

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2021**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Central Colorado Water Conservancy District  
Greeley, Colorado

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Central Colorado Water Conservancy District (the District), as of and for the year ended December 31, 2021, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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 Auditors' 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' 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 auditors' 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.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the GASB required Pension and OPEB schedules as listed in the table of contents 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 GAAS, 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.

**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 budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 GAAS. In our opinion, the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
October 17, 2022

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2021**

This section of the report provides readers with a narrative overview and analysis of the financial activities of the Central Colorado Water Conservancy District (the District) for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

**FINANCIAL HIGHLIGHTS**

- The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$105.4 million at December 31, 2021.
- The General Fund balance was \$6.7 million as of December 31, 2021. Of this amount, \$234,324 is reserved for emergencies.
- The December 31, 2021, General Fund balance is \$3,385,549 less than the previous year-end. The total fund balance is 82% of 2021 General Fund expenditures.
- The Debt Service Funds have fund balances of \$28.4 million at December 31, 2021.
- The Water Enterprise Funds have net position of \$9.7 million at December 31, 2021.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements contain three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic statements, this report also contains other supplementary information.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

The *statement of net position* presents information on all of the District's assets, liabilities and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

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

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2021**

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Debt Service Fund, each of which is considered to be a major fund.

The basic governmental fund financial statements can be found on pages 13 to 18 of this report.

**Proprietary Funds.** The District maintains one type of a proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District uses enterprise funds to account for its water services.

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

The basic proprietary fund financial statements can be found on pages 19 to 21 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 56 of this report.

**Budgetary Comparisons.** The District adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the General Fund on page 58 of this report.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2021, assets exceeded liabilities by \$105,373,122.

The following table provides a summary of the District's net position:

	2021		2020	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
<b>ASSETS</b>				
Current and Other Assets	\$ 77,561,235	\$ 6,300,081	\$ 72,927,314	\$ 4,177,296
Capital Assets	150,020,823	9,227,474	134,361,725	7,862,658
Total Assets	<u>227,582,058</u>	<u>15,527,555</u>	<u>207,289,039</u>	<u>12,039,954</u>
<b>DEFERRED OUTFLOWS</b>				
Refunding	1,017,131	-	-	-
Pensions/OPEB	494,744	-	263,442	-
Total Deferred Outflows	<u>1,511,875</u>	<u>-</u>	<u>263,442</u>	<u>-</u>
<b>LIABILITIES</b>				
Current and Other Liabilities	20,258,694	2,520,279	11,090,706	284,756
Long-Term Liabilities	98,043,665	3,155,087	93,636,219	2,677,887
Total Liabilities	<u>118,302,359</u>	<u>5,675,366</u>	<u>104,726,925</u>	<u>2,962,643</u>
<b>DEFERRED INFLOWS</b>				
Pensions/OPEB	990,743	-	522,258	238,079
Deferred Property Taxes	14,095,233	184,665	17,518,157	-
Total Deferred Inflows	<u>15,085,976</u>	<u>184,665</u>	<u>18,040,415</u>	<u>238,079</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	56,609,901	3,822,387	44,367,625	4,954,764
Restricted	28,224,455	-	29,998,561	-
Unrestricted	10,871,242	5,845,137	10,488,955	3,884,468
Total Net Position	<u>\$ 95,705,598</u>	<u>\$ 9,667,524</u>	<u>\$ 84,855,141</u>	<u>\$ 8,839,232</u>

A portion of The District's net position represents unrestricted net position of \$16,716,379 which may be used to meet the District's ongoing obligations to citizens and creditors.

Another significant portion of the District's net position reflects its investment in capital assets. These assets include water rights and projects, buildings, and equipment. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The only long-term debt is the bonds and leases issued for construction of District utility systems and water projects.

An additional \$28,224,455 of the District's net position represents resources that are subject to external restrictions on how they may be used. Included in this category are the TABOR emergency reserve and the debt service fund balance.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2021**

The following table indicates the changes in net position:

	2021		2020	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
<b>REVENUES</b>				
Program Revenues:				
Charges for Services	\$ 1,862,280	\$ 2,950,986	\$ 3,010,828	\$ 3,730,413
Operating Grants and Contributions	940,579	278,422	-	-
General Revenues:				
Property Taxes	18,372,098	238,053	17,273,019	293,755
Investment Earnings	7,546	(690)	222,579	19,960
Total Revenues	<u>21,182,503</u>	<u>3,466,771</u>	<u>20,506,426</u>	<u>4,044,128</u>
<b>EXPENSES</b>				
General Government	6,054,805	-	5,581,903	-
Depreciation	1,819,316	-	1,133,080	-
Interest on Long-Term Debt	2,457,925	-	2,991,450	-
Water Enterprise	-	2,638,479	-	1,773,918
Total Expenses	<u>10,332,046</u>	<u>2,638,479</u>	<u>9,706,433</u>	<u>1,773,918</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<u>\$ 10,850,457</u>	<u>\$ 828,292</u>	<u>\$ 10,799,993</u>	<u>\$ 2,270,210</u>

**Governmental Activities.** Government activities increased the District's net position by \$10,850,457 in 2021. Key elements of this increase are as follows:

- Total revenues increased approximately 3%, due to higher property tax collections and operating grants and contribution revenues.
- Expenses increased approximately 6% from the previous year, primarily from increased depreciation expense.

