



Little Thompson Water District

**Financial Statements and Supplementary
Information**

For the Years Ended December 31, 2019 and 2018



Little Thompson Water District

Contents

Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 8
Basic Financial Statements	
Statements of Net Position	9 - 10
Statements of Revenues, Expenses and Changes in Net Position	11
Statements of Cash Flows	12 - 13
Notes to Financial Statements	14 - 27
Supplementary Information	
Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)	28 - 29



Independent Auditor's Report

Board of Directors
Little Thompson Water District
Berthoud, Colorado

We have audited the accompanying financial statements of the Little Thompson Water District (the "District") as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Little Thompson Water District as of December 31, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Emphasis of Matters

The COVID-19 outbreak in 2020 (see note 11) has caused business disruption in a variety of industries, markets and geographic regions, which has resulted in considerable uncertainty as to the financial impact and duration, which cannot be reasonably estimated at this time. Our conclusion is not modified with respect to this matter.

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 3 through 8 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 evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis) on pages 28 through 29 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis) is fairly stated in all material respects in relation to the financial statements as a whole.

ACM LLP

Greeley, Colorado
April 15, 2020

**Little Thompson Water District
Management's Discussion and Analysis
For the Years Ended December 31, 2019 and 2018**

Introduction

The discussion and analysis is a narrative and analysis of the financial condition and operating results of Little Thompson Water District ("District"). The water system is owned and operated by the District and it provides treated water services to properties located in Larimer, Weld, and Boulder Counties.

Management's Discussion and Analysis ("MD&A") is intended to provide the reader and user of our financial statements with:

- an understanding of the financial issues of the District,
- an overview of the District's financial activities,
- an explanation of the changes in the District's financial position,
- an explanatory analysis of the variation of the annual, approved budget, and
- an assessment of any future financial or operating issues of the District.

The MD&A is intended to focus on the 2019 activities, resulting changes, and currently known facts and conditions, it should be read in conjunction with the District's basic financial statements.

Financial Highlights 2019 compared to 2018

- Total operating revenues were \$8,867,201, a decrease of \$346,016.
- Total operating expenses were \$8,819,103, an increase of \$498,842.
- Total debt service principal and interest were \$3,712,309 an increase of \$1,192,181.
- Total non-operating revenues and cash capital contributions were \$9,071,210, a decrease of \$1,650,038.
- Total capital expenses, including water right purchases were \$9,386,342, an increase of \$5,807,950.
- The total expenses on a budgetary basis exceeded the revenues on a budgetary basis by \$2,198,277.
- Principal paid on long term debt was \$3,447,810.
- Long-term debt decreased to \$7,708,756.
- Net capital assets were \$148,305,956, an increase of \$16,730,276.

Overview of the Financial Statements

The financial statements included in this annual report are those of a political subdivision of the State of Colorado, governed by Colorado Revised Statutes Title 32 Special District engaged only in a business-type activity. As an enterprise fund, the District's basic financial statements are comprised of two components: 1) the financial statements and 2) notes to financial statements used to explain in more detail some of the information in the financial statements.

Required Financial Statements

The District's financial statements report information using accounting methods that conform with U.S. generally accepted accounting principles and similar to those used by the private sector. These statements provide both long term and short-term information about the District's overall financial status. The audited financial statements and related notes are shown on pages 9 to 27.

**Little Thompson Water District
Management's Discussion and Analysis
For the Years Ended December 31, 2019 and 2018**

Statements of Net Position - reports the District's current financial resources (short-term spendable resources) with capital assets and long-term obligations. The statements provide information about the nature and the amounts of investments (assets) and the obligations owed to the District (liabilities). It provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. However, other non-financial factors should be considered, such as changes in economic conditions and the effects of new or changed governmental legislation.

Statements of Revenues, Expenses and Changes in Net Position - reports the District's operating and non-operating revenues and expenses. Operating expenses include all operational costs of the District including depreciation and impairment loss. Non-operating expenses include the net loss from joint venture and debt interest expense.

Statements of Cash Flows - reports the District's cash flows from operating activities, investing, capital and non-capital activities.

Notes to Financial Statements - provide additional, required disclosures about the District, including its accounting policies and practices, its financial positions and operating activities, and other required information. The information included in the notes is essential to a full understanding of the information contained in the financial statements.

Other Supplementary Information

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis) - provides information comparing the budgeted revenue and expenditure activities with the actual revenue and expenditure activities. There was an amendment to the originally adopted 2019 budget. Though this schedule is not required as part of the audited financial statements, it is added for review as other supplementary information.

Condensed Comparative of Financial Information

The following tables of condensed comparative financial information offer summaries of the financial information contained in the District's financial statements.

**Little Thompson Water District
Management's Discussion and Analysis
For the Years Ended December 31, 2019 and 2018**

**Condensed Comparative of Financial Information
Statements of Net Position**

	2019	2018	2017
Assets			
Current Assets	\$ 12,688,983	\$ 14,059,827	\$ 7,273,959
Restricted Assets	1,757,350	2,034,753	1,382,445
Capital Assets, net	148,305,956	131,575,680	126,897,889
Other Assets	3,396,793	3,625,039	3,611,985
Total Assets	166,149,082	151,295,299	139,166,278
Deferred Outflows of Resources			
Unamortized Deferred Loss on Bond Refunding	69,166	127,659	185,564
Liabilities			
Current Liabilities	2,263,662	2,868,275	2,730,844
Long-Term Liabilities	6,832,025	9,137,207	11,392,403
Total Liabilities	9,095,687	12,005,482	14,123,247
Net Position			
Net Investment in Capital Assets	140,661,830	120,536,467	113,702,940
Restricted:			
Bond and Loan Reserve	1,757,350	2,034,753	1,382,445
Unrestricted	14,703,381	16,846,256	10,143,210
Total Net Position	\$ 157,122,561	\$ 139,417,476	\$ 125,228,595

