

GROUND WATER MANAGEMENT  
SUBDISTRICT OF CENTRAL  
COLORADO WATER CONSERVANCY  
SUBDISTRICT

FINANCIAL STATEMENTS

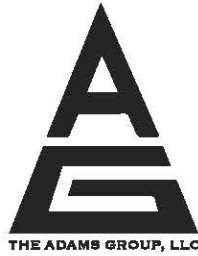
Year Ended December 31, 2019

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

Board of Directors

Ground Water Management Subdistrict of Ground Water Management Subdistrict of 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 Ground Water Management Subdistrict of Ground Water Management Subdistrict of Central Colorado Water Conservancy District (the "Subdistrict"), a component unit of the Ground Water Management Subdistrict of Central Colorado Water Conservancy District, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Subdistrict'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.

## **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 Subdistrict as of December 31, 2019, 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**

### ***Restatement***

As described in Note 11 to the financial statements, the Subdistrict determined that capital assets were understated. As a result, net assets for the Governmental Activities net position was increased \$1,091,786 for the year ending December 31, 2019. 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 3 through 13, the budgetary comparison information on page 58, the Schedule of Subdistrict Contributions on page 56, and the Schedule of the Subdistrict's Proportionate Share of the Net Pension Liability on page 57 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 Subdistrict's basic financial statements. The individual budgetary schedules on pages 60 and 61 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.

June 11, 2020  
Denver, Colorado

*The Adams Group, LLC*

**Ground Water Management Subdistrict of  
Central Colorado Water Conservancy District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

This section of the annual financial report offers readers of the Ground Water Management Subdistrict of Central Colorado Water Conservancy District (the "Subdistrict") financial statements, its discussion and analysis of the Subdistrict's financial performance during the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Subdistrict's financial statements, which immediately follow this section.

**Background Information**

On April 23, 1973, 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 subdistrict of Central Colorado Water Conservancy District to be known as "Ground Water Management Subdistrict of Central Colorado Water Conservancy District". In addition to providing for the conservation of the water resources of the State of Colorado for the greatest beneficial use of water within this state, the Subdistrict has developed a plan of augmentation which will replace the depletion of the river caused by underground water users in the South Platte River Basin.

**Financial Highlights**

- The Subdistrict's financial status increased over the course of the 2019 with total net position increasing by 31%.
- General tax revenues of \$7,980,905 accounted for 66% of the income in the operating funds during 2019, 30% coming from charges for service, with the remaining 4% coming from other revenue sources.
- The Subdistrict had \$4,652,264 in expenses of which \$3,627,408 were offset by program specific charges for services. Property taxes and other revenues, combined with the previous year's carryover, were adequate to provide funding for these programs.
- Outlays for capital assets were primarily comprised of acquisition of water rights, construction of water projects, and equipment purchases. See the capital assets section of this management's discussion and analysis for more information.
- The Subdistrict's governmental activities increased its outstanding long-term debt in 2019 with the issuance of a new bond and additional loans with the Colorado Water Conservation Board.

**Ground Water Management Subdistrict of  
Central Colorado Water Conservancy District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Overview of the Financial Statements**

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

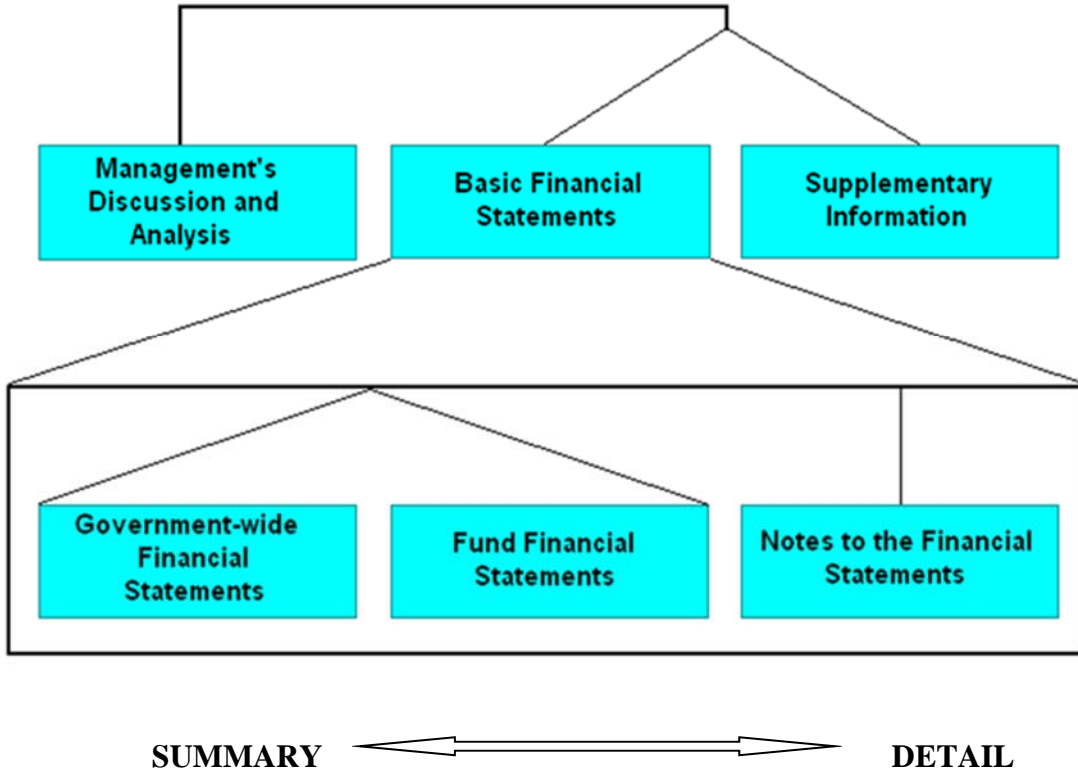
- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Subdistrict's overall financial status.
- The remaining statements are fund financial statements, which focus on individual parts of the Subdistrict, reporting the Subdistrict's operations in more detail than the government-wide statements.
- The governmental fund 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 required and other supplemental information that further explains and supports the financial statements with a comparison of the Subdistrict's budget for the year.

**Ground Water Management Subdistrict of  
Central Colorado Water Conservancy District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

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 Ground Water Management Subdistrict of Central Colorado Water and  
Conservancy District's Annual Financial Report**



**Ground Water Management Subdistrict of  
Central Colorado Water Conservancy District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

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

**Table 2  
Major Features of the Government-Wide and Fund Financial Statements**

	Government-Wide Statements	Fund Financial Statements	
		Governmental Fund	Proprietary Fund
Scope	Entire Subdistrict (except fiduciary funds)	The activities of the Subdistrict that are not proprietary or fiduciary	Activities the Subdistrict operates similar to private businesses: Water Enterprise Fund
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 Change 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 and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources 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, 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

**Ground Water Management Subdistrict of  
Central Colorado Water Conservancy District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

***Government-wide Statements***

The government-wide statements are designed to provide readers a broad overview of the Subdistrict's finances, in a manner similar to a private-sector business. These statements provide both short-term and long-term information about the Subdistrict's overall financial status. The statement of net position includes all of the Subdistrict'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 Subdistrict's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these 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 Subdistrict is improving or deteriorating. To assess the Subdistrict's overall health, you need to consider additional non-financial factors such as the condition of water projects, buildings, and equipment.

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 Subdistrict that are principally supported by taxes and intergovernmental revenues (governmental activities) from business-type activities. Included in governmental activities are most of the Subdistrict'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 Subdistrict's funds, focusing on its most significant or "major" funds, not the Subdistrict as a whole. Funds are accounting devices the Subdistrict uses to keep track of specific sources of funding and spending on particular programs.

- *Governmental funds:* The Subdistrict'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 Subdistrict'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.