**Business-Type Activities.** Business-type activities (i.e., water) increased the District's net position by \$828,292 in 2021, due to charges for services continue to exceed related water lease expenses.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2021**

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

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

As of December 31, 2021, the total fund balances of the District's governmental funds were \$62.6 million. Fund balance is either assigned or restricted to indicate that it is not available for new spending because it is committed for the following purposes: a state-constitution mandated emergency reserve (\$620,228); restricted for debt service (\$28,384,518); assigned for sequent year budget (\$33,380,087).

The District has three major governmental funds:

1. **General Fund.** This is the primary operating fund of the District. It accounts for the District's core governmental services. The General Fund balance was \$6.7 million as of December 31, 2021. The 2021 fund balance is (\$3,385,549) less than the previous year.
2. **Special Revenue Fund.** The Special Revenue Fund accounts for the District's two subdistricts. The fund balance at December 31, 2021, was \$27.5 million.
3. **Debt Service Fund.** The Debt Service Fund accounts for the repayment of the District's debt. The total fund balance at December 31, 2021, was \$28.4 million.

The District has one major enterprise fund, the Water Fund:

1. **Water Fund.** The Water Fund accounts for service charges and expenses of operating the District's water systems. The Water Fund net position at December 31, 2021, was \$9.7 million. Net position increased by \$828,292 during the year due to increased water lease revenue.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund.

	Final Budget	Actual
<b>FUND BALANCE - BEGINNING OF YEAR</b>	\$ 10,116,540	\$ 10,116,540
<b>REVENUE AND FINANCING SOURCES</b>	3,103,636	4,838,900
<b>EXPENDITURES</b>	(9,220,630)	(8,224,449)
<b>FUND BALANCE - END OF YEAR</b>	\$ 3,999,546	\$ 6,730,991

Expenditures were less than budget due to some capital projects not occurring that were anticipated.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2021**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The District's investment in capital assets for its governmental and business-type activities as of December 31, 2021, totals approximately \$159.2 million (net of accumulated depreciation). This investment includes all land, water rights, buildings, and equipment and water projects. The total net increase in investment in capital assets for the current year was \$17,023,914 or 12%, due to capital additions being more than depreciation expenses.

The District implemented the straight-line depreciation method for its capital assets, except for land and water rights which are not depreciated.

Additional information on the District's capital assets can be found in Note 3 of this report.

**Long-Term Debt.** At December 31, 2021, the District had approximately \$115.8 million of water loans and bonds payable, funded by assessments and property taxes, and a deferred loss on refunding of approximately \$1.0 million. The District also has loans payable of approximately \$5.4 million from business-type activities, funded from assessments.

Additional information on the District's debt can be found in Note 6.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, 3209 W. 28th Street, Greeley, Colorado 80634.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 55,781,247	\$ 5,659,065	\$ 61,440,312
Receivables:			
Property Taxes	14,095,233	184,665	14,279,898
Accounts Receivable	13,365	50,000	63,365
Internal Balances	(120,150)	120,150	-
Prepaid Items	324,742	286,201	610,943
Capital Assets, Not Being Depreciated	53,483,188	1,455,028	54,938,216
Capital Assets, Net of Accumulated Depreciation	96,537,635	7,772,446	104,310,081
Cash and Investments - Restricted	7,466,798	-	7,466,798
Total Assets	227,582,058	15,527,555	243,109,613
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Refunding	1,017,131	-	1,017,131
Related to Pension	466,219	-	466,219
Related to Other Postemployment Benefits	28,525	-	28,525
Total Deferred Outflows of Resources	1,511,875	-	1,511,875
<b>LIABILITIES</b>			
Accounts Payable	756,427	144,917	901,344
Accrued Interest Payable	780,291	125,362	905,653
Long-Term Liabilities:			
Net Pension Liability	874,218	-	874,218
Net OPEB Liability	121,684	-	121,684
Due Within One Year	17,726,074	2,250,000	19,976,074
Due in More than One Year	98,043,665	3,155,087	101,198,752
Total Liabilities	118,302,359	5,675,366	123,977,725
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue Property Taxes	14,095,233	184,665	14,279,898
Related to Pension	948,350	-	948,350
Related to Other Postemployment Benefits	42,393	-	42,393
Total Deferred Inflows of Resources	15,085,976	184,665	15,270,641
<b>NET POSITION</b>			
Net Investment in Capital Assets	56,609,901	3,822,387	60,432,288
Restricted for:			
Debt Service and TABOR	28,224,455	-	28,224,455
Unrestricted	10,871,242	5,845,137	16,716,379
Total Net Position	\$ 95,705,598	\$ 9,667,524	\$ 105,373,122