**Condensed Comparative of Financial Information
Statements of Revenues, Expenses and Changes in Net Position**

	2019	2018	2017
Operating Revenues	\$ 8,867,201	\$ 9,213,217	\$ 8,945,396
Less: Operating Expenses	(7,038,037)	(6,521,597)	(5,713,627)
Less: Depreciation	(1,781,066)	(1,798,664)	(1,649,549)
Operating Income	48,098	892,956	1,582,220
Non-Operating Revenues (Expenses)	7,908	1,162,616	(438,913)
Contributed Capital	17,649,079	12,133,309	15,312,590
Change in Net Position	17,705,085	14,188,881	16,455,897
Net Position Beginning of Year	139,417,476	125,228,595	108,772,698
Net Position, End of Year	\$ 157,122,561	\$ 139,417,476	\$ 125,228,595

**Little Thompson Water District
Management's Discussion and Analysis
For the Years Ended December 31, 2019 and 2018**

**Condensed Comparative of Financial Information
Statements of Cash Flows**

	2019	2018	2017
Cash from Operating Activities	\$ 1,937,684	\$ 2,638,404	\$ 3,275,104
Cash from Non-Capital Financing Activities	210,354	1,312,116	215,861
Cash from Capital and Related Financing Activities	(4,542,455)	3,350,268	(6,237,548)
Cash from Investing Activities	(184,015)	(9,040,612)	253,779
Net Change in Cash and Cash Equivalents	(2,578,432)	(1,739,824)	(2,492,804)
Cash and Cash Equivalents at Beginning of Year	4,612,823	6,352,647	8,845,451
Cash and Cash Equivalents at End of Year	\$ 2,034,391	\$ 4,612,823	\$ 6,352,647

Analysis of Financial Position and Operating Results

Tap sales and water rights were \$8,524,079 or 2% more than budget and down \$687,521 from 2018.

Capital assets increased by \$16,730,276 in 2019, due to more system upgrades, water right purchases, contributed capital and the contribution of water rights.

Debt decreased by \$3,447,810 due to decrease in principal on the 2011 Water Revenue Bonds, the 2017 A&B Loans and the payoff of the 2014 Water Revenue Bonds.

Operating revenue was \$8,867,201 or 7% under budget due to less water sales than projected.

Earnings on investments increased by \$108,666 because of an increase in the earnings rate.

**Little Thompson Water District
Management's Discussion and Analysis
For the Years Ended December 31, 2019 and 2018**

**Schedule of Revenues and Expenditures Budget
Budget to Actual (Budgetary Basis)
Year Ended December 31, 2019**

Revenues	Final Budget	Actual	Variance	2018
Operating	\$ 9,543,272	\$ 8,867,201	\$ (676,071)	\$ 9,213,217
Non-Operating	283,600	547,131	263,531	1,509,648
Tap Fee/Water Rights	8,355,478	8,524,079	168,601	9,211,600
Total Revenues	\$ 18,182,350	\$ 17,938,411	\$ (243,939)	\$ 19,934,465
Distribution	843,100	944,016	(100,916)	1,295,270
Administration	629,360	663,900	(34,540)	639,242
Engineering	301,544	73,507	228,037	112,187
Employee Costs	3,483,111	3,691,003	(207,892)	2,757,801
CLFP & Joint Costs	1,204,779	1,139,326	65,453	1,114,659
Water Assessments	695,939	526,285	169,654	602,438
Debt Service	3,711,620	3,712,309	(689)	2,520,128
Capital Improvements	9,383,741	9,386,342	(2,601)	3,578,392
Total Expenses	20,253,194	20,136,688	116,506	12,620,117
Excess (deficiency)	\$ (2,070,844)	\$ (2,198,277)	\$ (127,433)	\$ 7,314,348

Total revenue was less than the final budgeted amount by \$243,939.

Total expenditures, including capital expenses, were less than budgeted by \$116,506.

Additional explanations to follow:

- Distribution costs decreased by \$351,254; primarily due to decrease in system repairs and maintenance.
- Administration and general expense increased by \$24,658 due to additional contract service costs and an increase in Workers Compensation Insurance.
- Engineering expenses decreased by \$38,680 due to less than anticipated consulting fees for water rights adjudication and fewer Landscape and Plant Select Rebate requests.
- Employee costs increased by \$933,202 because of change in key positions and the additions of 3 positions in the organization.
- Carter Lake Filter Plant and Dry Creek Reservoir joint operations decreased by \$24,667 because of cool summer therefore less water production.
- Water assessments and rentals decreased by \$76,153 due to less water purchased from Northern and fewer water rental from other entities.
- Total capital expenditures were \$2,601 more than budgeted and \$5,807,950 more than in 2018 mainly due to more capital projects and the purchase of \$5,538,000 in water rights.
- The District's debt was \$7,708,756 and \$11,156,566 in 2019 and 2018, respectively. The decrease was due to the retirement of 3,447,810 of principal on this debt. Further debt information is available in the notes (see pages 23-26).

**Little Thompson Water District
Management's Discussion and Analysis
For the Years Ended December 31, 2019 and 2018**

Major additions in 2019:

- We sold taps and PRPA water rights for a total of \$8,524,079 in revenue.
- The District acquired by purchase 28 units of C-BT Water for \$1,202,665 and 2 units of Windy Gap Water for \$5,100,000.
- We received \$172,175 for Tap Installation Revenue and we expended \$107,081 on new service connections.
- The District shared in the cost of upgrades to Carter Lake North and South Filter Plants for a cost of \$581,420.
- We spent \$417,516 Vehicle replacements and Equipment purchases and we disposed of \$107,081 in Vehicles and Equipment.
- We added \$3,149,202 in distribution system upgrades through district capital projects as well as developer contributed capital projects and we added \$1,801,485 in construction in progress.

