

**MANCOS WATER CONSERVANCY DISTRICT**

Independent Accountants' Reports  
and  
Basic Financial Statements

December 31, 2020

# MANCOS WATER CONSERVANCY DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Mancos Water Conservancy District  
Mancos, Colorado 81328

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Mancos Water Conservancy 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.

**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 of 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 auditors consider 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 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 Mancos Water Conservancy District, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other matters

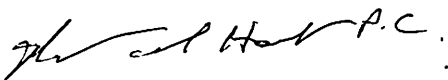
### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 13 and pages 34 through 37 be presented to supplement the basic financial statements. Such information, although not a required 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 Mancos Water Conservancy District's basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The other supplementary information is the responsibility of management and were derived from and 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 other supplementary is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Majors and Haley, P.C.  
August 26, 2021

# **MANCOS WATER CONSERVANCY DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**(UNAUDITED)**

**For the Year Ended December 31, 2020**

### ***FINANCIAL HIGHLIGHTS***

Key financial highlights for the District in 2020 are as follows:

- In total, net position increased by \$425,285. Net position of governmental activities increased by \$14,624, which represents a 2 percent increase from 2019. Net position of business type activities increased by \$410,661 or 37 percent from 2019.
- General revenues accounted for \$273,091 in revenue or 27 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$744,526 or 73 percent of total revenues of \$1,017,617.
- Governmental activities total assets increased by \$19,925. Total liabilities and deferred inflows of resources increased by \$5,301.
- The District incurred \$70,550 in expenses related to government activities. General revenues (primarily property taxes) of \$85,174 were adequate to cover the balance of these programs.
- The General Fund had \$85,174 in revenues and other financing sources and \$70,550 in expenditures. It's fund balance increased by \$14,624 from \$903,040 to \$917,664.
- Net position of the Enterprise Funds increased from \$719,483 to \$1,130,144.

**MANCOS WATER CONSERVANCY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**  
**For the Year Ended December 31, 2020**

***OVERVIEW OF THE FINANCIAL STATEMENTS***

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

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

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 supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

***District-wide Statements***

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

# MANCOS WATER CONSERVANCY DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2020

The two District-wide statements report the District's net position and how it has changed. Net position (the difference between the District's assets and deferred outflows of resources less liabilities and deferred inflows of resources) is one way to measure the District's financial position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of District facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- **Governmental activities-** Most of the District's basic services are included here, such as general government. These activities are financed mainly through property taxes.
- **Business-type activities-** The District charges fees to help cover the costs of certain services it provides. The District's water fund is included here.

### ***Fund Financial Statements***

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the District establishes other funds to help it manage and control its finances to achieve certain results.

The District uses two types of funds:

- **Governmental funds-** Most of the District's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the

## MANCOS WATER CONSERVANCY DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2020

services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

- **Proprietary funds-** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flow analysis.

#### ***FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE***

Total assets increased by \$364,042. Net capital assets increased \$66,929. Current liabilities decreased by \$2,817. Non-current liabilities decreased by \$63,291. Deferred inflows of resources increased by \$4,866.

The District's combined net position was larger on December 31, 2020 than it was at December 31, 2019, increasing by 21% percent to \$2,047,808. Part of the increase came from its governmental activities, the net position of which increased by \$14,624 to \$917,664. The net position of the District's business type activities increased \$410,661 to \$1,130,144.

**MANCOS WATER CONSERVANCY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**  
For the Year Ended December 31, 2020

Table 1 provides a summary of the District's net position for 2020 compared to 2019:

**Table 1**  
**Statement of Net Position**

	Governmental Activities		Business-type Activities		Total District	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current assets	\$ 1,141,904	\$ 1,121,979	\$ 598,299	\$ 321,111	\$ 1,740,203	\$ 1,443,090
Capital assets			1,629,772	1,562,843	1,629,772	1,562,843
<b>Total assets</b>	<b>1,141,904</b>	<b>1,121,979</b>	<b>2,228,071</b>	<b>1,883,954</b>	<b>3,369,975</b>	<b>3,005,933</b>
<b>Liabilities</b>						
Current liabilities	435	-	1,180	4,432	1,615	4,432
Noncurrent liabilities			1,096,747	1,160,039	1,096,747	1,160,039
Deferred inflows of resources	223,805	218,939			223,805	218,939
<b>Net Position</b>						
Net investment in capital assets			533,025	402,804	533,025	402,804
Restricted	15,000	11,000			15,000	11,000
Unrestricted	902,664	892,040	597,119	316,679	1,499,783	1,208,719
<b>Total net position</b>	<b>917,664</b>	<b>903,040</b>	<b>\$ 1,130,144</b>	<b>\$ 719,483</b>	<b>\$ 2,047,808</b>	<b>\$ 1,622,523</b>

