



Central Weld County Water District

Financial Statements and Supplementary Information

For the Years Ended December 31, 2020 and 2019

Central Weld County Water District

Contents

Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 8
Basic Financial Statements:	
Statements of Net Position	9 - 10
Statements of Revenues, Expenses and Changes in Net Position	11
Statements of Cash Flows	12
Notes to Financial Statements	13 - 24
Supplementary Information:	
Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)	25 - 26



Independent Auditor's Report

Board of Directors
Central Weld County Water District
Greeley, Colorado

Opinion

We have audited the financial statements of the Central Weld County Water District (the District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as of December 31, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material



misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Other Matters

Prior Year Information

The financial statements of the District as of and for the year ended December 31, 2019 were audited by ACM LLP, whose partners and professional staff joined BDO USA, LLP as of August 1, 2020, and has subsequently ceased operations. ACM LLP expressed an unmodified opinion on those statements in their report dated September 28, 2020.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis) on pages 25 to 26 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

BDO USA, LLP

October 26, 2021

**Central Weld County Water District
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Management's discussion and analysis ("MD&A") is designed to provide an analysis of the Central Weld County Water District's (the "District") financial condition and operating results and to also inform the reader on District financial issues and activities.

The MD&A should be read in conjunction with the District's basic financial statements (beginning on page 9).

2020 Highlights Business Type Activities

- At December 31, 2020, net position was \$155,626,553 resulting from an increase of \$6,711,436, or 4.5% when compared to December 31, 2019.
- Total operating revenues increased to \$6,938,049 during 2020, which was \$781,726 or 12.7% greater than 2019.
- Total operating expenses were \$7,513,744, increasing \$1,203,932 or 19.1% compared to 2019.
- Net capital assets were \$128,217,180 at December 31, 2020 compared to \$121,474,555 at December 31, 2019 for a net increase of \$6,742,625 or 5.6%.
- Long-term liabilities increased to \$56,305,322 during 2020, which was \$56,250,759 more than 2019 due to the issuance of Water Revenue Bonds, Series 2020, see footnote 5 for details regarding long-term debt.

Using this Annual Report

The financial statements included in this annual report are those of a quasi-municipal corporation and a political subdivision of the State of Colorado engaged only in a business-type activity. As an enterprise fund, the District's basic financial statements include:

Statements of Net Position - reports the District's current financial resources (short-term spendable resources) with capital assets and long-term obligations. (See pages 9-10).

Statements of Revenues, Expenses and Changes in Net Position - reports the District's operating and non-operating revenues, by major source along with operating and non-operating expenses and capital contributions. (See page 11).

Statements of Cash Flows - reports the District's cash flows from operating activities, investing, capital and non-capital activities. (See page 12).

Notes to Financial Statements - the notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 13-24 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. This includes the budget-to-actual information for all funds as dictated by state law.

**Central Weld County Water District
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Condensed Statements of Net Position

December 31,	2020	2019	2018
Current assets	\$25,229,470	\$24,104,172	\$20,582,891
Restricted assets	57,003,225	-	-
Capital assets, net	128,217,180	121,474,555	114,583,144
Other assets	3,265,851	3,396,794	3,625,039
Total assets	213,715,726	148,975,521	138,791,074
Current liabilities	1,783,851	5,841	102,039
Long-term liabilities	56,305,322	54,563	62,438
Total liabilities	58,089,173	60,404	164,477
Net position			
Net investment in capital assets	124,028,024	121,474,555	114,583,144
Restricted	3,512,800	-	-
Unrestricted	28,085,729	27,440,562	24,043,453
Total net position	\$155,626,553	\$148,915,117	\$138,626,597

The net position of the District increased to \$155,626,553 during 2020. The District's net position reflected an increase of \$6,711,436 from 2019.

Review of Revenues

Year Ended December 31,	2020	2019	2018
Operating revenues			
Water sales	\$6,817,427	\$5,609,995	\$5,837,851
Other income	120,622	546,328	345,369
Subtotal	6,938,049	6,156,323	6,183,220
Non-operating revenues			
Debt issuance costs	(469,148)	-	-
Equity (loss) income	(130,943)	(228,245)	13,496
Earnings on investments	166,351	531,531	341,900
Loss on disposal	-	(7,864)	-
Subtotal	(433,740)	295,422	355,396
Total revenues	\$6,504,309	\$6,451,745	\$6,538,616

Water sales were \$6,817,427 or 90.7% of expenditures. Earnings on investments were down \$365,180 from 2019 due to lower interest rates on investments. Total revenues were up \$52,564 from 2019 primarily due to water sales and implemented rate increases.