Contracts and Agreements

The District is party to several contracts and cooperative agreements concerning the transfer and sale of water and providing emergency assistance as requested. The District has agreements with the St. Vrain Water Authority, the cities of Loveland, Johnstown, Berthoud, and Greeley, and the Central Weld County, Fort Collins/Loveland, Long's Peak, and North Carter Lake Water Districts.

Economic and Other Factors

Overall, retail water revenues decreased in 2019 because of cooler summer resulting in less outdoor water usage. Our tap sales decreased in 2019 however they were slightly more than budgeted. District management utilizes a forecasting program to develop rates and fees that will ensure the District remains a financially sound entity. There was a small amount of growth throughout the District and in Larimer, Weld, and Boulder counties in 2019. Operating expenses have increased because of a conscious decision to be proactive with more repairs and maintenance of our system. We also paid off the 2014 Revenue Bonds a year early. More was allocated to system maintenance, general administration and employee costs.

The annual rate and extent of future growth and development within the District will be materially affected by management, zoning and land use procedures and policies established by Town of Mead, Larimer, Weld, and Boulder Counties. Each of these governmental entities control growth in the areas under their governments and the policies and procedures are outside the control or influence of the District.

Financial Contact

The District's financial statements are designed to present users (customers, citizens, creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional financial information please contact the District Business Manager, Little Thompson Water District, 835 E. Hwy. 56, Berthoud, CO 80513 or at (970)532-2096.

Basic Financial Statements

Little Thompson Water District

Statements of Net Position

December 31,	2019	2018
Assets		
Current assets		
Cash and cash equivalents	\$ 2,034,391	\$ 4,612,823
Investments	9,370,816	8,594,518
Receivables	1,065,713	599,663
Prepaid items	22,324	22,905
Inventories	195,739	229,918
Total current assets	12,688,983	14,059,827
Non-current assets		
Restricted assets		
Cash and cash equivalents	1,757,350	2,034,753
Capital assets		
Distribution system	68,365,716	65,216,513
Carter Lake Filter Plant improvements	10,145,343	9,563,923
Dry Creek reservoir dam	7,432,221	7,432,221
Buildings and improvements	692,950	692,950
Vehicles and equipment	2,216,326	1,905,891
Intangible assets	157,481	157,481
Total depreciable assets	89,010,037	84,968,979
Less: accumulated depreciation	(31,801,043)	(30,127,058)
Total depreciable assets, net	57,208,994	54,841,921
Land, easements and reservoir	7,322,437	7,322,437
Water rights	78,608,946	65,846,631
Construction in progress	5,165,579	3,564,691
Total capital assets, net	148,305,956	131,575,680
Other assets		
Investment in joint venture	3,396,793	3,625,039
Total non-current assets	153,460,099	137,235,472
Total assets	166,149,082	151,295,299
Deferred outflows of resources		
Unamortized deferred loss on refunding	69,166	127,659
Total deferred outflows of resources	69,166	127,659

(Continued).

Little Thompson Water District
Statements of Net Position
(Continued)

<i>December 31,</i>	2019	2018
Liabilities		
Current liabilities		
Current portion of bonds and notes payable	1,147,414	2,257,811
Accounts payable	933,851	548,709
Accrued wages payable	166,664	39,777
Accrued interest expense	15,733	21,978
Total current liabilities	2,263,662	2,868,275
Non-current liabilities		
Accrued compensated absences	266,147	228,146
Bonds and notes payable, net of current portion	6,565,878	8,909,061
Total non-current liabilities	6,832,025	9,137,207
Total liabilities	9,095,687	12,005,482
Net position		
Net investment in capital assets	140,661,830	120,536,467
Restricted:		
Debt service and loan reserves	1,757,350	2,034,753
Unrestricted	14,703,381	16,846,256
Total net position	\$ 157,122,561	\$ 139,417,476

The accompanying notes are an integral part of the financial statements.

Little Thompson Water District

Statements of Revenues, Expenses and Changes in Net Position

<i>For the Years Ended December 31,</i>	2019	2018
Operating revenues		
Water sales - treated	\$ 8,761,679	\$ 9,142,487
Service and other revenue	105,522	70,730
Total operating revenues	8,867,201	9,213,217
Operating expenses		
Distribution	944,016	1,295,270
Administration and general	663,900	639,242
Engineering	73,507	112,187
Employee costs	3,691,003	2,757,801
Carter Lake Filter Plant and Dry Creek Reservoir operating expenses	1,139,326	1,114,659
Water assessments and rentals	526,285	602,438
Depreciation	1,781,066	1,798,664
Total operating expenses	8,819,103	8,320,261
Operating income	48,098	892,956
Nonoperating revenues (expenses)		
Grant revenue	60,134	107,999
Earnings on investments	314,880	206,214
Gain (loss) on sale of capital assets	21,897	(8,682)
Mineral lease revenue	1,297	1,102,853
Miscellaneous	148,923	101,264
Equity in net (loss) income from joint venture	(228,246)	13,054
Interest expense	(310,977)	(360,086)
Total nonoperating revenues (expenses)	7,908	1,162,616
Net income before contributions	56,006	2,055,572
Capital contributions	17,649,079	12,133,309
Change in net position	17,705,085	14,188,881
Net position at beginning of year	139,417,476	125,228,595
Net position at end of year	\$ 157,122,561	\$ 139,417,476

The accompanying notes are an integral part of the financial statements.