**Ground Water Management Subdistrict of  
Central Colorado Water Conservancy District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

The Subdistrict maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general and debt service funds which are considered major funds. Also included in the required supplementary information section is budget to actual information for the general fund.

The basic governmental fund financial statement can be found on pages 17-20 of this report.

*Proprietary funds:* The Subdistrict 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 Subdistrict uses enterprise funds to account for its water operations.

- Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for water operations, which is considered to be a major fund of the Subdistrict.

The basic proprietary fund financial statements can be found on pages 21-23 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 24-54 of this report.

**Ground Water Management Subdistrict of  
Central Colorado Water Conservancy District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Financial Analysis of the Subdistrict as a Whole**

*Net Position and Changes in Net Position*

The Subdistrict's combined net position was larger on December 31, 2019, than the year before, increasing 31% percent to \$31,471,673. Table 3 provides a summary of the Subdistrict's net position at December 31, 2019.

**Table 3  
Condensed Statement of Net Position**

	<b>2019</b>			<b>2018</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Restated Total</b>
<b>Assets</b>				
Current assets	\$ 12,086,540	\$ 2,831,457	\$14,917,997	\$13,077,029
Capital assets, net	50,391,746	6,401,450	56,793,196	30,538,918
<b>Total assets</b>	<b>62,478,286</b>	<b>9,232,907</b>	<b>71,711,193</b>	<b>43,615,947</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources related to pensions/OPEB	276,252	--	276,252	82,778
<b>Liabilities</b>				
Current liabilities	4,146,221	823,394	4,969,615	1,882,257
Long-term liabilities	22,810,491	4,563,133	27,373,624	10,106,612
<b>Total liabilities</b>	<b>26,956,712</b>	<b>5,386,527</b>	<b>32,343,239</b>	<b>11,988,869</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources related to pensions/OPEB	107,834	--	107,834	89,512
Unearned revenue – property taxes	7,870,830	193,869	8,064,699	7,524,047
<b>Total deferred inflows of resources</b>	<b>7,978,664</b>	<b>193,869</b>	<b>8,172,533</b>	<b>7,613,559</b>
<b>Net position</b>				
Net investment in capital assets	20,436,991	1,494,091	21,931,082	19,349,443
Restricted	4,301,324	--	4,301,324	521,797
Unrestricted	3,080,847	2,158,420	5,239,267	4,225,057
<b>Total net position at December 31</b>	<b>\$ 27,819,162</b>	<b>\$ 3,652,511</b>	<b>\$31,471,673</b>	<b>\$24,096,297</b>

**Ground Water Management Subdistrict of  
Central Colorado Water Conservancy District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

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

This year taxes accounted for 54 cents of every dollar raised by the Subdistrict, compared to 52 cents per dollar in the previous year (see Table 5). During 2019, the Subdistrict received less than one cent of every dollar from earnings on investments.

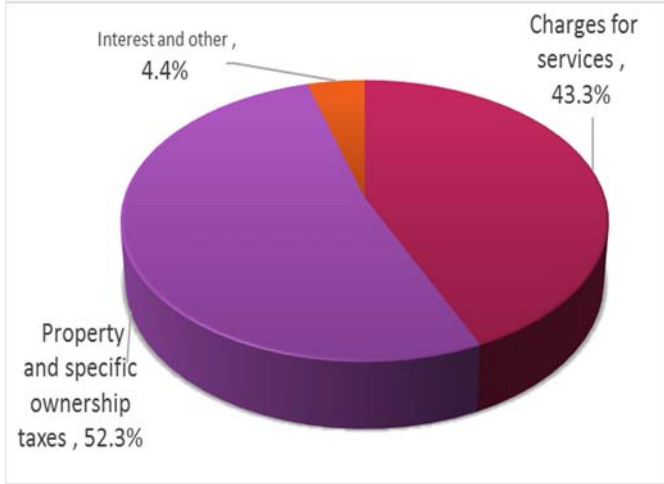
	<b>2019</b>			<b>2018</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Restated Total</b>
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 149,710	\$ 3,477,698	\$ 3,627,408	\$ 2,451,701
General revenues				
Property taxes	7,832,395	148,510	7,980,905	2,958,108
Earnings on investments	379,791	39,536	419,327	121,502
Other	--	--	-	130,001
<b>Total revenue</b>	<b>8,361,896</b>	<b>3,665,744</b>	<b>12,027,640</b>	<b>5,661,312</b>
<b>Expenses</b>				
Personnel	233,695	--	233,695	741,516
Travel and meals	12,877	--	12,877	10,056
Maintenance	476,656	--	476,656	335,558
Supplies	61,490	--	61,490	61,894
Professional fees	365,915	--	365,915	69,082
Water purchases	245,304	--	245,304	426,213
Utilities	72,035	--	72,035	41,806
Other	276,264	--	276,264	252,326
Interest on long-term debt	953,780	--	953,780	231,419
Water operating expenses	--	1,954,248	1,954,248	1,764,095
<b>Total expenses</b>	<b>2,698,016</b>	<b>1,954,248</b>	<b>4,652,264</b>	<b>3,933,965</b>
<b>Increase (decrease) in net position</b>	<b>\$ 5,663,880</b>	<b>\$ 1,711,496</b>	<b>\$ 7,375,376</b>	<b>\$ 1,727,347</b>

**Ground Water Management Subdistrict of  
Central Colorado Water Conservancy District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

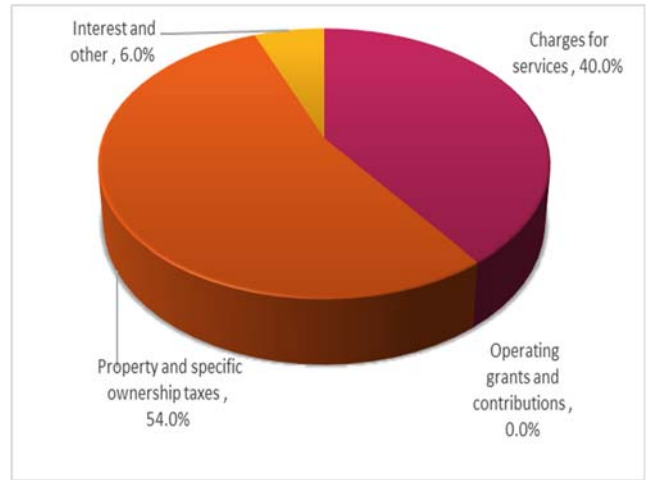
Detailed below in Tables 5 and 6 are charts displaying revenues by sources and expenses by program for the total Subdistrict.