**Central Weld County Water District
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Review of Operating Expenses

Year End December 31,	2020	2019	2018
Operating expenses			
Administrative	\$1,862,717	\$1,723,596	\$1,557,954
Distribution	3,451,434	2,511,879	2,821,464
Depreciation	2,199,593	2,074,337	1,987,555
Total	\$7,513,744	\$6,309,812	\$6,366,973

Distribution system expenditures were \$3,451,434 or 17.2% over budget and \$939,555 or 37.4% higher than 2019 due to system maintenance and water assessments.

Administrative services were \$1,862,717 or 2.7% more than budget and 8.1% higher than 2019 due primarily to insurance, salaries, and payroll taxes.

Depreciation was \$2,199,593 or 6.0% more than 2019 due to the completed depreciable projects during 2020.

Capital Contributions

Year Ended December 31,	2020	2019	2018
Capital contribution:			
Tap fees and Line Extensions	\$7,720,871	\$10,146,587	\$8,740,213
Total	\$7,720,871	\$10,146,587	\$8,740,213

Capital contributions were \$7,720,871 or 18% over budget and down 23% from 2019.

Capital Assets (Net of Depreciation)

December 31,	2020	2019	2018
Land and easement rights	\$222,375	\$222,375	\$222,375
Water rights	31,333,741	27,389,141	23,646,568
Dry Creek Reservoir	13,429,897	13,429,897	13,429,897
Facilities	386,065	401,955	417,845
Transmission and distribution system	70,927,426	64,986,187	65,484,458
Office equipment and furniture	61,996	80,291	103,853
Field equipment and vehicles	331,256	320,117	219,087
Construction in progress	11,524,424	14,644,592	11,059,061
Total	\$128,217,180	\$121,474,555	\$114,583,144

During 2020, major capital asset additions consisted of water rights and transmission and distribution system.

**Central Weld County Water District
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Debt and Other Financial Obligations

The District's long-term debt was \$47,020,000 at December 31, 2020 and \$0 at December 31, 2019. During 2020, the District issued a Series 2020 Water Revenue Bond to finance capital improvements. Further debt information is available in the notes (See Note 5).

Customer Classification, Water Rates, Revenue and Consumption

The District currently provides water service to 2,391 taps, of which 95% are residential. All water service is metered and read on a monthly basis. The following table is a breakdown of water consumption and revenue collected by customer class in 2020.

<u>Classification</u>	<u>Water Consumption 2019</u>	<u>Water Consumption 2020</u>	<u>Percent of Total 2019</u>	<u>Percent of Total 2020</u>	<u>Revenue Collected 2019</u>	<u>Revenue Collected 2020</u>	<u>Percent of Total 2019</u>	<u>Percent of Total 2020</u>
Residential (5/8" & 3/4")	436,232,000	514,638,000	14.2%	14.4%	\$1,504,793	\$1,235,174	26.6%	17.6%
Commercial	612,701,000	632,696,000	20.0%	17.8%	1,158,251	2,208,016	20.5%	31.5%
Towns	1,927,108,000	2,316,794,000	62.9%	65.2%	2,471,483	3,110,802	43.8%	44.5%
Left Hand Interconnect	59,606,000	70,797,000	1.9%	2.0%	172,596	175,612	3.1%	2.5%
Hydrants	<u>25,801,000</u>	<u>20,242,000</u>	<u>0.9%</u>	<u>0.6%</u>	<u>339,339</u>	<u>267,146</u>	<u>6.0%</u>	<u>3.8%</u>
TOTAL	<u>3,061,448,000</u>	<u>3,555,167,000</u>	<u>100%</u>	<u>100%</u>	<u>\$5,646,462</u>	<u>\$6,996,750</u>	<u>100%</u>	<u>100%</u>

Basic Service Fees, Rates and Changes

The District has established a schedule of rates, fees and charges for the connection to and use of District facilities. State law provides that, until paid, all such rates, fees, tolls and charges constitute a perpetual lien on and against the property served. User charges are billed according to customer classification and usage. Each customer is subject to a minimum monthly charge, which begins when the meter is set.

In establishing the current rate schedule, it was determined that the rate must both pay for increasing operating cost, including debt service, while not overburdening District customers. The District had a rate increase for the first time since 1991. A 4% increase is in effect for the next four years.