**MANCOS WATER CONSERVANCY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**  
For the Year Ended December 31, 2020

Table 2 shows the changes in net position for fiscal year 2020 as compared to 2019.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-type Activities		Total District	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services			\$ 210,757	\$ 229,190	\$ 210,757	\$ 229,190
Capital grants & contributions			533,769		533,769	
General revenues						
Property taxes	\$ 145,174	\$ 134,360	94,940	87,535	240,114	221,895
Transfers	(60,000)	(50,000)	60,000	50,000		
Other			32,977	57,161	32,977	57,161
<b>Total revenues</b>	<b>85,174</b>	<b>84,360</b>	<b>932,443</b>	<b>423,886</b>	<b>1,017,617</b>	<b>508,246</b>
Expenses						
General government	70,550	89,346			70,550	89,346
Public works			521,782	162,514	521,782	162,514
<b>Total expenses</b>	<b>70,550</b>	<b>89,346</b>	<b>521,782</b>	<b>162,514</b>	<b>592,332</b>	<b>251,860</b>
<b>Increase (decrease) in net position</b>	<b>\$ 14,624</b>	<b>\$ (4,986)</b>	<b>\$ 410,661</b>	<b>\$ 261,372</b>	<b>\$ 425,285</b>	<b>\$ 256,386</b>

**MANCOS WATER CONSERVANCY DISTRICT**

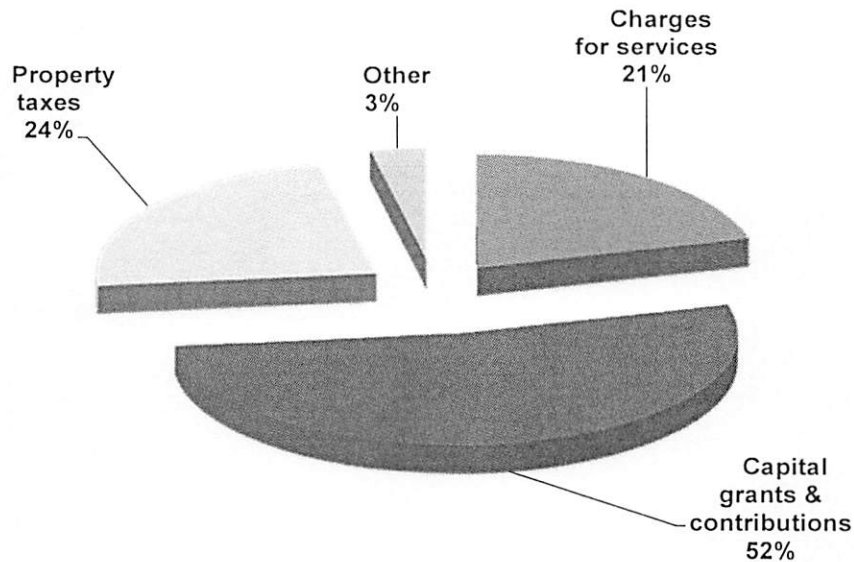
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

For the Year Ended December 31, 2020

Charges for services, capital grants and property taxes accounted for most of the District's total revenue, contributing 21 percent, 52 percent and 24 percent respectively (See Table 3). Another 3 percent came from other revenues.

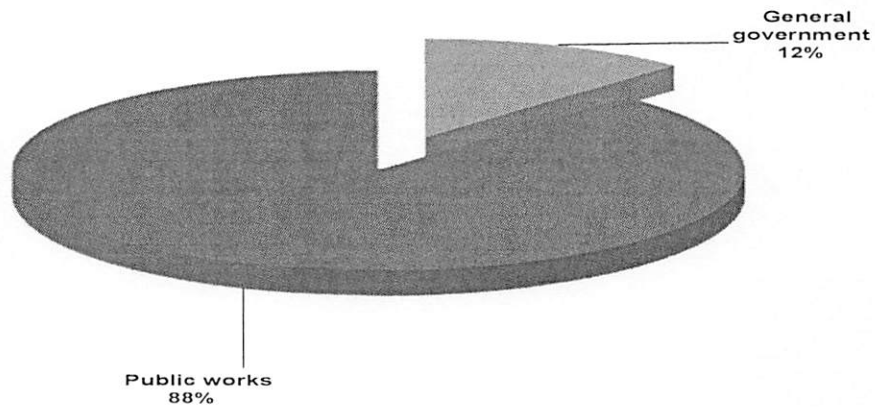
The District's expenses are predominately related to, public works (88 percent) with the remainder related to general government (12 percent).