See accompanying Notes to Basic Financial Statements.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

<b>FUNCTIONS/PROGRAMS</b>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Contributions
Governmental Activities:				
General Government	\$ 7,874,121	\$ 1,862,280	\$ 940,579	\$ -
Interest on Long-Term Debt	2,457,925	-	-	-
Total Governmental Activities	10,332,046	1,862,280	940,579	-
Business-Type Activities:				
Water Enterprise Fund - District	137,418	414,432	-	-
Water Enterprise Fund - WAS	-	53,850	-	-
Water Enterprise Fund - GMS	2,501,061	2,482,704	278,422	-
Total Business-Type Activities	2,638,479	2,950,986	278,422	-
 Total	\$ 12,970,525	\$ 4,813,266	\$ 1,219,001	\$ -

See accompanying Notes to Basic Financial Statements.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>			
Governmental Activities:			
General Government	\$ (5,071,262)	\$ -	\$ (5,071,262)
Interest on Long-Term Debt	(2,457,925)	-	(2,457,925)
Total Governmental Activities	(7,529,187)	-	(7,529,187)
Business-Type Activities:			
Water Enterprise Fund - District	-	277,014	277,014
Water Enterprise Fund - WAS	-	53,850	53,850
Water Enterprise Fund - GMS	-	260,065	260,065
Total Business-Type Activities	-	590,929	590,929
Total	(7,529,187)	590,929	(6,938,258)
<b>GENERAL REVENUE</b>			
Property Taxes	18,372,098	238,053	18,610,151
Investment Earnings	7,546	(690)	6,856
Total General Revenue	18,379,644	237,363	18,617,007
<b>CHANGE IN NET POSITION</b>	10,850,457	828,292	11,678,749
Net Position - Beginning of Year	84,855,141	8,839,232	93,694,373
<b>NET POSITION - END OF YEAR</b>	\$ 95,705,598	\$ 9,667,524	\$ 105,373,122

See accompanying Notes to Basic Financial Statements.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

<b>ASSETS</b>	<b>General Fund</b>	<b>Special Revenue Funds</b>	
		<b>WAS</b>	<b>GMS</b>
Cash and Investments	\$ 6,976,087	\$ 5,861,425	\$ 21,927,565
Cash and Investments - Restricted	-	-	-
Accounts Receivable	3,902	9,463	-
Property Taxes Receivable	2,325,648	597,980	1,342,844
Due from Other Funds	53,298	-	-
Prepaid Items	-	214,572	-
Total Assets	<b>\$ 9,358,935</b>	<b>\$ 6,683,440</b>	<b>\$ 23,270,409</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts and Retainage Payable	302,296	58,811	395,320
Due to Other Funds	-	17,500	57,498
Total Liabilities	302,296	76,311	452,818
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	2,325,648	597,980	1,342,844
Total Deferred Inflows of Resources	2,325,648	597,980	1,342,844
<b>FUND BALANCES</b>			
Nonspendable:	-	214,572	-
Restricted for:			
TABOR Emergencies	234,324	132,737	253,167
Debt Service	-	-	-
Assigned - Subsequent Year Budget and Subdistricts	6,496,667	5,661,840	21,221,580
Total Fund Balances	6,730,991	6,009,149	21,474,747
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<b>\$ 9,358,935</b>	<b>\$ 6,683,440</b>	<b>\$ 23,270,409</b>

See accompanying Notes to Basic Financial Statements.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2021**