Historical Tap Fee Collections

Year	Number of Taps	Tap Fee Revenue
2002	845	\$8,596,466
2003	895	9,670,827
2004	546	6,262,850
2005	724	6,926,500
2006	450	4,611,800
2007	305	3,080,800
2008	187	2,069,810
2009	134	2,322,358
2010	174	2,119,384
2011	156	1,578,975
2012	268	3,643,265
2013	321	5,796,300
2014	325	4,033,800
2015	545	6,471,634
2016	531	4,348,300
2017	456	5,097,447
2018	437	6,122,572
2019	456	6,456,875
2020	486	6,710,302

**Central Weld County Water District
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Capital Improvement Program

The District has an existing policy regarding capital improvements in the District system. All line extensions are paid by the individual customers as determined by a study for new service. The individual Towns and/or entities the District serves are required to pay additional fees for filter plant enhancement and infrastructure improvements for growth in the Towns pursuant to existing contracts.

The District has anticipated the need for additional raw water supplies and delivery systems to fulfill the needs of the growth in the District. The District is participating in the Northern Integrated Supply Project ("NISP") through the Northern Colorado Water Conservancy District ("NCWCD"). This project will provide new yield of water rights deliverable through the NCWCD system.

The District participated in the development of a new reservoir with Little Thompson Water District to increase the storage of water by both districts to meet the demands of growth.

Future proposed capital projects are shown below.

Proposed Capital Project Plan 2020-2021		
Project	2020	2021
Water Rights	\$3,945,000	\$6,000,000
Filter Plant	2,600,000	3,000,000
Windy Gap Firming	43,219	2,352,000
NISP	-	1,277,500
New Construction and Miscellaneous	2,033,500	1,519,000
Total	\$8,621,719	\$14,148,500

Contracts and Agreements

The District is party to several contracts and agreements concerning the delivery of domestic potable water. The contracts and agreements have been approved by the District's Board of Directors after review by the District's legal counsel.

Agreements with Cities and Towns

The District has agreements with nine municipalities for the treatment and delivery of domestic potable water. The rates, delivery points and termination dates vary according to the individual negotiated agreements.

Economic and Other Factors

Overall, the District has shown increases in water revenues as a result of new developments. Operating expenses have been consistent over the last few years and reflect only minimal increases. Construction costs have increased due to needed system improvements to accommodate the growth experienced in the District.

The annual rate and extent of future growth and development within the District will be materially affected by management, zoning and land use procedures and policies established by Weld County and the individual Towns the District serves.

Financial Contact

The District's financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional financial information, please contact our staff at Central Weld County Water District; 2235 2nd Avenue; Greeley, CO 80631.

Basic Financial Statements

Central Weld County Water District
Statements of Net Position

<i>December 31,</i>	2020	2019
Assets		
Current assets		
Cash and cash equivalents	\$ 23,874,891	\$ 23,085,394
Investments	495,000	495,000
Receivables	508,266	365,865
Inventories	125,013	141,244
Prepaid items	226,300	16,669
Total current assets	25,229,470	24,104,172
Non-current assets		
Restricted assets		
Cash and cash equivalents	57,003,225	-
Capital assets		
Transmission and distribution system	100,581,075	92,819,811
Facilities	614,736	614,736
Vehicles and field equipment	681,610	707,972
Office equipment	247,711	300,383
Total depreciable capital assets	102,125,132	94,442,902
Less: accumulated depreciation	(30,418,389)	(28,654,352)
Total depreciable capital assets, net	71,706,743	65,788,550
Land, easements, water rights and reservoir	44,986,013	41,041,413
Construction in progress	11,524,424	14,644,592
Total capital assets, net	128,217,180	121,474,555
Other assets		
Investment in joint venture accounted for using the equity method	3,265,851	3,396,794
Total other assets	3,265,851	3,396,794
Total non-current assets	188,486,256	124,871,349
Total assets	213,715,726	148,975,521

(Continued).

Central Weld County Water District
Statements of Net Position (Continued)

<i>December 31,</i>	2020	2019
Liabilities		
Current liabilities		
Current portion of bonds payable	1,445,000	-
Accounts payable	336,813	4,347
Accrued expenses	2,038	1,494
Total current liabilities	1,783,851	5,841
Non-current liabilities		
Accrued compensated absences	70,741	54,563
Bonds and notes payable, net of current portion	56,234,581	-
Total non-current liabilities	56,305,322	54,563
Total liabilities	58,089,173	60,404
Net position		
Net investment in capital assets	124,028,024	121,474,555
Restricted:		
Bond reserves	3,512,800	-
Unrestricted	28,085,729	27,440,562
Total net position	\$ 155,626,553	\$ 148,915,117

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

Central Weld County Water District
Statements of Revenues, Expenses and Changes in Net Position