Little Thompson Water District

Statements of Cash Flows

<i>For the Years Ended December 31,</i>	2019	2018
Cash flows from operating activities:		
Cash received from customers	\$ 8,401,151	\$ 9,286,598
Cash paid to suppliers	(2,772,464)	(3,890,393)
Cash paid to employees	(3,691,003)	(2,757,801)
Net cash flows from operating activities	1,937,684	2,638,404
Cash flows from noncapital financing activities:		
Mineral lease revenue	1,297	1,102,853
Other non-operating revenues	148,923	101,264
Federal and state grant revenue	60,134	107,999
Net cash flows from noncapital financing activities	210,354	1,312,116
Cash flows from capital and related financing activities:		
Contributed capital	8,524,079	9,211,600
Acquisition and construction of capital assets	(9,376,122)	(3,356,168)
Proceeds from disposition of capital assets	21,897	14,964
Principal paid on long-term debt	(3,447,810)	(2,205,375)
Interest paid	(264,499)	(314,753)
Net cash flows from capital and related financing activities	(4,542,455)	3,350,268
Cash flows from investing activities:		
Earnings on investments	286,901	206,214
Purchase of investments	(2,148,733)	(8,594,518)
Proceeds from sale of investments	1,400,414	-
Net change in cash and cash equivalents restricted for debt service and loan reserves	277,403	(652,308)
Net cash flows from investing activities	(184,015)	(9,040,612)
Net change in cash and cash equivalents	(2,578,432)	(1,739,824)
Cash and cash equivalents at beginning of year	4,612,823	6,352,647
Cash and cash equivalents at end of year	\$ 2,034,391	\$ 4,612,823

(Continued).

Little Thompson Water District
Statements of Cash Flows
(Continued)

<i>For the Years Ended December 31,</i>	2019	2018
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	\$ 48,098	\$ 892,956
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation	1,781,066	1,798,664
Changes in operating assets and liabilities:		
Receivables	(466,050)	73,381
Prepaid items	581	(4,575)
Inventories	34,179	20
Accounts payable	374,922	(123,855)
Accrued wages payable	126,887	(9,068)
Accrued compensated absences	38,001	10,881
Net cash flows from operating activities	\$ 1,937,684	\$ 2,638,404
Noncash investing, capital and financing activities:		
Net income (loss) from joint venture	\$ (228,246)	\$ 13,054
Capital assets acquired with contributed capital	\$ 9,125,000	\$ 2,921,709
Capital assets acquired with accounts payable	\$ 10,220	\$ 222,224
Amortization of bond premiums	\$ 5,770	\$ 8,266
Amortization of deferred loss on refunding	\$ (58,493)	\$ (57,905)

The accompanying notes are an integral part of the financial statements.

Little Thompson Water District
Notes to Financial Statements
December 31, 2019 and 2018

1. Summary of Significant Accounting Policies

Form of Organization

The Little Thompson Water District (the “District”) is organized under the provisions of Section 32-1-305 (6) of the Colorado Revised Statutes (“CRS”). It is a quasi-municipal corporation and a political subdivision of the State of Colorado with all powers thereof which includes the power to levy taxes against property within the District.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District’s accounting policies are described below.

Reporting Entity

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s board, and either, a) the ability to impose its will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

Based on the above criteria, there are no other organizations that would be considered component units of the District.

Basic Financial Statements

The District is a special-purpose government engaged only in business-type activities. As such, enterprise fund financial statements are presented.

Basis of Accounting

Proprietary funds, which include enterprise funds, are accounted for on a flow of economic resources measurement focus using the accrual basis of accounting. Therefore, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included in the statement of net position. Revenues and expenses are recorded in the accounting period in which they are earned or incurred, and they become measurable. Net position is segregated into net investment in capital assets, restricted for debt service and loan reserves, and unrestricted net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decrease (e.g., expenses) in total net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

Little Thompson Water District
Notes to Financial Statements
December 31, 2019 and 2018

Budgets and Budgetary Accounting

An annual budget and appropriation resolution is adopted by the Board of Directors (the “Board”) in accordance with state statutes. The budget is prepared on a basis consistent with GAAP except that capital asset additions and principal payments are budgeted as expenditures and debt proceeds are budgeted as revenues.

The budget process timeline is as follows:

1. On or about October 15, the District staff submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at regular Board meetings to obtain taxpayer comments.
3. Prior to December 15, the budget is legally adopted by the Board.
4. Unused appropriations lapse at the end of each year.

The following is a summary of the original budget, total revisions, and revised budget for fiscal year 2019:

	Original Budget	Total Revisions	Revised Budget
Enterprise fund expenses	\$ 17,355,694	\$ 2,897,500	\$ 20,253,194

Cash and Cash Equivalents

The District considers all highly liquid investments with original maturities of three months or less which are available for operating expenditures to be cash equivalents. Short term investments, consisting of funds invested in a local government investment pool (Note 2) are considered to be cash equivalents and are measured at net asset value, which approximates fair value.

Investments

Investments, consisting of certificates of deposit with original maturities of greater than three months are measured at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Allowance for Doubtful Accounts

The District’s receivables are due from commercial and residential customers within the District service area. The District’s policy for collections is limited to the right to discontinue service and to place liens on property. The District has determined that no allowance is necessary at December 31, 2019 or 2018, based on historical collection experience, and the ability to place liens on property.

Little Thompson Water District
Notes to Financial Statements
December 31, 2019 and 2018

Revenue Recognition

Revenues are recognized when earned. Metered water accounts are read and billed three times a month on 30 day cycles. Unbilled water charges are accrued for the period from the last meter reading through year-end and are included in receivables. Unbilled accounts receivable, included in receivables, amounted to \$152,349 and \$135,263, at December 31, 2019 and 2018, in the accompanying statements of net position, respectively.