**Table 5  
Sources of Revenues**

**2018 Revenues**

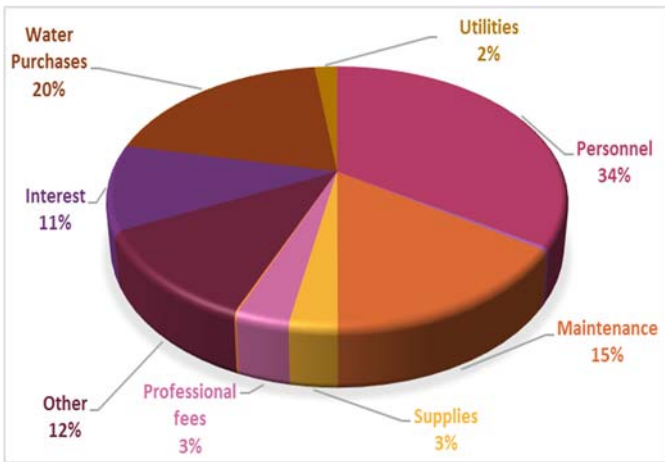


**2019 Revenues**

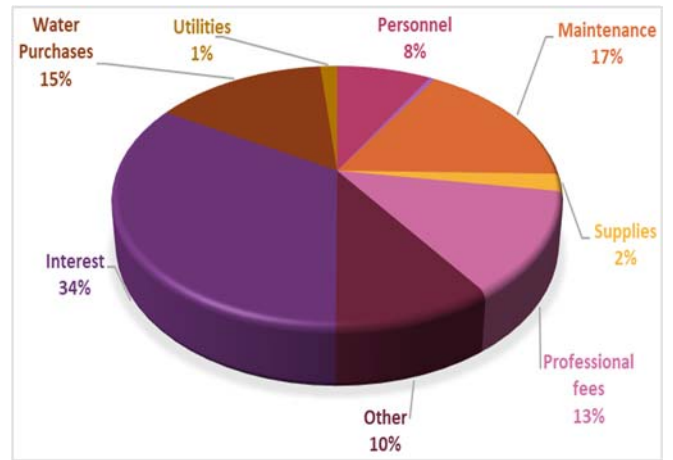


**Table 6  
Expenses**

**2018 Expenses**



**2019 Expenses**



**Ground Water Management Subdistrict of  
Central Colorado Water Conservancy District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

***Governmental Activities***

The governmental funds monitor cash resources and expenditures.

The statement of activities shows the cost of program services and the related charges for services and grants offsetting those costs. 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 and other general revenues.

**Table 7  
Net Cost of Governmental Activities**

	Total Cost of Services	Net Cost of Services
Personnel	\$ 233,695	\$ (233,695)
Travel and meals	12,877	(12,877)
Maintenance	476,656	(476,656)
Supplies	61,490	(61,490)
Professional fees	365,915	(365,915)
Water purchases	245,304	(95,594)
Utilities	72,035	(72,035)
Other	276,264	(276,264)
Interest on long-term debt	953,780	(953,780)
<b>Total</b>	<b>\$ 2,698,016</b>	<b>\$ (2,548,306)</b>

**Financial Analysis of the Subdistrict'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 Subdistrict. This fund provides for functional areas of the organization - administration, water augmentation, public information, recharge, water quality, and gravel pit reservoirs. The general fund also provides for such other items as insurance, utilities, and other costs the Subdistrict incurs. The primary funding source for the general fund is taxation of real property. Other sources of income for the general fund include interest income and miscellaneous revenues. The primary projects or program efforts for establishing needed funding during 2019 were:

1. Salaries and benefits for all existing full time personnel of the Subdistrict.
2. Normal operational costs of the Subdistrict.
3. Maintenance of the gravel pit reservoirs.
4. Augmentation projects.

**Ground Water Management Subdistrict of  
Central Colorado Water Conservancy District  
Management’s Discussion and Analysis  
For the Year Ended December 31, 2019**

***General Fund Budgetary Highlights***

The Subdistrict’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 Subdistrict had \$7,629,526 in outstanding loans from the Colorado Water Conservation Board (“CWCB”), and the Subdistrict issued new bonds in 2019, as shown below in Table 9. More detailed information about the Subdistrict’s long-term liabilities is presented in Note 6 to the financial statements.

**Table 9  
Outstanding Long-Term Debt**

	Total Subdistrict		% of Change 2018-2019
	2019	2018	
Governmental activities:			
CWCB loans	\$ 7,629,526	\$ 5,360,333	42.3%
Bonds	15,545,000	--	100.0%
Business-type activities:			
Capital lease	\$ 2,037,823	\$ 2,826,244	-27.9%
Enterprise loan	2,869,536	3,002,989	-4.4%

**Factors Bearing on the Subdistrict’s Future**

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

The Subdistrict’s budget for 2020 includes property tax revenue in the amount of \$8,004,799 (based on an assessed valuation for the Subdistrict, of \$3,512,417,172 and a mill levy of 2.279 mills) with a proposed budget for expenditures of \$51,835,701. These tax revenues and member assessments, plus carryover funds and 48.7 million in voter approved debt will cover these budgeted expenditures.

**Contacting the Subdistrict’s Financial Management**

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

**GROUND WATER MANAGEMENT SUBDISTRICT  
OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**STATEMENT OF NET POSITION**

December 31, 2019	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash and investments	\$ 3,506,212	\$ 2,872,420	\$ 6,378,632
Receivables:			
Property taxes	7,870,830	193,869	8,064,699
Utility accounts	21,058	67,700	88,758
Internal balances	608,100	(608,100)	-
Prepaid items	5,340	305,568	310,908
Deposits	75,000	-	75,000
Capital Assets:			
Land and water rights	14,501,072	863,650	15,364,722
Depreciable	13,827,156	5,537,800	19,364,956
Investments-Restricted	22,063,518	-	22,063,518
Total Assets	62,478,286	9,232,907	71,711,193
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pensions	276,252	-	276,252
<u>LIABILITIES</u>			
Accounts payable	355,298	350,557	705,855
Accrued interest payable	156,462	112,131	268,593
Due to District	422,848	16,480	439,328
Long-Term Debt:			
Net OPEB liability	43,740	-	43,740
Net pension liability	521,188	-	521,188
Due within one year	2,646,685	344,226	2,990,911
Due in more than one year	22,810,491	4,563,133	27,373,624
Total Liabilities	26,956,712	5,386,527	32,343,239
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Property Taxes	7,870,830	193,869	8,064,699
Pensions	107,834	-	107,834
<u>NET POSITION</u>			
Net Investment in Capital Assets	20,436,991	1,494,091	21,931,082
Restricted for:			
Debt Service and TABOR	4,301,324	-	4,301,324
Unrestricted	3,080,847	2,158,420	5,239,267
TOTAL NET POSITION	\$ 27,819,162	\$ 3,652,511	\$ 31,471,673

See Accompanying Notes to Financial Statements.

**GROUND WATER MANAGEMENT SUBDISTRICT  
OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
STATEMENT OF ACTIVITIES**

Year Ended December 31, 2019	Expenses	Charges for Services	Program Operating Grants and Contributions
<b>Functions/Programs:</b>			
<b>Governmental Activities:</b>			
Personnel	\$ 233,695	\$ -	\$ -
Maintenance	476,656	-	-
Professional fees	365,915	-	-
Water leases	245,304	149,710	-
Utilities	72,035	-	-
Travel and meals	12,877	-	-
Other	276,264	-	-
Supplies	61,490	-	-
Interest on long-term debt	953,780	-	-
<b>Total Governmental Activities</b>	<b>2,698,016</b>	<b>149,710</b>	<b>-</b>
<b>Business-Type Activities:</b>			
Water Enterprise Fund	1,954,248	3,477,698	-
<b>Total Business-Type Activities</b>	<b>1,954,248</b>	<b>3,477,698</b>	<b>-</b>
<b>TOTAL</b>	<b>\$4,652,264</b>	<b>\$3,627,408</b>	<b>\$ -</b>

<b>General Revenue:</b>	
Property taxes	
Investment earnings	
<hr/>	
<b>Total General Revenue</b>	
<hr/>	
<b>Change in Net Position</b>	
Net Position - Beginning, As Restated	
<hr/>	
<b>NET POSITION - Ending</b>	
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See Accompanying Notes to Financial Statements.