<i>Years Ended December 31,</i>	2020	2019
Operating revenues		
Water sales	\$ 6,817,427	\$ 5,609,995
Other income	120,622	546,328
Total operating revenues	6,938,049	6,156,323
Operating expenses		
Administrative	1,862,717	1,723,596
Distribution	3,451,434	2,511,879
Depreciation	2,199,593	2,074,337
Total operating expenses	7,513,744	6,309,812
Loss from operations	(575,695)	(153,489)
Nonoperating revenues (expenses)		
Earnings on investments and interest income	166,351	531,531
Loss on disposal of assets	-	(7,864)
Equity income (loss) - share of joint venture income (loss)	(130,943)	(228,245)
Debt issuance costs	(469,148)	-
Total nonoperating revenues (expenses)	(433,740)	295,422
Income before contributions	(1,009,435)	141,933
Capital contributions	7,720,871	10,146,587
Change in net position	6,711,436	10,288,520
Net position at beginning of year	148,915,117	138,626,597
Net position at end of year	\$ 155,626,553	\$ 148,915,117

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

Central Weld County Water District
Statements of Cash Flows

<i>Years Ended December 31,</i>	2020	2019
Cash flows from operating activities		
Cash received from customers	\$ 6,795,648	\$ 6,058,903
Cash paid to suppliers	(4,110,686)	(3,392,263)
Cash paid to employees	(1,047,677)	(963,011)
Net cash flows from operating activities	1,637,285	1,703,629
Cash flows from capital and related financing activities		
Contributed capital	7,720,871	10,146,587
Acquisition and construction of capital assets	(8,942,218)	(9,477,812)
Proceeds from long-term debt	57,679,581	
Debt issuance costs	(469,148)	-
Net cash flows from capital and related financing activities	55,989,086	1,172,975
Cash flows from investing activities		
Earnings on investments	166,351	531,531
Net cash flows from investing activities	166,351	531,531
Net change in cash and cash equivalents	57,792,722	3,408,135
Cash and cash equivalents at beginning of year	23,085,394	19,677,259
Cash and cash equivalents at end of year	\$ 80,878,116	\$ 23,085,394
Reconciliation of loss from operations to net cash flows from operating activities:		
Loss from operations	\$ (575,695)	\$ (153,489)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	2,199,593	2,074,337
Changes in operating assets and liabilities		
Receivables	(142,401)	(97,420)
Inventories	16,231	(16,317)
Prepaid items	(209,631)	591
Accrued compensated absences	16,178	(7,875)
Accounts payable and accrued expenses	333,010	(96,198)
Net cash flows from operating activities	\$ 1,637,285	\$ 1,703,629
Noncash investing, capital, and financing activities:		
Equity gain (loss) share of joint venture gain (loss)	\$ (130,943)	\$ (228,245)

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

Central Weld County Water District

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Form of Organization

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

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) issued by the Governmental Accounting Standards Board (“GASB”). The more significant of the District’s accounting policies are described below.

Reporting Entity

In conformity with GASB financial reporting standards, the District is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District. The District meets the criteria of a primary government: its Board of Directors is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

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

- 1) Appointment of a voting majority of the component unit’s governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointment by a higher level of government or (3) a jointly appointed board.

Based on the above criteria, there are no other organizations that would be considered component units of the District. The District meets the criteria of an “other stand alone government.”

Basic Financial Statements

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

Basis of Accounting

Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the statements of net position. Revenues and expenses are recorded in the accounting period in which they are earned or incurred and they become measurable.

Central Weld County Water District
Notes to Financial Statements

Total net position is segregated into net investment in capital assets and unrestricted net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

Budgets and Budgetary Accounting

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

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

The following is a summary of the original budget, total revisions, and revised budget for fiscal year 2020:

	Original Budget	Total Revisions	Revised Budget
Enterprise fund expenses	\$ 14,049,500	\$ 2,976,355	\$ 17,025,855

Cash and Cash Equivalents

The District considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments

Investments, consisting of certificates of deposit with original maturities of greater than three months are measured at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Funds invested in COLOTRUST, a local government investment pool (Note 2), are measured at net asset value, which approximates fair value.

Prepaid Items

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

Receivables and Allowance for Doubtful Accounts

The District’s receivables are due from commercial and residential customers within the District service area. The District’s policy for collections is limited to the right to discontinue service and to place liens on property. The District has determined that no allowance is necessary at December 31, 2020 or 2019, based on historical collection experience.

Central Weld County Water District

Notes to Financial Statements

Revenue Recognition

Revenues are recognized when earned. Metered water accounts are read and billed monthly on 30 day cycles. At December 31, 2020 and 2019, there was no unbilled revenue.