**Table 3**  
**Sources of Revenue for Fiscal Year 2020**



**MANCOS WATER CONSERVANCY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**  
For the Year Ended December 31, 2020

**Table 4**  
**Expenses for Fiscal Year 2020**



***Governmental Activities***

The only source of operating revenue for the District comes property taxes. The District receives 100 percent of this funding from this source.

The statement of activities shows the cost of program services and the charges for services those service costs. Table 5 shows, for governmental activities, the total cost of services and net cost of services. That is, it identifies the cost of these services supported by general revenues including general property taxes.

**MANCOS WATER CONSERVANCY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**  
For the Year Ended December 31, 2020

**Table 5**  
**Government Activities**

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
General government	\$ 70,550	\$ 89,346	\$ (70,550)	\$ (89,346)
<b>Total</b>	<b>\$ 70,550</b>	<b>\$ 89,346</b>	<b>\$ (70,550)</b>	<b>\$ (89,346)</b>

- The cost of all governmental activities during the year was \$70,550.
- None of the cost was financed by the users of the District's programs
- However, \$85,174 was financed by state and District taxpayers. This portion of governmental activities was financed with \$145,174 in property and specific ownership taxes, however \$60,000 was allocated to the special water fund.

***Business-type Activities***

Business-type activities are made up of the Water Fund. These programs had revenues of \$932,433 and expenses of \$521,782.

***FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS***

Information about the District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental

**MANCOS WATER CONSERVANCY DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
For the Year Ended December 31, 2020**

funds have total revenues and other financing sources of \$1,017,617 and expenditures of \$592,332.

***General Fund Budgetary Highlights***

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

***CAPITAL ASSET ADMINISTRATION***

By the end of 2020, the District has invested \$1,952,731 in land, water rights, buildings, and equipment (including vehicles), of this total all was from business activities.

Table 6 shows capital assets for 2020 compared to 2019:

***Table 6  
Capital Assets at December 31***

	Business-Type Activities	
	2020	2019
Land/Water rights	\$ 1,135,827	\$ 1,135,827
Buildings/Facilities	389,167	389,167
Equipment	388,777	427,737
Total	<u>\$ 1,913,771</u>	<u>\$ 1,952,731</u>

Additional information on the District's capital assets can be found in the Notes to the Financial Statements on page 30 of this report.

**MANCOS WATER CONSERVANCY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**  
**For the Year Ended December 31, 2020**

***FACTORS BEARING ON THE DISTRICT'S FUTURE***

At the time these financial statements were prepared and audited, the District is not aware of any existing circumstances that could significantly affect its financial health in the future.

***CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT***

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Mancos Water Conservancy Administration office at 42599 County Road N, Mancos, CO 81328.

**Mancos Water Conservancy District**  
Statement of Net Position

December 31, 2020

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash	\$ 916,214	\$ 598,299	\$ 1,514,513
Cash with county treasurer	1,885		1,885
Property tax receivable	223,805		223,805
Capital assets		1,952,731	1,952,731
Accumulated depreciation		(322,959)	(322,959)
Total capital assets, net of depreciation	-	1,629,772	1,629,772
<b>Total Assets</b>	<b>1,141,904</b>	<b>2,228,071</b>	<b>3,369,975</b>
<b>Liabilities</b>			
Accounts payable	435	1,133	1,568
Payroll tax payable		47	47
Long-term liabilities			
Due in more than one year		1,096,747	1,096,747
<b>Total Liabilities</b>	<b>435</b>	<b>1,097,927</b>	<b>1,098,362</b>
<b>Deferred inflows of resources</b>			
Unearned property tax revenue	223,805	-	223,805
<b>Net Position</b>			
Net investment in capital assets		533,025	533,025
Restricted			
TABOR	15,000		15,000
Unrestricted	902,664	597,119	1,499,783
<b>Total Net Position</b>	<b>\$ 917,664</b>	<b>\$ 1,130,144</b>	<b>\$ 2,047,808</b>

The accompanying notes are an integral part of this statement.