Inventories

Inventories, consisting primarily of operating supplies for water meter repair and installation and supplies for repairs and maintenance of water mains, valves and fire hydrants, have been valued at cost, using the average cost method of accounting.

Capital Assets

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 or estimated 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 asset or materially extend the asset's life are expensed. The District's intangible assets are software which is being amortized over its estimated useful life as shown below.

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. The estimated useful lives are as follows:

Description	Estimated Lives
Water rights	N/A
Land, easements, and Dry Creek Reservoir	N/A
Construction in progress	N/A
Distribution system	10 - 50 years
Carter Lake Filter Plant improvements	20 - 50 years
Dry Creek Reservoir Dam	100 years
Buildings and improvements	20 - 50 years
Vehicles and equipment	3 - 20 years
Intangible assets - software	10 years

Little Thompson Water District
Notes to Financial Statements
December 31, 2019 and 2018

Joint Venture

The District is a participant with Central Weld County Water District (“CWCWD”), in a joint venture to operate Carter Lake Filter Plant (the “Plant”), the filter plant from which the District and CWCWD purchase 100% of their water. The Plant is governed by a six-member board of directors composed of three appointees from the District and three from CWCWD. The District and CWCWD are each charged for their respective share of the water purchased from the Plant and may be assessed for capital improvements made at the Plant on a periodic basis. Beginning in 2008, the District and CWCWD revised the joint venture agreement in order to change the way that major improvements to the Plant are funded. Major capital improvements to the Plant are no longer funded by the Plant, with assessments issued to each district; but rather, they are funded by the individual districts independently, and included in each of the district’s capital assets. As such, the depreciation expense for these assets has also been reflected in the financial statements of the District and CWCWD. The District’s net investment and its share of the operating results of the District are reported in the accompanying statements of net position, and revenues, expenses and changes in net position. The District’s equity interest in the Plant was \$3,396,793 and \$3,625,039 at December 31, 2019 and 2018, respectively. Complete financial statements for the Plant may be obtained from the Plant’s administrative office at 7100 W. County Road 8-E, Berthoud, Colorado 80521.

Debt Issuance Costs

Debt issuance costs are recognized as an expense during the period of issuance.

Debt Related Deferrals

Premiums, discounts and losses on refunding are deferred and amortized to interest expense over the life of the debt using the effective interest method. The net premiums and discounts are presented as an adjustment to the face amount of the debt. Deferred losses on refunding are reflected as a deferred outflow of resources in the accompanying statements of net position.

Accrued Compensated Absences Payable

Obligations associated with the District’s vacation policy are recorded as a liability and expense when earned to the extent that such benefits vest to the employee. The amount of the accrued and unpaid balance due under this policy is considered a long-term liability.

Contributions in Aid of Construction

Contributions of cash, transmission lines and water rights to the District by developers, customers or by agreements with others are treated as capital contributions on the District’s statement of revenues, expenses and changes in net position.

Net Position

Net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation of these assets and related debt balances reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restriction imposed by law through constitutional provisions or enabling legislation.

Little Thompson Water District
Notes to Financial Statements
December 31, 2019 and 2018

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

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.

Use of Estimates

The preparation 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Investments

Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, CRS require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act ("PDPA") requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the federal insurance levels to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2019 and 2018, the District had deposits with a financial institution with a carrying amount of \$741,829 and \$3,668,019, respectively. The bank balances with the financial institution were \$765,546 and \$3,705,436, respectively. Of these amounts, \$250,000 was covered by federal depository insurance. The remaining balances of \$515,546 and \$3,455,436, respectively, were collateralized with securities held by the financial institutions' agents but not in the District's name.

At December 31, 2019 and 2018, the District had cash and cash equivalents balances as follows (includes restricted cash):

	2019	2018
Cash on hand	\$ 400	\$ 400
Bank deposits	741,829	3,668,019
Local government investment pool	3,049,512	2,979,157
Total	\$ 3,791,741	\$ 6,647,576

Little Thompson Water District
Notes to Financial Statements
December 31, 2019 and 2018

Cash and cash equivalents balances are reflected on the statement of net position at December 31, 2019 and 2018, as follows:

	2019	2018
Cash and cash equivalents	\$ 2,034,391	\$ 4,612,823
Restricted cash and cash equivalents	1,757,350	2,034,753
Total	\$ 3,791,741	\$ 6,647,576

Local Government Investment Pool

At December 31, 2019 and 2018, the District had invested \$3,049,512 and \$2,979,157, respectively, in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which special districts may invest which include:

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

District policy is to match maturity of investments with cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than three (3) years from the date of purchase or in accordance with state and local statutes and ordinances.

Little Thompson Water District
Notes to Financial Statements
December 31, 2019 and 2018

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. At December 31, 2019 and 2018, all of the District's investments, consisting of certificates of deposit with an original maturity in excess of three months, were categorized as level 2 with a fair value of \$9,370,816 and \$8,594,518, respectively. The weighted average maturity of the certificates of deposit at December 31, 2019 was .83 years.

Interest Rate Risk

The District has a formal written investment policy that limits on the type and maturities of permitted securities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District investments adhere to Colorado Revised Statutes which limit investment maturities to five years or less from the date of purchase.

3. Restricted Assets

Amounts shown as restricted cash and cash equivalents have been restricted by bond indentures to be used for specified purposes. The balance restricted as of December 31, 2019 and 2018, was \$1,757,350 and \$2,034,753, respectively.

