<u>508,050</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,288,049)</u>	<u>514,657</u>	<u>\$ 2,802,706</u>
FUND BALANCE - BEGINNING OF YEAR-RESTATED		<u>1,334,702</u>	
FUND BALANCE - END OF YEAR		<u>\$ 1,849,359</u>	

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND-GMS
Year Ended December 31, 2016**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property tax	\$ 1,440,667	\$ 1,437,726	\$ (2,941)
Specific ownership tax	99,000	200,051	101,051
Intergovernmental	-	16,639	16,639
Investment income	500	8,894	8,394
Miscellaneous	31,500	168,311	136,811
Total revenues	<u>1,571,667</u>	<u>1,831,621</u>	<u>259,954</u>
EXPENDITURES			
Operating			
Personnel	79,000	87,818	(8,818)
Travel	11,050	6,892	4,158
Maintenance	234,500	71,527	162,973
Supplies	74,000	44,508	29,492
Professional	187,500	80,943	106,557
Business meals	4,500	3,319	1,181
Water purchases	274,500	295,513	(21,013)
Utilities	193,000	71,561	121,439
Other	240,100	114,240	125,860
Capital outlay	958,000	668,718	289,282
Total expenditures	<u>2,256,150</u>	<u>1,445,039</u>	<u>811,111</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(684,483)</u>	<u>386,582</u>	<u>1,071,065</u>
OTHER FINANCING SOURCES (USES)			
Insurance proceeds	-	5,000	5,000
Total other financing sources (uses)	<u>-</u>	<u>5,000</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (684,483)</u>	<u>391,582</u>	<u>\$ 1,076,065</u>
FUND BALANCE - BEGINNING OF YEAR		<u>1,837,441</u>	
FUND BALANCE - END OF YEAR		<u>\$ 2,229,023</u>	

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
DECEMBER 31, 2016

Measurement period ending December 31,	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion (percentage) of the collective net pension liability	0.13683%	0.13706%	0.13645%
District's proportionate share of the collective net pension liability	\$1,507,330	\$ 1,228,459	\$ 1,028,012
Covered-employee payroll	766,496	743,023	736,380
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	196.65%	165.33%	139.60%
Plan fiduciary net pension as a percentage of the total pension liability	76.9%	80.70%	77.66%

*Fiscal year 2015 was the first year of implementation, therefore only available years are shown.

CENTRAL COLORADO WATER CONSERVANCY DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
DECEMBER 31, 2016

Reporting period ending December 31,	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contributions	\$ 109,477	\$ 98,537	\$ 95,229	\$ 92,306
Contributions in relation to the statutorily required contributions	<u>109,477</u>	<u>98,537</u>	<u>95,229</u>	<u>92,306</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 757,275	\$ 766,496	\$ 743,023	\$ 736,380
Contribution as a percentage of covered of employee payroll	14.45%(a)	12.86%	12.82%	12.54%

*Fiscal year 2015 was the first year of implementation, therefore only available years are shown.

(a)As the result of a review of contributions, the District determined that certain deductions from employee's pay were not excluded from PERA compensation and other stipends should have been included in PERA compensation. These contribution differences from a prior year were corrected in 2016.

OTHER SUPPLEMENTARY INFORMATION

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2016**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property tax	\$ 3,898,479	\$ 3,897,028	\$ (1,451)
Investment income	-	25,482	25,482
Total revenues	3,898,479	3,922,510	24,031
EXPENDITURES			
General government	65,000	58,770	6,230
Debt service			
Principal	960,000	960,000	-
Interest	1,008,763	1,008,762	1
Total expenditures	2,033,763	2,027,532	6,231
NET CHANGE IN FUND BALANCE	\$ 1,864,716	1,894,978	\$ 30,262
FUND BALANCE - BEGINNING OF YEAR		7,082,472	
FUND BALANCE - END OF YEAR		\$ 8,977,450	

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND-WAS
Year Ended December 31, 2016**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property tax	\$ 2,263,529	\$ 2,244,381	\$ (19,148)
Investment income	-	12,957	12,957
Total revenues	2,263,529	2,257,338	(6,191)
EXPENDITURES			
General government	33,002	33,719	(717)
Debt service			
Principal	384,877	384,877	-
Interest	328,663	328,663	-
Total expenditures	746,542	747,259	(717)
NET CHANGE IN FUND BALANCE	\$ 1,516,987	1,510,079	\$ (6,908)
FUND BALANCE - BEGINNING OF YEAR		3,576,658	
FUND BALANCE - END OF YEAR		\$ 5,086,737	

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND-GMS
Year Ended December 31, 2016**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property tax	\$ 1,618,646	\$ 1,621,329	\$ 2,683
Investment income	-	18,265	18,265
Total revenues	1,618,646	1,639,594	20,948
EXPENDITURES			
General government	27,000	24,367	2,633
Debt service			
Principal	562,195	562,234	(39)
Interest	394,163	394,163	-
Total expenditures	983,358	980,764	2,594
NET CHANGE IN FUND BALANCE	\$ 635,288	658,830	\$ 23,542
FUND BALANCE - BEGINNING OF YEAR		6,045,484	
FUND BALANCE - END OF YEAR		\$ 6,704,314	

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
WATER ENTERPRISE FUND
NON GAAP BUDGET BASIS
Year Ended December 31, 2016**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Water assessments	\$ 191,720	\$ 191,720	\$ -
Investment income	-	824	824
Transfers in	-	311,867	311,867
Total revenues	191,720	504,411	312,691
EXPENDITURES			
Operating expenses	-	100	(100)
Total expenditures	-	100	(100)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	\$ 191,720	504,311	\$ 312,591
NET POSITION - BEGINNING OF YEAR			
		-	
NET POSITION - END OF YEAR			
		\$ 504,311	

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
WATER ENTERPRISE FUND-GMS
NON GAAP BUDGET BASIS
Year Ended December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Water assessments	\$ 1,497,000	\$ 1,491,466	\$ (5,534)
Water lease revenue	-	23,250	23,250
Miscellaneous	5,000	48,137	43,137
Investment income	500	5,806	5,306
Total revenues	<u>1,502,500</u>	<u>1,568,659</u>	<u>66,159</u>
EXPENDITURES			
Personnel	198,000	154,196	43,804
Operating expenses	2,236,360	1,535,294	701,066
Debt Service			
Interest	0	3,069	(3,069)
Total expenditures	<u>2,434,360</u>	<u>1,692,559</u>	<u>741,801</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES-BUDGET BASIS			
	<u>\$ (931,860)</u>	(123,900)	<u>\$ 807,960</u>
PRESPECTIVE DIFFERENCES			
Proceeds from the issuance of debt		1,016,100	
Depreciation		(558)	
Capital outlay		<u>(1,016,100)</u>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES-GAAP BASIS			
		(124,458)	
NET POSITION - BEGINNING OF YEAR-RESTATED			
		<u>1,606,779</u>	
NET POSITION - END OF YEAR			
		<u>\$ 1,482,321</u>	