**MANCOS WATER CONSERVANCY DISTRICT**  
Statement of Activities

For the Year Ended December 31, 2020

	Program Revenues			Net (Expenses) Revenue And Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
<b>Governmental Activities</b>							
General government	\$ 70,550				\$ (70,550)		\$ (70,550)
<b>Total Governmental Activities</b>	<u>70,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,550)</u>		<u>(70,550)</u>
<b>Business-Type Activities</b>							
Water operations	521,782	\$ 210,757		\$ 533,769		\$ 222,744	222,744
<b>Total Business-Type Activities</b>	<u>521,782</u>	<u>210,757</u>	<u>-</u>	<u>533,769</u>		<u>222,744</u>	<u>222,744</u>
<b>Total Town</b>	<u>\$ 592,332</u>	<u>\$ 210,757</u>	<u>\$ -</u>	<u>\$ 533,769</u>	<u>(70,550)</u>	<u>222,744</u>	<u>152,194</u>

<b>General Revenues</b>			
Property taxes	120,921	94,940	215,861
Specific ownership taxes	24,253		24,253
Earnings on investments		1,094	1,094
Asset sales		31,883	31,883
Transfers	(60,000)	60,000	-
<b>Total General Revenues</b>	<u>85,174</u>	<u>187,917</u>	<u>273,091</u>
<b>Change in Net Position</b>	<u>14,624</u>	<u>410,661</u>	<u>425,285</u>
Net Position Beginning of the Year	903,040	719,483	1,622,523
<b>Net Position End of the Year</b>	<u>\$ 917,664</u>	<u>\$ 1,130,144</u>	<u>\$ 2,047,808</u>

The accompanying notes are an integral part of this statement.

**Mancos Water Conservancy District**  
**Balance Sheet**  
**Governmental Funds**

December 31, 2020

		<u>General Fund</u>
<b>Assets</b>		
Cash and investments	\$	916,214
Cash with treasurer		1,885
Property tax receivable		223,805
<b>Total assets</b>		<u>\$ 1,141,904</u>
<b>Liabilities</b>		
Accounts payable	\$	435
<b>Total liabilities</b>		<u>435</u>
<b>Deferred inflows of resources</b>		
Unearned property tax revenue		<u>223,805</u>
<b>Fund balance</b>		
Restricted		
TABOR		15,000
Unrestricted		
Assigned for subsequent year's expenditures		902,664
<b>Total fund balance</b>		<u>917,664</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$</u>	<u>1,141,904</u>
<b>Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position</b>		
<b>Total fund balance governmental funds</b>		\$ 917,664
Amounts reported for governmental activities in the Statement of Net Position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Capital assets		
Accumulated depreciation		<u>-</u>
<b>Total net position governmental activities</b>		<u>\$ 917,664</u>

The accompanying notes are an integral part of this statement.

**Mancos Water Conservancy District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Fund**

For the Year Ended December 31, 2020

	<u>General Fund</u>
<b>Revenues</b>	
Taxes	\$ 145,174
<b>Total revenues</b>	<u>145,174</u>
<b>Expenditures</b>	
General government	70,550
Transfers	60,000
<b>Total expenditures</b>	<u>130,550</u>
<b>Excess (deficit) of revenues over (under) expenditures</b>	14,624
Fund Balances beginning of the year	903,040
<b>Fund balances end of the year</b>	<u>\$ 917,664</u>

The accompanying notes are an integral part of this statement.

**Mancos Water Conservancy District**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities**

For the Year Ended December 31, 2020

**Net Change in Fund Balances Governmental Funds** **\$ 14,624**

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlay	\$ -
Depreciation expense	-
	<hr/>

**Change in Net Position of Governmental Activities** **\$ 14,624**

The accompanying notes are an integral part of this statement.

**Mancos Water Conservancy District**

Statement of Net Position  
 Proprietary Fund Type-Enterprise Funds  
December 31, 2020

	Business-type Activities <u>Water Fund</u>
<b>Assets</b>	
<b>Current assets</b>	
Cash	\$ 598,299
<b>Total current assets</b>	<u>598,299</u>
<b>Noncurrent assets</b>	
Capital assets	1,952,731
Accumulated depreciation	(322,959)
<b>Total noncurrent assets</b>	<u>1,629,772</u>
<b>Total assets</b>	<u>2,228,071</u>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Accounts payable	1,133
Payroll tax payable	47
<b>Total current liabilities</b>	<u>1,180</u>
<b>Noncurrent liabilities</b>	
Notes and bonds payable	1,096,747
<b>Total noncurrent liabilities</b>	<u>1,096,747</u>
<b>Total liabilities</b>	<u>1,097,927</u>
<b>Net position</b>	
Net investment in capital assets	533,025
Unrestricted	597,119
<b>Total net position</b>	<u>\$ 1,130,144</u>