4. Receivables

Receivables at December 31, 2019 and 2018, consisted of the following:

	2019	2018
Water service	\$ 394,658	\$ 406,350
Unbilled accounts receivable	152,349	135,263
Miscellaneous	518,706	58,050
Total	\$ 1,065,713	\$ 599,663

Little Thompson Water District
Notes to Financial Statements
December 31, 2019 and 2018

5. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Water rights	\$ 65,846,631	\$ 12,762,315	\$ -	\$ 78,608,946
Land and easements	1,028,821	-	-	1,028,821
Dry Creek Reservoir	6,293,616	-	-	6,293,616
Construction in progress	3,564,691	1,801,485	(200,597)	5,165,579
Total capital assets, not being depreciated	76,733,759	14,563,800	(200,597)	91,096,962
Capital assets, being depreciated:				
Distribution system	65,216,513	3,149,203	-	68,365,716
Carter Lake Filter Plant improvements	9,563,923	581,420	-	10,145,343
Dry Creek Reservoir Dam	7,432,221	-	-	7,432,221
Buildings and improvements	692,950	-	-	692,950
Vehicles and equipment	1,905,891	417,516	(107,081)	2,216,326
Intangible assets	157,481	-	-	157,481
Total capital assets, being depreciated	84,968,979	4,148,139	(107,081)	89,010,037
Less accumulated depreciation for:				
Distribution system	(25,729,375)	(1,286,718)	-	(27,016,093)
Carter Lake Filter Plant improvements	(1,787,990)	(214,360)	-	(2,002,350)
Dry Creek Reservoir Dam	(743,222)	(74,323)	-	(817,545)
Buildings and improvements	(480,811)	(8,636)	-	(489,447)
Vehicles and equipment	(1,289,735)	(181,280)	107,081	(1,363,934)
Intangible assets	(95,925)	(15,749)	-	(111,674)
Total accumulated depreciation	(30,127,058)	(1,781,066)	107,081	(31,801,043)
Total capital assets, being depreciated, net	54,841,921	2,367,073	-	57,208,994
Total capital assets, net	\$ 131,575,680	\$ 16,930,873	\$ (200,597)	\$148,305,956

Little Thompson Water District
Notes to Financial Statements
December 31, 2019 and 2018

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Water rights	\$ 64,248,631	\$ 1,598,000	\$ -	\$ 65,846,631
Land and easements	1,028,821	-	-	1,028,821
Dry Creek Reservoir	6,293,616	-	-	6,293,616
Construction in progress	1,817,635	1,854,390	(107,334)	3,564,691
Total capital assets, not being depreciated	73,388,703	3,452,390	(107,334)	76,733,759
Capital assets, being depreciated:				
Distribution system	62,507,390	2,709,123	-	65,216,513
Carter Lake Filter Plant improvements	9,446,993	116,930	-	9,563,923
Dry Creek Reservoir Dam	7,432,221	-	-	7,432,221
Buildings and improvements	692,950	-	-	692,950
Vehicles and equipment	1,682,392	328,992	(105,493)	1,905,891
Intangible assets	157,481	-	-	157,481
Total capital assets, being depreciated	81,919,427	3,155,045	(105,493)	84,968,979
Less accumulated depreciation for:				
Distribution system	(24,478,401)	(1,250,974)	-	(25,729,375)
Carter Lake Filter Plant improvements	(1,579,478)	(208,512)	-	(1,787,990)
Dry Creek Reservoir Dam	(668,900)	(74,322)	-	(743,222)
Buildings and improvements	(385,837)	(94,974)	-	(480,811)
Vehicles and equipment	(1,217,448)	(154,134)	81,847	(1,289,735)
Intangible assets	(80,177)	(15,748)	-	(95,925)
Total accumulated depreciation	(28,410,241)	(1,798,664)	81,847	(30,127,058)
Total capital assets, being depreciated, net	53,509,186	1,356,381	(23,646)	54,841,921
Total capital assets, net	\$126,897,889	\$ 4,808,771	\$ (130,980)	\$131,575,680

Little Thompson Water District
Notes to Financial Statements
December 31, 2019 and 2018

6. Long-Term Debt

A summary of the District's long-term debt as of December 31, 2019 and 2018, is as follows:

December 31,	2019	2018
Revenue Bonds		
\$5,500,000 October 19, 2011, water revenue refunding bonds, Series 2011 due in principal installments of \$615,000 in 2016 with additional increases through 2021; interest at 3.0% to 4.0%. The bonds are special revenue obligations of the District, payable from all income and revenues directly or indirectly derived by the District from the operation and use of the System, or any part thereof less all reasonable and necessary current expenses of the District, paid or accrued, for operating, maintaining and repairing the System. Accrued interest on these bonds is \$2,117 and \$4,071 at December 31, 2019 and 2018, respectively.	\$ 635,000	\$ 1,305,000
\$4,905,000 December 15, 2014, water revenue refunding bonds, Series 2014 due in principal installments of \$740,000 in 2016 with increases through 2020; interest at 1.65%. The bonds are special revenue obligations of the District, payable from all income and revenues directly or indirectly derived by the District from the operation and use of the System, or any part thereof less all reasonable and necessary current expenses of the District, paid or accrued, for operating, maintaining and repairing the System. Accrued interest on these bonds is \$0 and \$2,695 at December 31, 2019 and 2018, respectively.	-	1,960,000
Loans Payable		
\$5,873,339 March 14, 2017, water revenue refunding note, Series 2017A due in principal installments of \$542,036 in 2017 with additional increases through 2027; interest at 2.36%. The bonds are special revenue obligations of the District, payable from all income and revenues directly or indirectly derived by the District from the operation and use of the System, or any part thereof less all reasonable and necessary current expenses of the District, paid or accrued, for operating, maintaining and repairing the System. Accrued interest on these bonds is \$8,579 and \$9,543 at December 31, 2019 and 2018, respectively.	4,362,284	4,852,444

Little Thompson Water District
Notes to Financial Statements
December 31, 2019 and 2018

\$3,360,638 December 7, 2017, water revenue refunding note, Series 2017B due in principal installments of \$-0- in 2017 with additional increases through 2027; interest at 2.30%. The bonds are special revenue obligations of the District, payable from all income and revenues directly or indirectly derived by the District from the operation and use of the System, or any part thereof less all reasonable and necessary current expenses of the District, paid or accrued, for operating, maintaining and repairing the System. Accrued interest on these bonds is \$5,037 and \$5,669 at December 31, 2019 and 2018, respectively.