Revenues	Net (Expense) Revenue and Changes in Net Position		
	Capital Contributions	Governmental Activities	Business- Type Activities
\$ -	\$ (233,695)	\$ -	\$ (233,695)
-	(476,656)	-	(476,656)
-	(365,915)	-	(365,915)
-	(95,594)	-	(95,594)
-	(72,035)	-	(72,035)
-	(12,877)	-	(12,877)
-	(276,264)	-	(276,264)
-	(61,490)	-	(61,490)
-	(953,780)	-	(953,780)
-	(2,548,306)	-	(2,548,306)
-	-	1,523,450	1,523,450
-	-	1,523,450	1,523,450
\$ -	(2,548,306)	1,523,450	(1,024,856)
	7,832,395	148,510	7,980,905
	379,791	39,536	419,327
	8,212,186	188,046	8,400,232
	5,663,880	1,711,496	7,375,376
	22,155,282	1,941,015	24,096,297
	\$27,819,162	\$3,652,511	\$31,471,673

**GROUND WATER MANAGEMENT SUBDISTRICT  
OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**BALANCE SHEET**

December 31, 2019	General Fund	Debt Service Fund	Total Governmental Funds
<b><u>ASSETS</u></b>			
Cash and investments	\$ 3,506,212	\$ -	\$ 3,506,212
Cash - restricted	17,565,939	4,497,579	22,063,518
Accounts receivable	21,058	-	21,058
Property taxes receivable	1,864,624	6,006,206	7,870,830
Deposits	75,000	-	75,000
Prepaid items	5,340	-	5,340
<b>Total Assets</b>	<b>\$23,038,173</b>	<b>\$ 10,503,785</b>	<b>\$ 33,541,958</b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 355,298	\$ -	\$ 355,298
Due to District	422,848	-	422,848
Due to (from) other funds	(860,397)	252,297	(608,100)
<b>Total Liabilities</b>	<b>(82,251)</b>	<b>252,297</b>	<b>170,046</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred Property Taxes	1,864,624	6,006,206	7,870,830
<b><u>FUND BALANCES</u></b>			
Nonspendable	5,340	-	5,340
Restricted for:			
TABOR emergencies	56,042	-	56,042
Debt Service	-	4,245,282	4,245,282
Capital Outlay	17,565,939	-	17,565,939
Assigned - subsequent year budget	3,357,511	-	3,357,511
Unassigned	270,968	-	270,968
<b>Total Fund Balances</b>	<b>21,255,800</b>	<b>4,245,282</b>	<b>25,501,082</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$23,038,173</b>	<b>\$ 10,503,785</b>	<b>\$ 33,541,958</b>

Continued on next page.

**GROUND WATER MANAGEMENT SUBDISTRICT  
OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**RECONCILIATION OF THE BALANCE SHEET TO THE  
STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS**

December 31, 2019	Total Governmental Funds
Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - governmental funds	\$ 25,501,082
Capital assets used in governmental activities are not financial resources and are not reported in the funds	28,328,228
The proportionate share of net pension liability, deferred outflows of resources, and deferred inflows of resources related to the participation in the Colorado PERA is not recorded in governmental funds but is recorded in the statement of net position	(360,242)
The proportionate share of net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to the participation in the Colorado PERA is not recorded in governmental funds but is recorded in the statement of net position	(36,268)
Accrued interest payable is not included in the funds	(156,462)
Long-term loans are not due and payable in the current period and therefore are not reported in the funds	(25,457,176)
<b>Net Position of Governmental Activities</b>	<b>\$ 27,819,162</b>

See Accompanying Notes to Financial Statements.

**GROUND WATER MANAGEMENT SUBDISTRICT  
OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

Year Ended December 31, 2019	General Fund	Debt Service Fund	Total Governmental Funds
Revenue:			
Taxes	\$ 1,868,089	\$ 5,964,306	\$ 7,832,395
Interest income	311,634	68,157	379,791
Miscellaneous	149,710	-	149,710
Total Revenue	2,329,433	6,032,463	8,361,896
Expenditures:			
Operating expenses	1,493,781	89,540	1,583,321
Debt service:			
Principal	-	1,636,456	1,636,456
Interest	-	543,639	543,639
Issuance costs	297,026	-	297,026
Capital outlay	4,397,401	-	4,397,401
Total Expenditures	6,188,208	2,269,635	8,457,843
Revenue Over (Under)			
Expenditures	(3,858,775)	3,762,828	(95,947)
Other Financing Sources (Uses):			
Proceeds of debt	19,450,649	-	19,450,649
Proceeds of debt premium	2,282,650	-	2,282,650
Net Change in Fund Balances	17,874,524	3,762,828	21,637,352
Fund Balance, January 1	3,381,276	482,454	3,863,730
Fund Balance, December 31	\$21,255,800	\$ 4,245,282	\$25,501,082

Continued on next page.

**GROUND WATER MANAGEMENT SUBDISTRICT  
OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

Year Ended December 31, 2019	Total Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$21,637,352
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 as depreciation expense. This is the amount by which capital addition exceeded depreciation and loss on disposal in the year	4,127,868
The issuance of long-term debt and obligations 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 assets. This amount is the net effect of these differences	(20,096,843)
Changes in the Subdistrict's proportionate share of net pension liability, deferred inflows and outflows of resources related to Colorado PERA for the current year are not reported in governmental funds but are reported in the statement of net position	107,379
Changes in the Subdistrict's proportionate share of net OPEB liability, deferred inflows and outflows of resources related to Colorado PERA for the current year are not reported in governmental funds but are reported in the statement of net position	1,239
Certain expenses, such as interest expense, reported in the statement of activities does not require the use of current financial resources and therefore is not reported as an expenditure in the governmental funds	(113,115)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 5,663,880</b>

See Accompanying Notes to Financial Statements.

**GROUND WATER MANAGEMENT SUBDISTRICT  
OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND**

**STATEMENT OF NET POSITION**

December 31, 2019	Water Enterprise Fund
<b><u>ASSETS</u></b>	
Current Assets:	
Cash and Investments	\$ 2,872,420
Property taxes receivable	193,869
Accounts receivable	67,700
Prepaid items	305,568
Total Current Assets	3,439,557
Capital Assets:	
Water rights	863,650
Assets being depreciated	5,780,413
	6,644,063
Accumulated depreciation	(242,613)
Total Capital Assets	6,401,450
Total Assets	9,841,007
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension/OPEB	-
<b><u>LIABILITIES</u></b>	
Current Liabilities:	
Due to District	16,480
Due to other funds	608,100
Unearned revenue	350,557
Accrued interest payable	112,131
Current portion of long-term liabilities	344,226
Total Current Liabilities	1,431,494
Long-Term Liabilities:	
Capital leases payable	4,563,133
Total Liabilities	5,994,627
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Deferred property taxes	193,869
<b><u>NET POSITION</u></b>	
Net Investment in Capital Assets	1,494,091
Unrestricted	2,158,420
TOTAL NET POSITION	\$ 3,652,511

See Accompanying Notes to Financial Statements.

**GROUND WATER MANAGEMENT SUBDISTRICT  
OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND**

**STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION**

Year Ended December 31, 2019	Water Enterprise Fund
Operating Revenue:	
Assessments	\$ 1,780,878
Water lease revenue	1,502,022
Miscellaneous	194,798
Total Operating Revenue	3,477,698
Operating Expenses:	
Insurance and bank fees	1,544
Supplies	11,412
Professional fees	94,340
Repairs and maintenance	9,244
Water leases	1,543,523
Utilities	10,124
Depreciation	112,108
Total Operating Expenses	1,782,295
Operating Income	1,695,403
Nonoperating Revenue (Expenses):	
Investment earnings	39,536
Interest expense	(171,953)
Property taxes	148,510
Net Nonoperating Revenue	16,093
Change in Net Position	1,711,496
Fund Net Position, January 1	1,941,015
Fund Net Position, December 31	\$ 3,652,511

See Accompanying Notes to Financial Statements.