Operating Revenues and Expenses

The District distinguishes between operating revenues and expenses and nonoperating items in the statements of revenues, expenses and changes in net position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water services to its customers. Operating revenues consist of charges to customers for the delivery of water. Operating expenses include the cost of service, administrative expenses, and depreciation expense. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses or capital contributions.

Inventories

Inventories, consisting primarily of operating supplies for water meter repair and installation, have been valued at cost, using the first-in first-out method.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more and an estimated useful life of more than one year are capitalized using historical cost. Expenditures for maintenance and repairs are charged to operations as incurred. Property replacements and improvements, which extend the lives of assets, are capitalized and subsequently depreciated. Contributed assets are reported at their fair market value at the date received. The District has not capitalized any interest during 2020 or 2019.

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

Description	Estimated Lives
Transmission and distribution system	10-50 years
Facilities	20-40 years
Vehicles and field equipment	5-10 years
Office equipment	5-10 years

Joint Venture

The District is a participant with the Little Thompson Water District ("LTWD") in a joint venture to operate Carter Lake Filter Plant (the "Plant"), the filter plant from which the District and LTWD purchase 100% of their water (Note 4). The Plant is governed by a six-member board of directors composed of three appointees from the District and three from LTWD. The District and LTWD are each charged for their respective share of the water purchased from the Plant and may be assessed for capital improvements made at the Plant on a periodic basis. Beginning in 2008, the District and LTWD revised the joint venture agreement in order to change the way that major improvements to the Plant are funded. Major capital improvements to the Plant are no longer funded by the Plant, with assessments issued to each district; but rather, they are funded by the individual districts independently and included in each of the district's capital assets. As such, the depreciation expense for these assets has also been reflected in the financial statements of the District and LTWD.

Central Weld County Water District

Notes to Financial Statements

The District's net investment and its share of the operating results of the Plant are reported in the accompanying statements of net position, and revenues, expenses and changes in net position. Complete financial statements for the Plant may be obtained from the Plant's administrative office at 7100 W. County Road 8-E, Berthoud, Colorado 80521.

Debt Issuance Costs

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

Accrued Compensated Absences

Obligations associated with the District's vacation policy are recorded as a liability and expense when earned to the extent that such benefits vest to the employee. The amount of the accrued and unpaid balance under this policy is considered a long-term liability. The District has recorded a liability of \$70,741 and \$54,563 at December 31, 2020 and 2019, respectively.

Contributions in Aid of Construction

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

Net Position

Net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets, 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 District, which is not restricted for any project or other purpose. A deficit will require future funding.

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

Use of Estimates

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

Central Weld County Water District
Notes to Financial Statements

2. Cash and Investments

Deposits

Colorado state statutes govern the entity’s deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes require the depository institution to maintain collateral on deposits with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (“PDPA”) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (“FDIC”) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2020 and 2019, the District had deposits with a financial institution with a carrying amount of \$2,073,118 and \$494,377, respectively. The bank balances with the financial institution were \$2,097,874 and \$694,502, respectively. Of these amounts, \$250,000 was covered by federal depository insurance. The remaining balances of \$1,847,874 and \$444,502, respectively, were collateralized with securities held by the financial institutions’ agent, but not in the District’s name.

Cash and cash equivalents held by the District at December 31 were as follows:

	2020	2019
Cash on hand	\$ 410	\$ 410
Bank deposits	2,073,118	494,377
Local government investment pool	78,804,588	22,590,607
	\$ 80,878,116	\$ 23,085,394

Cash and cash equivalents balances are reflected on the statement of net position at December 31, 2020 and 2019, as follows:

	2020	2019
Cash and cash equivalents	\$ 23,874,891	\$ 23,085,394
Restricted cash and cash equivalents	57,003,225	-
Total	\$ 80,878,116	\$ 23,085,394

Investments

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

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

Central Weld County Water District

Notes to Financial Statements

District policy is to hold investments until maturity.

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At December 31, 2020, assets measured at fair value on a recurring basis have been categorized into the hierarchy as follows:

Description	Assets at fair value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 495,000	\$ -	\$ 495,000
	\$ -	\$ 495,000	\$ -	\$ 495,000

At December 31, 2019, assets measured at fair value on a recurring basis have been categorized into the hierarchy as follows:

Description	Assets at fair value as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 495,000	\$ -	\$ 495,000
	\$ -	\$ 495,000	\$ -	\$ 495,000

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a specific policy for custodial credit risk. As of December 31, 2020 and 2019, the District had no investments exposed to custodial credit risk outside of its investment in the Colorado Local Government Liquid Asset Trust (the "Trust"), discussed below.