	2,711,472	3,039,122
Total Bonds and Loans Payable	\$ 7,708,756	\$ 11,156,566

A summary of changes in debt is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Revenue Bonds					
2011	\$ 1,305,000	\$ -	\$ (670,000)	\$ 635,000	\$ 310,000
2014	1,960,000	-	(1,960,000)	-	-
Loans Payable					
2017A	4,852,444	-	(490,160)	4,362,284	502,184
2017B	3,039,122	-	(327,650)	2,711,472	335,230
Compensated Absences	228,146	234,750	(196,749)	266,147	-
Total	11,384,712	234,750	(3,644,559)	7,974,903	1,147,414
Current portion of long term debt	(2,257,811)			(1,147,414)	
Net bond premiums	10,306	-	(5,770)	4,536	-
Noncurrent portion of long term debt	\$ 9,137,207			\$ 6,832,025	

The annual requirements to amortize all debt outstanding as of December 31, 2019, are as follows:

Year Ending December 31,	Annual Maturities	Interest	Total Payment
2020	\$ 1,147,414	\$ 188,797	\$ 1,336,211
2021	1,181,564	156,791	1,338,355
2022	876,619	123,737	1,000,356
2023	897,142	103,212	1,000,354
2024	918,392	82,208	1,000,600
2025 - 2027	2,687,625	115,603	2,803,228
Totals	\$ 7,708,756	\$ 770,348	\$ 8,479,104

Little Thompson Water District
Notes to Financial Statements
December 31, 2019 and 2018

Defeased Bond and Loan Issues - As a result of in-substance defeasance transactions, the following outstanding revenue bond and loan issues are not shown on the statement of net position at December 31, 2019 and 2018:

	2019	2018
Series 2000 Water Revenue Bonds	\$ 1,270,000	\$ 2,105,000
Series 2002 Water Revenue Bonds	675,000	990,000
Series 2004 Water Revenue Bonds	1,225,000	2,010,000
Total	\$ 3,170,000	\$ 5,105,000

7. Rate Maintenance

The 2017 bond resolutions requires the District to establish, maintain, enforce, and collect rates, fees, District investment fees, availability fees, tolls, and charges for services furnished by or from the use of the system to generate gross revenue each fiscal year sufficient to pay operation and maintenance expenses, as defined, and to create Net Revenue, as defined, in an amount equal to not less than 110% of the amount necessary to pay when due, the principal of and interest on the First Lien Bond, the Bonds, and any Parity Lien Bonds, as defined, coming due during such fiscal year.

2019 principal paid		\$ 817,810
2019 interest paid		182,544
Subtotal		1,000,354
	x	110%
Required net revenue as defined in 2017A and 2017B resolutions		\$ 1,100,389

The 2014 bond resolution requires the District to establish, maintain, enforce, and collect rates, fees, District investment fees, availability fees, tolls, and charges for services furnished by or from the use of the system to generate gross revenue each fiscal year sufficient to pay operation and maintenance expenses, as defined, and to create Net Revenue, as defined, in an amount equal to not less than 125% of the amount necessary to pay when due, the principal of and interest on the First Lien Bond, the Bonds, and any Parity Lien Bonds, as defined, coming due during such fiscal year.

2019 principal paid		\$ 1,960,000
2019 interest paid		33,104
Subtotal		1,993,104
	x	125%
Required net revenue as defined in 2014 bond resolution		\$ 2,491,380

Little Thompson Water District
Notes to Financial Statements
December 31, 2019 and 2018

The following calculation shows the District's compliance with these bond and loan agreements:

Net revenue as defined in 2014 and 2017 Agreements	
Operating revenues	\$ 8,867,201
Tap fees/water rights	8,524,079
Subtotal	17,391,280
Operating expenses (excluding depreciation expense)	(7,038,037)
Net revenue as defined in 2014 and 2017 resolutions	\$ 10,353,243

8. Defined Contribution Pension Plan

The District has adopted a defined contribution pension plan administered by Colorado Retirement Association ("CRA") which provides pension benefits for all full time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The covered payroll was \$2,351,630 and \$1,763,295 for the years ended December 31, 2019 and 2018, respectively. All employees are eligible to participate in the plan immediately that worked for a minimum 20 hours per week or 1,040 hours per year.

The District and its employees each contribute an amount equal to 5% of the employees' annual base salary or wage. Employees become vested in District contributions at the rate of 20% per year and are fully vested after five years. The benefit terms are established and may be amended by the District's Board of Directors.

The District contributed \$117,582 and \$88,165 to the plan for covered employees during the years ended December 31, 2019 and 2018, respectively.

9. Commitments and Contingencies

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 worker's 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.

Commitments

The District appropriated \$3,950,000 in the 2020 budget for their share of the 7 MG Water Tank Construction project at Carter Lake Filter Plant. The project is anticipated to begin in 2020.

Little Thompson Water District
Notes to Financial Statements
December 31, 2019 and 2018

10. TABOR 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. 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). The District is an enterprise fund and has no TABOR revenues and therefore has not set aside any monies for emergencies as defined 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.