**GROUND WATER MANAGEMENT SUBDISTRICT  
OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**STATEMENT OF CASH FLOWS**

Year Ended December 31	2019
<b>Cash Flows from Operating Activities:</b>	
Cash receipts from customers	\$ 3,888,195
Payments to suppliers and employees	(1,654,258)
<b>Net Cash Provided by Operating Activities</b>	<b>2,233,937</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Debt payments	(1,110,647)
Acquisition of property, plant and equipment	(175,000)
Increase in due to other funds	538,007
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(747,640)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Property taxes	148,510
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>148,510</b>
<b>Cash Flows from Investing Activities:</b>	
Interest and dividends received	39,536
<b>Net Cash Provided by Investing Activities</b>	<b>39,536</b>
Net Increase in Cash and Cash Equivalents	1,674,343
Cash and Cash Equivalents, Beginning of Year	1,198,077
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,872,420</b>

<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating income	\$ 1,695,403
Depreciation expense	112,108
<b>Change in operating assets and liabilities:</b>	
(Increase) decrease in:	
Accounts receivable	59,940
Prepaid items	-
Increase (decrease) in:	
Due to District	16,480
Accounts payable and accrued expenses	(551)
Unearned revenue	350,557
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 2,233,937</b>

See Accompanying Notes to Financial Statements.

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies:

This summary of the Ground Water Management Subdistrict (the Subdistrict) significant accounting policies is to assist the reader with interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

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#### Form of Organization:

On April 23, 1973, 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 subdistrict of Central Colorado Water Conservancy District (CCWCD) to be known as the Ground Water Management Subdistrict of Central Colorado Water Conservancy District (the Subdistrict). In addition to providing for the conservation of the water resources of the State of Colorado for the greatest beneficial use of water within the state, the Subdistrict has developed a plan of augmentation which will replace the depletion of the river caused by underground water users in the South Platte river basin.

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#### Scope of Reporting Entity:

The financial statements of the Subdistrict have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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#### Financial Reporting Entity:

For financial reporting purposes, management has considered all potential component units in defining the Subdistrict. The basic criterion for including a potential component unit is the Subdistrict's ability to exercise significant operational control or financial accountability with the Subdistrict. Financial relationship or operational control is determined on the basis of the Subdistrict's obligation to fund deficits, responsibility for debt, budgetary authority, fiscal management, selection of governing authority and/or management, and the ability to significantly influence operations.

In 2019, the Subdistrict adopted Statement 90 of the Governmental Accounting Standards Board, *Majority Equity Interests*. The Subdistrict owns 52% of the Plumb Irrigation Company which is reflected as a blended component unit. Separate financial statements of the Plumb Irrigation Company are not available.

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies - Continued:

#### Financial Reporting Entity – Continued:

The Subdistrict is a blended component unit of the CCWCD, and is included in the basic financial statements of CCWCD because CCWCD's Board of Directors is substantially the same as the Subdistrict's, and the Subdistrict provides specific financial benefits to CCWCD. Only the accounts of the Subdistrict are included herein; therefore these financial statements do not purport to represent the position or results of operation of CCWCD. The financial data of the Subdistrict is included in the annual report of CCWCD.

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#### Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the subdistrict. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and the enterprise fund. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

The Subdistrict reports the following major governmental funds:

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

The *Debt Service Fund* accounts for the resources accumulated and payments made for the debt service requirements of the Subdistrict.

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies - Continued:

Government-wide and Fund Financial Statements:

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 Subdistrict reports the following major proprietary fund:

The *Water Enterprise Fund* accounts for user charges and the expenses for operating, financing, and maintaining the Subdistrict's water enterprise system.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

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

When both restricted and unrestricted resources are available for use, it is the Subdistrict'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 Subdistrict 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.

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# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies - Continued:

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds. 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 revenues 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.

Government fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental grants, interest revenue, and charges for services 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 Subdistrict.

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#### Cash Equivalents:

For purposes of the statement of cash flows, the Subdistrict considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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#### Investments:

Investments are reported at fair value.

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# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies - Continued:

#### 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, 2019.

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. The Subdistrict uses the County Treasurer to bill and collect its property taxes. Property taxes levied on December 31, 2019 are identified as property taxes receivable and deferred inflows of resources.

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#### 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.

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#### 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.

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#### Capital Assets:

Capital assets purchased or acquired with an original cost of \$5,000 or more are stated at cost except for easements which are stated at cost for those of \$50,000 or more. The cost of maintenance and repairs is charged against income as incurred; significant renewals, betterments, and improvements are capitalized.

Depreciation has been computed using the straight-line method based on lives of 50 to 100 years for the water projects and 5 to 40 years for equipment, vehicles and the office building.

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# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies - Continued:

#### Deferred Outflows and Inflows of Resources:

In addition to assets, the statement of financial position reports 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 future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Subdistrict has one item that qualifies for reporting in this category: changes in the net pension/OPEB liability not included in pension expense reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position reports 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Subdistrict has two items that qualify for reporting in this category: changes in the net pension/OPEB liability not included in pension/OPEB expense reported in the government-wide statement of net position and the deferred portion of property taxes receivable.

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#### Compensated Absences:

Employees of the Subdistrict are entitled to paid vacation time depending on length of service. Accrued compensated absences of employees are recorded by the Central Colorado Water Conservancy District.

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#### Budgets:

Colorado state law requires the adoption of an annual budget. Appropriations lapse at the end of each year. The budget and related appropriations are prepared on the budgetary basis, which differs from accounting principles generally accepted in the United States, in that:

- \* Capital outlays are budgeted as expenditures.
- \* Depreciation is not budgeted.

The Subdistrict's Board of Directors adopts total budget appropriations for each of its funds. This is normally done in December of each year when notice is published in local newspapers and the proposed budget is held open for inspection by the taxpayers and a public hearing is held. The Board may transfer budget amounts between departments within any fund; however, any revision that alters the total appropriation of any fund requires that a budget revision be adopted by resolution in the same manner described above for adoption of the original budget. The level of budgetary responsibility is by total fund appropriations.

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies - Continued:

#### Budgets – Continued:

The Subdistrict may be in violation of the Colorado Revised Statutes due to the over-expenditures of budget appropriations in the Debt Service and Enterprise funds.

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#### Funds Balance and Net Position:

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

*Net Investment 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 legislation.

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

In the funds 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 Subdistrict. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

*Assigned* – amounts that do not meet 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.

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies - Continued:

#### Funds Balance and Net Position – Continued:

*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.

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#### Pensions:

The Ground Water Management Subdistrict participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multi-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows and 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.

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#### Other Postemployment Benefits (OPEB):

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

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# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – Cash and Investments:

A summary of deposits and investments at December 31, 2019, follows:

Bank Deposits	\$ 2,192,883
Cash with County Treasurers	41,256
Investments	26,208,011
Total cash and investments	\$ 28,442,150
<hr/>	
Cash and investments	\$ 6,378,632
Cash and investments-restricted	22,063,518
Total cash and investments	\$ 28,442,150

The Subdistrict's bank accounts at year-end were entirely covered by federal depository insurance or by collateral held by the Subdistrict's custodial bank under provisions of the Colorado Public Deposit Protection Act (PDPA). Bank deposits of \$250,000 were covered by federal depository insurance and balances of \$1,984,139 were covered by PDPA.

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

State statutes authorize the Subdistrict to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain Subdistricts and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

Credit Risk – The Subdistrict does not have 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.

At December 31, 2019, the Subdistrict had invested \$26,208,011 in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is valued at the net asset value (NAV) of \$1.00. Investments of COLOTRUST consist of bills, notes, and bonds issued by the U.S. Treasury or a government agency, and repurchase agreements secured by such obligations. COLOTRUST is rated AAA by Standard & Poor's. The Subdistrict's interest is valued at NAV.