Interest Rate Risk

The District does not have a formal written investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates; however, the District adheres to state statutes. Colorado state statutes prohibit investments with maturities in excess of five years.

Local Government Investment Pools

At December 31, 2020 and 2019, the District had invested \$78,804,588 and \$22,590,607, respectively, in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records

Central Weld County Water District

Notes to Financial Statements

segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

3. Restricted Assets

Amounts shown as restricted cash and cash equivalents have been restricted by bond indentures to be used for specified purposes. The balance restricted as of December 31, 2020 and 2019, was \$57,003,225 and \$-, respectively.

4. Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land, easements, water rights and reservoir	\$ 41,041,413	\$ 3,944,600	\$ -	\$ 44,986,013
Construction in progress	14,644,592	2,656,861	(5,777,029)	11,524,424
Total capital assets, not being depreciated	55,686,005	6,601,461	(5,777,029)	56,510,437
Capital assets, being depreciated:				
Transmission and distribution system	92,819,811	8,022,378	(261,114)	100,581,075
Facilities	614,736	-	-	614,736
Vehicles and field equipment	707,972	95,408	(121,770)	681,610
Office equipment	300,383	-	(52,672)	247,711
Total capital assets, being depreciated	94,442,902	8,117,786	(435,556)	102,125,132
Less accumulated depreciation for:				
Transmission and distribution system	(27,833,624)	(2,081,139)	261,114	(29,653,649)
Facilities	(212,781)	(15,890)	-	(228,671)
Vehicles and field equipment	(387,855)	(84,269)	121,770	(350,354)
Office equipment	(220,092)	(18,295)	52,672	(185,715)
Total accumulated depreciation	(28,654,352)	(2,199,593)	435,556	(30,418,389)
Total capital assets, being depreciated, net	65,788,550	5,918,193	-	71,706,743
Capital assets, net	\$ 121,474,555	\$ 12,519,654	\$(5,777,029)	\$ 128,217,180

Central Weld County Water District
Notes to Financial Statements

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land, easements, water rights and reservoir	\$ 37,645,418	\$ 3,900,195	\$ (504,200)	\$ 41,041,413
Construction in progress	10,712,483	3,932,109	-	14,644,592
Total capital assets, not being depreciated	48,357,901	7,832,304	(504,200)	55,686,005
Capital assets, being depreciated:				
Transmission and distribution system	94,139,291	1,435,508	(2,754,988)	92,819,811
Facilities	755,899	-	(141,163)	614,736
Vehicles and field equipment	900,218	210,000	(402,246)	707,972
Office equipment	361,027	-	(60,644)	300,383
Total capital assets, being depreciated	96,156,435	1,645,508	(3,359,041)	94,442,902
Less accumulated depreciation for:				
Transmission and distribution system	(28,654,833)	(1,925,915)	2,747,124	(27,833,624)
Facilities	(338,054)	(15,890)	141,163	(212,781)
Vehicles and field equipment	(681,131)	(108,970)	402,246	(387,855)
Office equipment	(257,174)	(23,562)	60,644	(220,092)
Total accumulated depreciation	(29,931,192)	(2,074,337)	3,351,177	(28,654,352)
Total capital assets, being depreciated, net	66,225,243	(428,829)	(7,864)	65,788,550
Capital assets, net	\$ 114,583,144	\$ 7,403,475	\$ (512,064)	\$ 121,474,555

5. Long-Term Debt

2020 Revenue Bonds

On December 1, 2020, the District issued Water Revenue Bonds, Series 2020, totaling \$47,020,000, to finance certain capital improvements to the System (the "Project"), and to pay the costs of issuing the Bonds including the costs related to bond insurance and surety bond premiums. Interest, with rates ranging from 2.0% to 5.0%, is payable semiannually through maturity in December 2040. The bonds are a special revenue obligation of the District, payable from rates, fees, standby charges, and charges from the use and operation of the system and from such other funds of the system legally available after the payment of operation and maintenance expenses of the system. There was no accrued interest on this debt as of December 31, 2020.