11. Subsequent Events

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization (“WHO”), has caused business disruption in a variety of industries, markets and geographic regions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent to which the District’s operational and financial performance will be affected is also uncertain. Therefore, while the District expects this matter to negatively impact their business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

The District evaluated subsequent events through April 15, 2020, the date these financial statements were available to be issued. There were no other material subsequent events that require recognition or additional disclosure.

Supplementary Information

Little Thompson Water District

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)

For the Years Ended December 31,	2019		2018		
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final	Budget Basis	Positive (Negative)	Budget Basis
Revenues					
Operating revenues:					
Water sales	\$ 9,165,748	\$ 9,285,510	\$ 8,589,504	\$ (696,006)	\$ 8,984,812
Tap installation	138,000	138,000	172,175	34,175	157,675
Miscellaneous	119,762	119,762	105,522	(14,240)	70,730
Total operating revenues	9,423,510	9,543,272	8,867,201	(676,071)	9,213,217
Non-operating revenues (expenses):					
Earnings on investments	150,000	160,000	314,880	154,880	206,214
Mineral lease revenue	-	-	1,297	1,297	1,102,853
Miscellaneous	68,600	123,600	148,923	25,323	101,264
Grant revenue	-	-	60,134	60,134	107,999
Gain (loss) on sale of capital assets	-	-	21,897	21,897	(8,682)
Total non-operating revenues	218,600	283,600	547,131	263,531	1,509,648
Contributions:					
Tap fees/water rights	3,300,240	8,355,478	8,524,079	168,601	9,211,600
Total revenues	12,942,350	18,182,350	17,938,411	(243,939)	19,934,465
Expenditures					
Distribution:					
Maintenance and operation	730,600	730,600	822,176	(91,576)	1,164,600
Vehicle expense	81,900	81,900	100,555	(18,655)	106,092
Water quality	30,600	30,600	21,285	9,315	24,578
Total distribution	843,100	843,100	944,016	(100,916)	1,295,270
Administration and general:					
Building and grounds expense	69,650	69,650	47,609	22,041	56,861
Computer expense	91,000	91,000	87,812	3,188	125,074
Farm Expense	2,500	2,500	2,570	(70)	2,490
Insurance	78,000	78,000	101,691	(23,691)	79,209
Memberships	12,650	12,650	18,679	(6,029)	11,567
Miscellaneous	-	-	7,888	(7,888)	10,398
Office service contracts	134,400	134,400	162,530	(28,130)	137,398
Office expense	59,760	59,760	74,059	(14,299)	68,240
Professional fees	40,250	40,250	32,622	7,628	31,148
Public relations	14,900	14,900	9,416	5,484	4,181
Safety and training expense	66,650	66,650	57,119	9,531	56,194
Telephone and communications	41,400	41,400	44,701	(3,301)	40,794
Uniforms	18,200	18,200	17,204	996	15,688
Total administration and general	629,360	629,360	663,900	(34,540)	639,242

Continued.

Little Thompson Water District

Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)

For the Years Ended December 31,	2019		2018		
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final	Budget Basis	Positive (Negative)	Budget Basis
Engineering:					
Engineering/CAD/professional fees	6,840	6,840	42,602	(35,762)	97,929
Mapping and updates	-	-	1,635	(1,635)	1,848
Water conservation	18,000	18,000	19,092	(1,092)	8,347
Soil amendments rebates	50,000	50,000	4,567	45,433	2,000
Landscaping incentives	25,000	25,000	1,249	23,751	500
Engineering department expenses	201,704	201,704	4,362	197,342	1,563
Total engineering	301,544	301,544	73,507	228,037	112,187
Employee costs:					
Administration	843,570	843,570	1,084,758	(241,188)	759,893
Board	15,825	15,825	11,519	4,306	8,504
Distribution	1,525,960	1,525,960	1,584,307	(58,347)	1,217,938
Engineering	1,097,756	1,097,756	1,010,419	87,337	771,466
Total employee costs	3,483,111	3,483,111	3,691,003	(207,892)	2,757,801
Carter Lake Filter Plant and Dry Creek:					
Reservoir joint operating costs:					
Filter plant operating expense	1,153,779	1,153,779	1,131,649	22,130	1,067,972
Dry Creek reservoir operating expense	51,000	51,000	7,677	43,323	46,687
Total Carter Lake Filter Plant and Dry Creek					
Reservoir joint operating costs	1,204,779	1,204,779	1,139,326	65,453	1,114,659
Water assessments and rentals:					
Purchased water expense	695,939	695,939	526,285	169,654	602,438
Total water assessments and rentals	695,939	695,939	526,285	169,654	602,438
Debt service:					
Principal retired	2,257,873	3,447,873	3,447,810	63	2,205,375
Interest	263,747	263,747	264,499	(752)	314,753
Total debt service	2,521,620	3,711,620	3,712,309	(689)	2,520,128
Capital improvement:					
Plant and equipment	7,676,241	9,383,741	9,386,342	(2,601)	3,578,392
Total capital improvement	7,676,241	9,383,741	9,386,342	(2,601)	3,578,392
Total expenditures	17,355,694	20,253,194	20,136,688	116,506	12,620,117
Excess (deficiency) of budgeted revenues over budgeted expenditures	\$ (4,413,344)	\$ (2,070,844)	(2,198,277)	\$ (127,433)	7,314,348
Reconciling items to GAAP basis					
Capital improvements			9,386,342		3,578,392
Principal paid on debt			3,447,810		2,205,375
Depreciation			(1,781,066)		(1,798,664)
Contributed capital assets			9,125,000		2,921,709
Joint venture income (loss)			(228,246)		13,054
Change in accrued interest expense			6,245		4,306
Amortization of deferred loss and premiums on refunding bonds			(52,723)		(49,639)
Change in net position			\$ 17,705,085		\$ 14,188,881

See accompanying Independent Auditor's Report.