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – Cash and Investments – Continued:

Interest Rate Risk – Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The Subdistrict 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 Subdistrict has interest rate risk related to its investments in COLOTRUST. At December 31, 2019, COLOTRUST Prime has a weighted average maturity of 47 days to reset and 69 days to final maturity. COLOTRUST does not have any unfunded commitments, redemption restrictions or redemption notice periods.

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

Restricted Cash and Investments – At December 31, 2019, the Subdistrict has the following restricted cash balances:

Debt Service Fund – Colotrust	\$ 3,752,234
Debt Service Reserve – CWCB Loans	745,345
General Fund – Bond Proceeds	17,565,939

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**GROUND WATER MANAGEMENT SUBDISTRICT OF  
CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – Capital Assets:**

Capital activities for governmental activities are as follows:

	Balance 1/1/19	Additions	Deletions	Balance 12/31/19
Not depreciated:				
Water rights	\$ 9,169,830	\$ 90,000	\$ --	\$ 9,259,830
Land	1,026,464	--	--	1,026,464
Construction in progress	--	4,214,778	--	4,214,778
	10,196,294	4,304,778	--	14,501,072
Depreciable capital assets:				
Wells and ditch improvements	648,294	--	--	648,294
Water projects	14,684,232	40,977	--	14,725,209
Office building	304,448	8,114	5,145	307,417
Equipment	1,313,947	29,523	3,622	1,339,848
Vehicles	111,270	14,009	10,980	114,299
	17,062,191	92,623	19,747	17,135,067
	27,258,485	4,397,401	19,747	31,636,139
Less Accumulated Depreciation	3,058,125	259,030	9,244	3,307,911
<b>Net Capital Assets</b>	<b>\$24,200,360</b>	<b>\$4,138,371</b>	<b>\$ 10,503</b>	<b>\$ 28,328,228</b>

**GROUND WATER MANAGEMENT SUBDISTRICT OF  
CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – Capital Assets:**

Governmental activities depreciation expense of \$259,030 has been included in maintenance expense on the statement of activities.

Capital activities for business-type activities are as follows:

	Balance 1/1/19	Additions	Deletions	Balance 12/31/19
Capital assets, not depreciated:				
Water rights	\$ 863,650	\$ --	\$ --	\$ 863,650
Capital assets, depreciated:				
Water projects	5,605,413	175,000	--	5,780,413
Accumulated depreciation for:				
Water projects	(130,505)	112,108	--	(242,613)
Total capital assets, being				
Depreciated, net	5,474,908	62,892	--	5,537,800
Total capital assets, net	\$6,338,558	\$ 62,892	\$ --	\$6,401,450

**NOTE 4 – PERA:**

The Ground Water Management 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees’ Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the LGDTF are listed below. A full copy of the bill can be found online at [www.leg.colorado.gov](http://www.leg.colorado.gov).

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4 – PERA – Continued:

- Increases employer contribution rates for the LGDTF by 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to members of the Local Government Division hired on or after January 1, 2019. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the LGDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

*Plan description:* Eligible employees of the Ground Water Management Subdistrict are provided with pensions through the Local Government Division Trust Fund - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://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 C.R.S. § 24-51-602, 604, 1713, and 1714.

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4 – PERA – Continued:

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 monthly benefit based on life expectancy and other actuarial factors.

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

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases for 2018 and 2019. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 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 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The automatic adjustment provision may raise or lower the aforementioned annual increases for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4 – PERA – Continued:

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 benefits.

*Contributions:* Eligible employees and the Ground Water Management Subdistrict are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary in 2019. The employer contribution requirements are summarized as follows:

January 1, 2018 – December 31, 2019	
Employer contribution rate as a percentage of salary	10.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)
Amount Apportioned to the LGDTF	8.98
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50
Total Employer Contribution Rate to the LGDTF	12.68%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Ground Water Management Subdistrict is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Ground Water Management Subdistrict were \$35,738 for the year ended December 31, 2019.

At December 31, 2019, Ground Water Management Subdistrict reported a liability of \$521,188 as measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The Ground Water Management Subdistrict proportion of the net pension liability was based on the Ground Water Management Subdistrict contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

**GROUND WATER MANAGEMENT SUBDISTRICT OF  
CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – PERA – Continued:**

At December 31, 2019, the Ground Water Management Subdistrict proportion was .04 percent, which was approximately the same as of December 31, 2018.

For the year ended December 31, 2019, Ground Water Management Subdistrict recognized pension expense of \$(64,378). At December 31, 2019, Ground Water Management Subdistrict reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 23,540	\$ --
Net difference between projected and actual earnings on pension plan investments	181,132	--
Changes in assumptions	--	107,834
Change in proportion	25,495	--
Contributions subsequent to the measurement date	38,613	--
<b>Total</b>	<b>\$ 268,780</b>	<b>\$ 107,834</b>

Deferred outflows of resources related to pensions of \$38,613, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2020.

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 Ending December 31	Amount
2020	\$ 61,892
2021	16,323
2022	4,086
2023	40,032
	<b>\$ 122,333</b>

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4 – PERA – Continued:

*Actuarial assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Price inflation	2.4 percent
Real wage growth	1.1 percent
Wage inflation	3.5 percent
Salary increases, including wage inflation	3.5 - 10.45 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07 (automatic)	2.0 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 And DPS benefit structure (automatic)	0% through 2019 and 1.5% Compounded annually, thereafter
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates. For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4 – PERA – Continued:

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

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 the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.2%	4.3%
U.S. Equity – Small Cap	7.42%	4.8%
Non U.S. Equity – Developed	18.55%	5.2%
Non U.S. Equity – Emerging	5.83%	5.4%
Core Fixed Income	19.32%	1.2%
High Yield	1.38%	4.3%
Non-U.S. Fixed Income	1.84%	0.6%
Emerging Market Debt	0.46%	3.9%
Core Real Estate	8.5%	4.9%
Private Equity	8.5%	6.6%
Opportunity Fund	6.0%	3.8%
Cash	1.0%	0.2%
Total	100.00%	

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4 – PERA – Continued:

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the current and estimated 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. 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 of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- 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. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

**GROUND WATER MANAGEMENT SUBDISTRICT OF  
CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – PERA – Continued:**

Based on the above assumptions and methods, 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 of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the Ground Water Management Subdistrict proportionate share of the net pension liability to changes in the discount rate:* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

December 31, 2019	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 797,310	\$521,188	\$ 290,193

*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](http://www.copera.org/investments/pera-financial-reports).

*Changes Between the Measurement Date of the Net Pension Liability and December 31, 2019.* During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: *PERA Public Employees’ Retirement Association Local Government Division Member Contribution Rate*. The bill was signed in to law by Governor Polis on May 20, 2019, and eliminates the 2 percent increase in the contribution rate for members in the Local Government Division mandated by SB 18-200.

Employees of the Ground Water Management Subdistrict that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4 – PERA – Continued:

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings.

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### NOTE 5 – Other Postemployment Benefits:

The Subdistrict participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit Other Postemployment Benefit Plan (OPEB) fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting.

#### General Information about the OPEB Plan:

*Plan description:* Eligible employees of the Subdistrict are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended.

*Benefits provided:* The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others.

*PERA Benefit Structure:* The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare.

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5 – Other Postemployment Benefits – Continued:

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Subdistrict is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Subdistrict were \$2,874 for the year ended December 31, 2019.