A summary of changes in the District's long-term debt as of December 31, 2020 and 2019, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
2020 revenue bonds	\$ -	\$ 47,020,000	\$ -	\$ 47,020,000	\$ 1,445,000
Compensated Absences	54,563	42,718	(26,540)	70,741	-
Total	\$ 54,563	\$ 47,062,718	\$ (26,540)	\$ 47,090,741	\$ 1,445,000
Current portion of long term debt	-			1,445,000	
Net bond premiums	-	10,659,581	-	10,659,581	
term debt	\$ 54,563			\$ 59,195,322	

Central Weld County Water District
Notes to Financial Statements

The annual requirements to amortize the debt outstanding as of December 31, 2020 are as follows:

Year Ending December 31,	Annual Maturities	Interest	Total Payment
2021	\$ 1,445,000	\$ 1,930,728	\$ 3,375,728
2022	1,575,000	1,936,600	3,511,600
2023	1,650,000	1,857,850	3,507,850
2024	1,735,000	1,775,350	3,510,350
2025	1,820,000	1,688,600	3,508,600
2026 - 2030	10,325,000	7,229,800	17,554,800
2031 - 2035	12,845,000	4,707,000	17,552,000
2036 - 2040	15,625,000	1,924,000	17,549,000
Totals	\$ 47,020,000	\$ 23,049,928	\$ 70,069,928

6. Rate Maintenance

The District's 2020 Revenue Bonds, require the District to establish, maintain, enforce, and collect rates, fees, plant investment fees, availability fees, tolls and charges for services furnished by or the use of the System to create Gross Revenue each Fiscal Year sufficient to pay Operation and Maintenance Expenses and to create Net Revenue in an amount equal to not less than 110% of the amount necessary to pay when due the principal of and interest on the Bonds and any Parity Lien Obligations coming due during such fiscal year.

As shown below, the District is in compliance with this requirement of the 2020 Water Revenue Bonds for the year ended December 31, 2020:

Net revenue as defined in 2020 agreements

Operating revenues	\$ 6,938,049
Tap fees	6,703,000
Subtotal	13,641,049
Operating expenses (excluding depreciation expense)	(5,314,151)
Net revenues as defined in 2020 bond agreement	\$ 8,326,898

7. Joint Venture

The District is a 50 percent owner of the Plant and utilizes the equity method of accounting for its investment in the Plant. The District's share of the Plant's net position, shown in the following table, is reflected in the accompanying statements of net position under the caption "Investment in joint venture accounted for using the equity method."

Summary financial information of the Plant as of and for the years ended December 31, 2020 and 2019, are as follows:

Central Weld County Water District
Notes to Financial Statements

	2020	2019
Current assets	\$ 914,133	\$ 927,084
Capital assets - net	5,919,462	6,174,872
Total assets	\$ 6,833,595	\$ 7,101,956
Current liabilities	\$ 301,893	\$ 308,369
Net position	6,531,702	6,793,587
Total liabilities and net position	\$ 6,833,595	\$ 7,101,956
Operating revenues	\$ 2,573,543	\$ 2,474,896
Operating expenses	(2,540,426)	(2,765,636)
Depreciation	(296,498)	(260,286)
Non-operating (expense) revenue	1,496	94,536
Increase (decrease) in net position	\$ (261,885)	\$ (456,490)

8. Risk Management

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

The District carries commercial insurance covering specific and general risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

9. TABOR Compliance

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

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District is an enterprise fund and has no TABOR revenues, and therefore, has not set aside any monies for emergencies as defined by TABOR.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

Central Weld County Water District

Notes to Financial Statements

10. Deferred Compensation Pension Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the “Plan”). The Plan, available to all District employees, permits them to defer a portion of their salary until future years. The District matches up to 6% of eligible salary. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. For the years ended December 31, 2020 and 2019, the District contributed \$36,658 and \$33,721, respectively.

The Plan complies with Section 457 of the Internal Revenue Code, whereby, trust provisions are incorporated so that plan assets are held in a trust for the exclusive benefit of participants and their beneficiaries. As a result, as of December 31, 2020 and 2019, the assets and liabilities of the deferred compensation plan are not included in the accompanying financial statements.

11. Commitments and Contingencies

Litigation

The District is subject to various claims and legal proceedings that arise in the ordinary course of business. The District believes that adequate insurance coverage exists in situations where monetary damages are claimed and that the final settlements of these matters will not materially affect the financial statements of the District.

12. Northern Integrated Supply Project

The District has entered into an agreement with the Northern Colorado Water Conservancy District (“NCWCD”), acting by and through its Northern Integrated Supply Project (“NISP”) Water Activity Enterprise. NISP is a collaborative effort between NCWCD and 15 northern Front Range municipalities and water districts to increase the water quantity and reliability of their water supplies. As of December 31, 2020, the District has paid \$6,088,162 to enter this project, which has been classified as construction in progress.