The accompanying notes are an integral part of this statement

**Mancos Water Conservancy District**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Fund Type**  
**Enterprise Funds**

For the Year Ended December 31, 2020

	<b>Business-type Activities</b>
	<b>Water Fund</b>
<b>Operating revenues</b>	
Charges for services	\$ 60,442
Water assessments	148,988
Other operating revenues	1,327
<b>Total operating revenues</b>	<b>210,757</b>
<b>Operating expenses</b>	
Salaries and benefits	52,439
Payroll Tax	3,829
Office	1,516
Subscriptions, dues and permits	950
Professional fees	2,375
Insurance	26,741
Contractual obligations	320,765
Equipment operations	6,262
Maintenance	43,109
Utilities	7,673
Miscellaneous	976
Depreciation	22,666
<b>Total operating expenses</b>	<b>489,301</b>
Operating income (loss)	<b>(278,544)</b>
<b>Non-operating revenues (expenses)</b>	
Property Tax	94,940
Grant revenue	533,769
Dividends	351
Interest	743
Gain from sale of capital assets	31,883
Transfers in	60,000
Debt service-interest	(32,481)
<b>Total non-operating revenue</b>	<b>689,205</b>
Change in net position	410,661
Net position beginning of the year	719,483
<b>Net position end of the year</b>	<b>\$ 1,130,144</b>

The accompanying notes are an integral part of this statement.

**Mancos Water Conservancy District**

Statement of Cash Flows  
Proprietary Fund Type  
Enterprise Funds

For the Year Ended December 31, 2020

	<u>Business-type Activities Water Fund</u>
<b>Cash Flows From Operating Activities</b>	
Cash received from customers	\$ 210,757
Cash payments to employees for services	(52,439)
Cash payments to suppliers for goods and services	(417,449)
<b>Net Cash Flows provided (used) by Operating Activities</b>	<u>(259,131)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Grant received	533,769
Principal paid on debt	(63,291)
Interest paid on debt	(32,481)
<b>Net Cash Flows provided (used) by Capital and Financing Activities</b>	<u>437,997</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Property Tax	94,940
Transfers in	60,000
Equipment and facilities sold	32,589
Equipment and facilities purchased	(90,301)
<b>Total Cash Flows provided (used) by Noncapital Financing Activities</b>	<u>97,228</u>
<b>Cash flows from Investing Activities</b>	
Earnings on investments	<u>1,094</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	277,188
Cash and Cash Equivalents - Beginning	321,111
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 598,299</u>
<b>Reconciliation of operating income (loss) to Net Cash provided (used) by Operating Activities</b>	
Operating income (loss)	\$ (278,545)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	22,666
Changes in assets and liabilities related to operations:	
Increase (Decrease) in	
Operating accounts payable	(3,252)
<b>Net Cash provided (used) by Operating Activities</b>	<u>\$ (259,131)</u>

The accompanying notes are an integral part of this statement.

# MANCOS WATER CONSERVANCY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

***Summary of Significant Accounting Policies*** - Mancos Water Conservancy District's, (the District) financial statements are prepared in accordance with U.S. generally accepted accounting principals (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statement of Interpretations).

The following significant accounting policies were applied to the preparation of the accompanying financial statements.

***Reporting Entity*** – Mancos Water Conservancy District is a special district organized under Colorado Revised Statute 32-4-101. The area served includes the Town of Mancos and the surrounding area.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements that provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

***Fund Accounting*** – The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and in the means by which spending activities are controlled. The various funds are grouped into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

***Governmental Funds*** – are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds). The following are the District's major governmental funds.

***General Fund*** – is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes and specific ownership taxes.

# MANCOS WATER CONSERVANCY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

### ***Proprietary Funds–***

***Enterprise Funds*** – focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The District's enterprise funds are:

***Water Fund-*** is used to account for the financial transactions related to the water distribution operations of the District.

### ***Basis of Presentation-***

***District -wide Financial Statements-*** The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The District -wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with a brief explanation to better identify the relationship between the District-wide financial statements and the statements for governmental funds.

The District -wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

***Fund Financial Statements-*** Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current

# MANCOS WATER CONSERVANCY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

***Basis of Accounting*** – determines when transactions are recorded in the financial records and reported on the financial statements. District -wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

***Revenues- Exchange and Non-exchange Transactions-*** Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value are recorded on the accrual basis when the exchange takes place. On a modified accrual basis revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when used is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within 60 days after year-end, interest, and certain grants.