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:* At December 31, 2018, the Subdistrict reported a liability of \$43,740 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The Subdistrict proportion of the net OPEB liability was based on the Subdistrict contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the Subdistrict proportion was .003 percent, which was approximately the same as its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Subdistrict recognized OPEB expense of \$3,590. At December 31, 2019, Well Augmentation Subdistrict reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

December 31, 2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 92	\$ --
Net difference between projected and actual earnings on pension plan investments	401	--
Changes in proportion	3,699	--
Changes in assumptions	307	--
Contributions subsequent to the measurement date	2,973	--
<b>Total</b>	<b>\$ 7,472</b>	<b>\$ --</b>

**GROUND WATER MANAGEMENT SUBDISTRICT OF  
CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – Other Postemployment Benefits – Continued:**

Deferred outflows of resources related to OPEB of \$2,973, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31	Amount
2020	\$ 921
2021	921
2022	921
2023	1,101
2024	612
2025	23
	\$ 4,499

*Actuarial assumptions.* The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2018, gradually rising to 5.00 percent in 2025

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

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 5 – Other Postemployment Benefits – Continued:

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

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as needed.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5 – Other Postemployment Benefits – Continued:

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

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

**GROUND WATER MANAGEMENT SUBDISTRICT OF  
CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – Other Postemployment Benefits – Continued:**

*Sensitivity of the Subdistrict proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates:* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	\$ 42,548	\$ 43,740	\$ 45,095

*Discount rate.* The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
December 31, 2019			
Proportionate share of the net OPEB liability	\$ 48,942	\$ 43,740	\$ 36,086

**GROUND WATER MANAGEMENT SUBDISTRICT OF  
CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – Other Postemployment Benefits – Continued:**

*OPEB plan fiduciary net position.* Detailed information about the HCTF’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](http://www.copera.org/investments/pera-financial-reports).

**NOTE 6 – Long-term Debt:**

Changes in governmental long-term debt during the year were as follows:

	Balance 1/1/19	Additions	Retirements	Balance 12/31/19	Due Within One Year
2019 Water Conservancy Bonds	\$ --	\$ 16,015,000	\$ 470,000	\$15,545,000	\$2,035,000
2019 Bonds Premium	--	2,282,650	--	2,282,650	--
2004 CWCB	5,360,333	--	1,166,456	4,193,877	611,685
2019 CWCB (Pioneer)	--	3,202,750	--	3,202,750	--
2019 CWCB (Walker)	--	232,899	--	232,899	--
	<b>\$5,360,333</b>	<b>\$21,733,299</b>	<b>\$1,636,456</b>	<b>\$25,457,176</b>	<b>\$2,646,685</b>

In 2019, the District issued a 10-year limited tax water conservancy bond for \$16,015,000. Varying principal payments are paid annually; interest payments with coupon rates of 5.0% paid semi-annually through December 1, 2029. Property taxes have been pledged for the purpose of repayment of this loan.

In 2004, the GMS obtained a loan from the Colorado Water Conservation Board (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 2019, the Subdistrict obtained a loan from the CWCB for \$8,697,110 with a present balance of \$3,202,750, requiring annual payments including interest at 1.2% through June 1, 2029. Property taxes have been pledged to CWCB for the purpose of repayment of this loan.

**GROUND WATER MANAGEMENT SUBDISTRICT OF  
CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – Long-term Debt – Continued:**

In 2019, the Subdistrict obtained a loan from the CWCB for \$9,750,000 with a present balance of \$232,899, requiring annual payments including interest at 1.75% through January 1, 2050. Property taxes have been pledged to CWCB for the purpose of repayment of this loan.

The annual requirements to amortize these loans as of December 31, 2019 are as follows:

Year Ending December 31	Principal	Interest	Total
2020	\$ 2,888,700	\$ 892,581	\$ 3,781,281
2021	3,005,899	773,631	3,779,530
2022	2,332,307	753,574	3,085,881
2023	2,475,140	611,241	3,086,381
2024	2,562,674	526,208	3,088,882
2025-2029	11,332,501	1,328,238	12,660,739
2030-2034	719,550	27,604	747,154
2035-2039	29,697	11,891	41,588
2040-2044	43,324	8,263	51,587
2045-2049	47,283	4,305	51,588
2050-2054	20,101	534	20,635
	\$25,457,176	\$ 4,938,070	\$30,395,246

Changes in business type long-term debt are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
2016 capital lease	\$ 575,766	\$ --	\$ 575,766	\$ --	\$ --
2017 capital lease	2,250,478		212,655	2,037,823	221,160
2018 loan (Hokestra)	3,002,989	--	133,453	2,869,536	123,066
Total	\$ 5,829,233	\$ --	\$ 921,874	\$4,907,359	\$344,226

In 2016, GMS entered into a nine year capital lease for the purchase of water for \$1,016,100. During 2017, capital assets and debt related to this lease totaling \$152,450 were reallocated to WAS. Annual payments were \$143,942 including interest at a rate of 1% over the CWCB Water Project Loan Program Agricultural rate. The value of the assets under this lease are \$863,650. All outstanding lease principal was repaid in 2019.

**GROUND WATER MANAGEMENT SUBDISTRICT OF  
CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – Long-term Debt – Continued:**

In 2017, GMS entered into a 10 year capital lease related to the purchase of water storage and settlements related to construction contracts. Annual payments are \$302,673 including interest at 4% through 2027. The value of the assets under this lease are \$2,367,000.

In 2018, GMS entered into a 20 year loan related to the purchase of water storage. Annual payments are \$215,797 including interest at 3% through 2037.

The annual requirements to amortize these debts as of December 31, 2019 are as follows:

Year Ending December 31	Principal	Interest	Total
2020	\$344,266	\$ 178,243	\$ 522,509
2021	356,765	161,705	518,470
2022	369,769	148,705	518,474
2023	383,252	135,216	518,468
2024	397,238	121,232	518,470
2025-2029	1,597,385	389,618	1,987,003
2030-2035	1,071,670	224,968	1,296,638
2036-2037	387,014	30,700	417,714
	<u>\$4,907,359</u>	<u>\$1,390,387</u>	<u>\$6,297,746</u>

**NOTE 7 – Individual Fund 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 as due from other funds/due to other funds on the fund statements balance sheet. All interfund receivables and payables are expected to be paid within the next year.

As of December 31, 2019, the Subdistrict has the following interfund receivables and payables:

Fund	Due From	Due To
General Fund – GMS	\$ 860,397	\$ --
Debt Service Fund – GMS	--	252,297
Water Enterprise Fund – GMS	--	608,100
	<u>\$ 860,397</u>	<u>\$ 860,397</u>

# **GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE 8 – Risk Management:**

The Subdistrict is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors and omissions; injuries to employees; and natural disasters. The Subdistrict 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.

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### **NOTE 9 – Commitments and Contingencies:**

In 1992, the Colorado voters approved the "Taxpayer's Bill of Rights" (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Voter approval is also required to increase annual property taxes, revenue, or spending by more than inflation plus a local growth factor. Spending not subject to TABOR includes that from Subdistrict enterprise activities. The Subdistrict believes it is in compliance with the requirements of TABOR.

On November 6, 2013, the voting electors of the 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 Subdistrict 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.

The Subdistrict has approximately \$14 million of authorized but unissued debt.

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### **NOTE 10 – Related Party Transactions:**

The Subdistrict and the Well Augmentation Subdistrict of Central Colorado Water Conservancy District are both blended component units of Central Colorado Water Conservancy District. The three entities share office space, operating expenses and personnel. During 2019, the Subdistrict paid Central Colorado Water Conservancy District \$342,210 for salary and benefits of shared staff. In addition, for certain transactions the District will initially pay the vendor and the Subdistrict will then reimburse the District. At December 31, 2019, the Subdistrict owed the Central Colorado Water Conservancy District \$439,328.

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# GROUND WATER MANAGEMENT SUBDISTRICT OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11 – Restatement of Beginning Net Position:

As of December 31, 2018, the Subdistrict has corrected an error in capital assets and their related depreciation.