13. COVID-19 and CARES Act

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

On March 27, 2020, the “Coronavirus Aid, Relief, and Economic Security (“CARES”) Act” was Signed into law. The Cares Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

Central Weld County Water District

Notes to Financial Statements

The District continues to examine the impact that the CARES Act may have on the business. The CARES Act had minimal impact on the District for the Year ended December 31, 2020.

14. Subsequent Events

The District evaluated subsequent events through October 26, 2021 the date these financial statements were available to be issued. There were no other material subsequent events that required recognition or additional disclosure.

Supplementary Information

Central Weld County Water District
Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2020
With Comparative Actual Amounts for the Year Ended December 31, 2019

	2020		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)	2019
	Budgeted Amounts				Actual Amounts Budget Basis
	Original	Final			
Revenues					
Operating revenues:					
Water sales - treated	\$ 5,867,000	\$ 5,867,000	\$ 6,817,427	\$ 950,427	\$ 5,609,995
Other income	258,000	258,000	120,622	(137,378)	546,328
Total operating revenues	6,125,000	6,125,000	6,938,049	813,049	6,156,323
Non-operating revenue:					
Earnings on investments and interest income	475,000	475,000	166,351	(308,649)	531,531
Loss on disposal of assets	-	-	-	-	(7,864)
Total non-operating revenue	475,000	475,000	166,351	(308,649)	523,667
Contributions:					
Capital contributions	6,000,000	6,000,000	7,505,260	1,505,260	10,146,587
Line extensions	500,000	500,000	215,611	(284,389)	-
Total contributions	6,500,000	6,500,000	7,720,871	1,220,871	10,146,587
Total revenues	13,100,000	13,100,000	14,825,271	1,725,271	16,826,577
Expenditures					
Administrative:					
Salaries	865,000	865,000	945,576	(80,576)	845,939
Insurance	275,000	275,000	356,310	(81,310)	289,048
Professional fees	300,000	300,000	178,099	121,901	222,021
Office expenses and supplies	300,000	300,000	264,025	35,975	255,311
Payroll taxes	67,000	67,000	76,245	(9,245)	70,308
Deferred compensation	-	-	36,658	(36,658)	33,721
Directors' fees and board meetings	6,500	6,500	5,804	696	7,248
Total administrative	1,813,500	1,813,500	1,862,717	(49,217)	1,723,596
Distribution system:					
Depreciation	2,010,000	2,010,000	2,199,593	(189,593)	2,074,337
System maintenance	1,000,000	1,000,000	1,177,959	(177,959)	798,136
Water treatment charges	1,325,000	1,325,000	1,484,364	(159,364)	1,300,422
Water assessments	320,000	320,000	606,687	(286,687)	212,609
Automotive	75,000	75,000	58,955	16,045	66,318
Office and field utilities	50,000	50,000	60,913	(10,913)	54,327
Dry Creek Reservoir operating costs	75,000	75,000	43,988	31,012	71,176

(Continued).

Central Weld County Water District
Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2020
With Comparative Actual Amounts for the Year Ended December 31, 2019

	2020		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)	2019 Actual Amounts Budget Basis
	Budgeted Amounts				
	Original	Final			
Water samples	-	-	10,588	(10,588)	7,502
Water rental	100,000	100,000	-	100,000	-
Office and warehouse maintenance	-	-	7,980	(7,980)	1,389
Total distribution system	4,955,000	4,955,000	5,651,027	(696,027)	4,586,216
Debt service:					
Debt issuance costs	-	-	469,148	(469,148)	-
Total debt service	-	-	469,148	(469,148)	-
Capital improvements:					
Distribution system	5,349,000	5,349,000	4,902,210	446,790	5,367,617
Land, easements and water rights	1,005,000	3,981,355	3,944,600	36,755	3,900,195
Office and field equipment	50,000	50,000	95,408	(45,408)	210,000
Filter plant and Dry Creek Reservoir	52,000	52,000	-	52,000	-
Total capital improvements	6,456,000	9,432,355	8,942,218	490,137	9,477,812
Reserves	825,000	825,000	-	825,000	-
Total expenditures	14,049,500	17,025,855	16,925,110	100,745	15,787,624
Excess (deficiency) of revenues over expenses	<u>\$ (949,500)</u>	<u>\$ (3,925,855)</u>	<u>(2,099,839)</u>	<u>\$ 1,826,016</u>	1,038,953
Reconciling items -					
GAAP basis					
Capital improvements			8,942,218		9,477,812
Equity income (loss) - share of joint venture income (loss)			<u>(130,943)</u>		<u>(228,245)</u>
Change in net position -					
GAAP basis					
			<u>\$ 6,711,436</u>		<u>\$ 10,288,520</u>

See accompanying Independent Auditor's Report.