# MANCOS WATER CONSERVANCY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

**Operating Income-Proprietary Funds-** operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**Unearned Revenue-** arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

**Expenses/Expenditures-** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds

**Budgets and Budgetary Accounting** – The District is required by Colorado Statutes to adopt annual budgets for all funds. Each budget is prepared on the same basis (U.S. GAAP basis) as that used for accounting purposes, except for the Proprietary Funds, which are prepared essentially on the modified accrual basis of accounting. This basis of accounting is at variance with U.S. GAAP.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to October 15, the Budget Officer submits to the District Board a proposed operating budget for the fiscal year commencing the following January 1.

The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain comments.

Prior to December 31, the budget is legally adopted through passage of adoption and appropriations resolutions.

Formal budgetary integration is employed as a management control device during the year.

# MANCOS WATER CONSERVANCY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Department directors are authorized to transfer budget amounts within the department. However, the District Board must approve any revisions that alter the total expenditures of any department.

Appropriations are adopted by resolution for each fund in total and lapse at the end of each year. Over-expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

**Cash and Cash Equivalents** – for the purpose of the Statement of Cash Flows of the Enterprise Funds is considered to be all of the highly liquid investments with a maturity of six months or less.

**Capital Assets** – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the District-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the District -wide statements of net position and in the respective fund financial statements,

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are valued at their estimated fair value on the date donated. The District maintains a capitalization threshold of five thousand dollars.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings and Facilities	15 to 50 Years	15 to 50 Years
Equipment	5 to 15 Years	5 to 15 Years

**Property Tax Revenue Recognition** – Property taxes are billed and collected on behalf of the District by the Dolores County Treasurer. The property taxes are levied and certified in December of the year prior to the year the taxes are collected. Property taxes become an enforceable lien on January 1 of each year. Secured property taxes are due in two equal installments on February 28 and June 15, and are delinquent after February 28 and June 15 respectively. The entire balance can be paid by April 30 without penalty. Property taxes levied are recorded as deferred revenues in the year levied, as they are not due until the following

# MANCOS WATER CONSERVANCY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

year. An allowance for un-collectible taxes is not provided as the un-collectible amounts were determined to be negligible based upon an analysis of historical trends.

***Accrued Liabilities and General Long-Term Obligations-*** All payables, accrued liabilities and long-term obligations are reported in the District -wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payment made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements.

***Governmental Fund Balances-*** In the governmental fund financial statements, fund balances are classified as follows:

***Nonspendable-*** Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

***Restricted-*** Amounts that can be used only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. This includes the District's TABOR reserve for emergencies.

***Committed-*** Amounts that can be used only for specific purposes determined by a formal action by the District Board.

***Assigned-*** Amounts that are designated by the District Board for a particular purpose but are not spendable until appropriated. This includes assignments for subsequent year's expenditures.

***Unassigned-*** All amounts not included in other spendable classifications.

***Use of Restricted Resources-*** When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources and the toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and

# MANCOS WATER CONSERVANCY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

then to other less restrictive classifications- committed and then assigned fund balances before using unassigned fund balances.

***Net Position-*** Net position represents the difference between assets, deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

***Operating Revenues and Expenses-*** Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales related to water services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activities of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

***Inter-fund Transactions-*** Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

***Estimates*** – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management’s estimates.

**Cash and Investments** – The District maintains its cash in the form of deposits in financial institutions.

***Deposits-*** The Colorado Public Deposit Protection Act (PDPA) governs the District’s cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a fair market value at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in collateral pools.

At December 31, the carrying amount of the District’s deposits was \$1,514,513 and the bank balance was \$1,620,033. The District’s bank balances at December 31, 2020 and during the

**MANCOS WATER CONSERVANCY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020

year then ended were entirely covered by FDIC insurance or pledged collateral held by the District's agent bank in the name of governmental accounts of which the District is a part.