The adjustment to the beginning balance of net position is as follows:

Net position – December 31, 2018, as previously reported	\$	23,004,511
Restatement due to correction of capital assets		1,091,786
Net position – December 31, 2018	\$	24,096,297

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### NOTE 12 – Subsequent Events:

The Subdistrict enterprise fund has taken a 30-year loan from CWCB for the Hokestra project. The existing loan for Hokestra will be paid off, and the remainder of the new loan will be used for infrastructure. The loan amount was \$5,444,405.

With bond funds issued in 2019, GMS has purchased approximately \$14 million of water rights in 2020.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**GROUND WATER MANAGEMENT SUBSUBDISTRICT  
OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS**

Year Ended December 31	Statutorily Required Contributions	Contributions Made	Contribution Deficiency	Covered Payroll	% of Covered Payroll
2019	\$ 35,738	\$ 35,738	\$ --	\$281,401	12.6%
2018	36,724	36,724	--	291,229	12.6%
2017	34,872	34,872	--	252,828	13.8%
2016	27,306	27,306	--	206,507	13.2%
2015	24,379	24,379	--	189,642	13.2%
2014	24,967	24,967	--	194,747	12.8%
2013	16,796	16,796	--	133,938	12.5%

Until a full 10-year trend is compiled, the Subdistrict will present information for those years for which information is available.

**SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS**

Year Ended December 31	Statutorily Required Contributions	Contributions Made	Contribution Deficiency	Covered Payroll	% of Covered Payroll
2019	\$2,874	\$2,874	\$ --	\$281,401	1.02%
2018	2,974	2,974	--	291,229	1.02%
2017	2,640	2,640	--	252,828	1.2%

Until a full 10-year trend is compiled, the Subdistrict will present information for those years for which information is available.

**GROUND WATER MANAGEMENT SUBSUBDISTRICT  
OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**SCHEDULE OF THE SUBDISTRICT'S PROPORTIONATE SHARE OF  
NET PENSION LIABILITY**

Year Ended December 31	Cumulative Proportion of Net Pension Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Total Pension Liability
2018	.04%	\$521,188	\$291,229	179%	76.0%
2017	.04%	456,947	252,828	157%	79.3%
2016	.04%	543,382	206,507	215%	73.6%
2015	.03%	375,953	189,642	198%	76.9%
2014	.03%	303,938	194,747	156%	80.7%
2013	.03%	254,345	133,938	189%	71.7%

Until a full 10-year trend is compiled, the Subdistrict will present information for those years for which information is available.

**SCHEDULE OF THE SUBDISTRICT'S PROPORTIONATE SHARE OF NET OPEB  
LIABILITY**

Year Ended December 31	Cumulative Proportion of Net OPEB Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Net OPEB Liability
2018	.003%	\$ 43,740	\$ 291,229	15%	17.0%
2017	.003%	41,447	252,828	14%	17.5%

Until a full 10-year trend is compiled, the Subdistrict will present information for those years for which information is available.

**GROUND WATER MANAGEMENT SUBDISTRICT  
OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**Schedule of Revenue and Expenditures  
Compared with Budget- General Fund**

Year Ended December 31, 2019	Actual	Original and Final Budget	Variance
<b>Revenue:</b>			
Property taxes	\$ 1,350,028	\$ 1,361,277	\$ (11,249)
Specific ownership taxes	518,061	105,750	412,311
Investment income	311,634	30,000	281,634
Miscellaneous	149,710	55,000	94,710
Proceeds of debt and premium	21,733,299	48,700,000	(26,966,701)
<b>Total Revenue and Financing Sources</b>	<b>24,062,732</b>	<b>50,252,027</b>	<b>(26,189,295)</b>
<b>Expenditures:</b>			
<b>Operating Expenses:</b>			
Personnel	342,313	356,500	14,187
Maintenance	214,816	32,000	(182,816)
Supplies	61,490	27,000	(34,490)
Professional	365,915	123,000	(242,915)
Travel and meals	12,877	10,550	(2,327)
Water leases	245,304	380,000	134,696
Utilities	72,035	-	(72,035)
Other	186,724	99,000	(87,724)
<b>Total Operating Expenses</b>	<b>1,501,474</b>	<b>1,028,050</b>	<b>(473,424)</b>
<b>Debt Service:</b>			
Bond Issuance Costs	297,026	-	(297,026)
<b>Capital Outlay:</b>			
Vehicle and Equipment	43,533	49,000	5,467
Recharge	90,000	445,000	355,000
Field Structures	-	542,500	542,500
Gravel Pit Reservoirs	4,256,175	50,376,450	46,120,275
Contingency	-	576,000	576,000
<b>Total Capital Outlay</b>	<b>4,389,708</b>	<b>51,988,950</b>	<b>47,599,242</b>
<b>Total Expenditures</b>	<b>6,188,208</b>	<b>53,017,000</b>	<b>46,828,792</b>
<b>REVENUES OVER EXPENDITURES</b>			
<b>- BUDGET BASIS</b>	<b>\$ 17,874,524</b>	<b>\$ (2,764,973)</b>	<b>\$ 20,639,497</b>

**OTHER SUPPLEMENTARY INFORMATION**

**GROUND WATER MANAGEMENT SUBDISTRICT  
OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**Schedule of Revenue and Expenditures  
Compared with Budget - Debt Service Fund**

Year Ended December 31, 2019	Actual	Original and Final Budget	Variance
<b>Revenue:</b>			
Property taxes	\$ 5,964,306	\$ 6,013,195	\$ (48,889)
Investment income	68,157	25,000	43,157
<b>Total Revenue</b>	<b>6,032,463</b>	<b>6,038,195</b>	<b>(5,732)</b>
<b>Expenditures:</b>			
<b>Operating Expenditures:</b>			
Treasurer's fees	89,540	30,000	(59,540)
<b>Debt Service:</b>			
Interest	543,639	167,816	(375,823)
Principal	1,636,456	1,372,951	(263,505)
<b>Total Expenditures</b>	<b>2,269,635</b>	<b>1,570,767</b>	<b>(698,868)</b>
 Net Change in Fund Balance	 <u>\$ 3,762,828</u>	 <u>\$ 4,467,428</u>	 <u>\$ (704,600)</u>

**GROUND WATER MANAGEMENT SUBDISTRICT  
OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**Schedule of Revenue and Expenditures  
Compared with Budget - Water Enterprise Fund**

Year Ended December 31, 2019	Actual	Original and Final Budget	Variance
<b>Revenue:</b>			
Water assessments	\$ 1,780,878	\$ 1,756,300	\$ 24,578
Water lease revenue	1,502,022	-	1,502,022
Property taxes	148,510	149,575	(1,065)
Investment income	39,536	20,000	19,536
Miscellaneous	94,798	47,500	47,298
Rock royalties	100,000	50,000	50,000
<b>Total Revenue</b>	<b>3,665,744</b>	<b>2,023,375</b>	<b>1,642,369</b>
<b>Expenses:</b>			
<b>Operating Expenses:</b>			
Water leases and engineering	1,670,187	2,049,360	379,173
Debt Service	1,079,947	677,000	(402,947)
Capital Outlay	175,000	-	(175,000)
<b>Total Expenses - Budget Basis</b>	<b>2,925,134</b>	<b>2,726,360</b>	<b>(198,774)</b>
<b>Perspective differences:</b>			
Principal payments on debt	(907,994)	-	907,994
Depreciation expense	112,108	-	(112,108)
Capital outlay	(175,000)	-	175,000
<b>Total Differences</b>	<b>(970,886)</b>	<b>-</b>	<b>970,886</b>
<b>Total Expenses</b>	<b>1,954,248</b>	<b>2,726,360</b>	<b>772,112</b>
<b>REVENUES OVER EXPENDITURES</b>			
<b>- GAAP BASIS</b>	<b>\$ 1,711,496</b>	<b>\$ (702,985)</b>	<b>\$ 2,414,481</b>