**Capital Assets** – Capital asset activity for the fiscal year ended December 31, 2020 follows:

	Balance Jan 1, 2020	Additions	Deletions	Balance Dec 31, 2020
<b>Business Type Activities</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 208,250			\$ 208,250
Water rights	927,577			927,577
<b>Total Capital assets, not being depreciated:</b>	<b>1,135,827</b>			<b>1,135,827</b>
<b>Capital assets being depreciated</b>				
Building	389,167			389,167
Machinery and equipment	388,777	\$ 90,301	\$ (51,341)	427,737
<b>Total capital assets being depreciated</b>	<b>777,944</b>	<b>90,301</b>	<b>(51,341)</b>	<b>816,904</b>
<b>Less accumulated depreciation</b>	<b>(350,928)</b>	<b>(22,666)</b>	<b>50,635</b>	<b>(322,959)</b>
<b>Net capital assets being depreciated</b>	<b>427,016</b>	<b>67,635</b>	<b>(706)</b>	<b>493,945</b>
<b>Business Type Activities Capital Assets net</b>	<b>\$ 1,562,843</b>	<b>\$ 67,635</b>	<b>\$ (706)</b>	<b>\$ 1,629,772</b>

**MANCOS WATER CONSERVANCY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020

Depreciation expense was charged as a direct expense to the following programs:

Business type activities	
Water operations	\$ 22,666
Total depreciation business type activities	<u>\$ 22,666</u>

**General Long-Term Debt-** The District has incurred the following long-term debt.

**Business-type Activities:**

**Water Fund:** The following item is the obligation of and repaid through the Water Fund.

**Note Payable-** \$1,451,556 loan started in 2016 to finance improvements to the District's water system. Interest is computed at 2.80% with annual payments of \$95,772 through 2035. The loan is secured by the District's water system.

**Changes in General Long-Term Debt-** A summary of changes in general long-term debt follows:

	<u>Balance January 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2020</u>
Business Type Activities				
Notes and Bonds from Direct Placement				
Water Fund Loan	\$ 1,160,039		\$ (63,291)	\$ 1,096,748
<b>Total</b>	<u>\$ 1,160,039</u>	<u>\$ -</u>	<u>\$ (63,291)</u>	<u>\$ 1,096,748</u>

Annual requirements to amortize the long-term debt is as follows:

**MANCOS WATER CONSERVANCY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020

<u>Year Ending December 31,</u>	<u>Notes and Bonds</u>	
	<u>from Direct Placement</u>	
	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 65,063	\$ 30,709
2023	66,885	28,887
2024	68,758	27,014
2025	70,683	25,089
2026	72,662	23,110
2027-2031	394,992	83,869
2032-2035	357,705	25,385
Total	<u>\$ 1,096,748</u>	<u>\$ 244,063</u>

**Fund Balance Restrictions and Assignments** – Restricted indicates that a portion of the fund balance can only be spent for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. Assigned indicates amounts that are designated for a specific purpose by the District Board but are not spendable until appropriated. If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is District policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned. The District uses the following restrictions and assignments

**Restricted**

**TABOR** – indicates that a portion of the fund balance has been segregated for expenditures for declared emergencies only. Fund balance restricted for TABOR consists of \$15,000 in the General Fund.

**Assigned**

**Assigned for future expenditures** – indicates anticipated fund balance available for appropriation in the next budget year. Fund balance assigned for future expenditures consists of \$902,664 in the General Fund.

**Commitments and Contingent Liabilities** – There appear to be no commitments or contingencies that would pose a threat of significant liability to the District.

# MANCOS WATER CONSERVANCY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

**Tax Spending, Revenue and Debt Limitations-** Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenue.

Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Those exceptions include spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves.

The Amendment requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

**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 has purchased commercial insurance for such risks including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three years.

**Compliance with Laws and Regulations-** The District may be in violation of State Statute. Expenditures exceeded appropriations in the Water Fund.

**Mancos Water Conservancy District**  
**Required Supplementary Information**

December 31, 2020

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

Such information includes:

Budgetary Comparison Schedule  
General Fund

**Mancos Water Conservancy District**

Schedule of Revenues, Expenditures and Changes in  
Fund Balances- Budget and Actual  
General Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
<b>Taxes</b>				
Interest on Taxes	\$ 400	\$ 400		\$ (400)
District Tax	139,258	139,258	\$ 145,174	5,916
Special Owner/Tax Exemptions	18,000	18,000		(18,000)
<b>Total taxes</b>	<b>157,658</b>	<b>157,658</b>	<b>145,174</b>	<b>(12,484)</b>
<b>Total revenues</b>	<b>157,658</b>	<b>157,658</b>	<b>145,174</b>	<b>(12,484)</b>
<b>Expenditures</b>				
<b>General government</b>				
Administrative	4,000	4,000	4,319	(319)
Auditing and Legal	4,000	4,000	1,895	2,105
Bonds	150	150	100	50
Contract Services	4,500	4,500	4,695	(195)
County Treasurer Fee	5,500	5,500	4,318	1,182
Insurance	17,377	17,377	10,690	6,687
Office Supplies	5,000	5,000	2,162	2,838
Payroll Taxes	2,461	2,461	2,889	(428)
Salary	31,607	31,607	35,381	(3,774)
Benefits	5,422	5,422	1,966	3,456
Utilities	5,600	5,600	2,135	3,465
Emergency Fund	4,730	4,730		4,730
<b>Total general government</b>	<b>90,347</b>	<b>90,347</b>	<b>70,550</b>	<b>19,797</b>
<b>Total expenditures</b>	<b>90,347</b>	<b>90,347</b>	<b>70,550</b>	<b>19,797</b>
<b>Other financing sources (uses)</b>				
Transfers in	(60,000)	(60,000)	(60,000)	-
<b>Total other financing sources (uses)</b>	<b>(60,000)</b>	<b>(60,000)</b>	<b>(60,000)</b>	<b>-</b>
<b>Excess (deficit) of revenues and other sources over (under) expenditures and other uses</b>	<b>7,311</b>	<b>7,311</b>	<b>14,624</b>	<b>7,313</b>
Fund balance, beginning of the year	897,062	897,062	903,040	5,978
<b>Fund balance, end of the year</b>	<b>\$ 904,373</b>	<b>\$ 904,373</b>	<b>\$ 917,664</b>	<b>\$ 13,291</b>

**Mancos Water Conservancy District**  
**Other Supplementary Information**

December 31, 2020

Other supplementary information includes financial statements and schedules not required by the GASB, or a part of the basic financial statements, but are presented for purposes of additional analysis.

These statements and schedules include:

Budgetary Comparison Schedule- Enterprise fund-Water Fund

**Mancos Water Conservancy District**  
**Statement of Revenues, Expenditures, and Changes in Net Position - Budget and Actual**  
**Proprietary Fund**  
**Enterprise Fund**  
**Water Fund**

For the Year Ended December 31, 2020

	Budgeted Amounts		(Non GAAP Basis) Actual	Variance Favorable
	Original	Final	Amounts	(Unfavorable)
<b>Operating Revenues</b>				
Charges for services	\$ 62,369	\$ 62,369	\$ 60,442	\$ (1,927)
Water assessments	147,512	147,512	148,988	1,476
Other operating revenues	-	-	1,327	1,327
<b>Total operating revenues</b>	<b>209,881</b>	<b>209,881</b>	<b>210,757</b>	<b>876</b>
<b>Operating Expenses</b>				
Administrative	6,850	6,850	4,867	1,983
Capital outlay	60,000	60,000	90,301	(30,301)
Contract services	4,580	4,580	4,580	4,580
Contractual obligations	95,772	95,772	320,765	(224,993)
Dues	3,000	3,000	950	2,050
Equipment operations/repairs	15,000	15,000	6,262	8,738
Insurance	16,500	16,500	26,741	(10,241)
Maintenance of office and residence	18,500	18,500	18,500	18,500
Operations and maintenance	22,500	22,500	43,109	(20,609)
Payroll tax	3,310	3,310	3,829	(519)
Benefits	5,422	5,422	5,422	5,422
Salaries	45,037	45,037	52,439	(7,402)
Shop Supplies	5,655	5,655	5,655	5,655
Utilities	5,509	5,509	7,673	(2,164)
<b>Total Operating Expenses</b>	<b>307,635</b>	<b>307,635</b>	<b>556,936</b>	<b>(249,301)</b>
Operating income (loss)	(97,754)	(97,754)	(346,179)	(248,425)
<b>Non-Operating Revenue (Expenses)</b>				
Grant revenue			533,769	533,769
Property tax			94,940	94,940
Earnings on investments			1,094	1,094
Transfers In			60,000	60,000
Gain on sale of assets			31,883	31,883
Debt service				-
Principal			(63,291)	(63,291)
Interest			(32,481)	(32,481)
<b>Total Non-Operating Revenue</b>	<b>-</b>	<b>-</b>	<b>625,914</b>	<b>625,914</b>
Change in net position non GAAP basis	(97,754)	(97,754)	279,735	377,489
Add debt service-principal			63,291	63,291
Add capital outlay			90,301	90,301
Less depreciation expense			(22,666)	(22,666)
Change in net position	(97,754)	(97,754)	410,661	508,415
Net position beginning of the year	397,548	397,548	719,483	321,935
<b>Net position end of the year</b>	<b>\$ 299,794</b>	<b>\$ 299,794</b>	<b>\$ 1,130,144</b>	<b>\$ 830,350</b>