<b>ASSETS</b>	Debt Service Funds			Total Governmental Funds
	District	WAS	GMS	
Cash and Investments	\$ 12,742,789	\$ 8,246,696	\$ 26,685	\$ 55,781,247
Cash and Investments - Restricted	862,935	793,209	5,810,654	7,466,798
Accounts Receivable	-	-	-	13,365
Property Taxes Receivable	3,896,335	1,533,885	4,398,541	14,095,233
Due from Other Funds	-	-	-	53,298
Prepaid Items	-	-	-	214,572
<b>Total Assets</b>	<b>\$ 17,502,059</b>	<b>\$ 10,573,790</b>	<b>\$ 10,235,880</b>	<b>\$ 77,624,513</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts and Retainage Payable	-	-	-	756,427
Due to Other Funds	32,834	14,432	51,184	173,448
<b>Total Liabilities</b>	<b>32,834</b>	<b>14,432</b>	<b>51,184</b>	<b>929,875</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	3,896,335	1,533,885	4,398,541	14,095,233
<b>Total Deferred Inflows of Resources</b>	<b>3,896,335</b>	<b>1,533,885</b>	<b>4,398,541</b>	<b>14,095,233</b>
<b>FUND BALANCES</b>				
Nonspendable:	-	-	-	214,572
Restricted for:				
TABOR Emergencies	-	-	-	620,228
Debt Service	13,572,890	9,025,473	5,786,155	28,384,518
Assigned - Subsequent Year Budget and Subdistricts	-	-	-	33,380,087
<b>Total Fund Balances</b>	<b>13,572,890</b>	<b>9,025,473</b>	<b>5,786,155</b>	<b>62,599,405</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 17,502,059</b>	<b>\$ 10,573,790</b>	<b>\$ 10,235,880</b>	<b>\$ 77,624,513</b>

See accompanying Notes to Basic Financial Statements.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
RECONCILIATION OF THE BALANCE SHEET TO THE  
STATEMENT OF NET POSITION – GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

**Total Fund Balance - Governmental Funds** \$ 62,599,405

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

Bond insurance is reflected as a prepaid expense on the statement of net position. 110,170

Capital assets used in governmental activities are not financial resources and are not reported in the funds. 150,020,823

The proportionate share of net pension liability, deferred outflows of resources, and deferred inflows of resources related to their participation in Colorado PERA is not recorded in governmental funds, but is recorded in the statement of net position.

Net Pension Liability	(874,218)	
Deferred Outflows of Resources Related to Pensions	466,219	
Deferred Inflows of Resources Related to Pensions	<u>(948,350)</u>	(1,356,349)

The proportionate share of net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to their participation in Colorado PERA is not recorded in governmental funds, but is recorded in the statement of net position.

Net OPEB Liability	(121,684)	
Deferred Outflows of Resources Related to OPEB	28,525	
Deferred Inflows of Resources Related to OPEB	<u>(42,393)</u>	(135,552)

Accrued interest payable is not included in the funds. (780,291)

Long-term related liabilities are not reported in governmental funds, consisting of:

Bonds payable	(110,677,967)	
Premiums	(5,058,530)	
Deferred loss on refunding	1,017,131	
Compensated Absences	<u>(33,242)</u>	(114,752,608)

Net Position of Governmental Activities \$ 95,705,598

See accompanying Notes to Basic Financial Statements.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	General Fund	Special Revenue Funds	
		WAS	GMS
<b>REVENUE</b>			
Taxes	\$ 3,137,852	\$ 948,660	\$ 2,304,792
Interest Income	1,050	1,092	1,645
Water Assessments	-	1,153,754	-
State and Federal Grants	916,986	194,489	37,936
Miscellaneous	350,761	233,669	124,096
Total Revenue	<u>4,406,649</u>	<u>2,531,664</u>	<u>2,468,469</u>
<b>EXPENDITURES</b>			
Operating Expenditures	1,891,559	2,008,587	1,894,711
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Issuance Costs	-	-	285,132
Capital Outlay	6,332,890	3,660,868	7,824,214
Total Expenditures	<u>8,224,449</u>	<u>5,669,455</u>	<u>10,004,057</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	(3,817,800)	(3,137,791)	(7,535,588)
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Assets	-	-	312,500
Debt Issuances	432,251	1,544,483	19,161,761
Bond Escrow Payment	-	-	-
Bond Premium	-	-	3,251,761
Refunding Bond Issuance	-	-	-
Total Other Financing Sources (Uses)	<u>432,251</u>	<u>1,544,483</u>	<u>22,726,022</u>
<b>CHANGE IN FUND BALANCES</b>	(3,385,549)	(1,593,308)	15,190,434
Fund Balances - Beginning of Year	<u>10,116,540</u>	<u>7,602,457</u>	<u>6,284,313</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,730,991</u>	<u>\$ 6,009,149</u>	<u>\$ 21,474,747</u>

See accompanying Notes to Basic Financial Statements.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

	Debt Service Funds			Total Governmental Funds
	District	WAS	GMS	
<b>REVENUE</b>				
Taxes	\$ 3,886,803	\$ 2,086,255	\$ 6,007,736	\$ 18,372,098
Interest Income	1,990	1,146	623	7,546
Water Assessments	-	-	-	1,153,754
State and Federal Grants	-	-	-	1,149,411
Miscellaneous	-	-	-	708,526
<b>Total Revenue</b>	<u>3,888,793</u>	<u>2,087,401</u>	<u>6,008,359</u>	<u>21,391,335</u>
<b>EXPENDITURES</b>				
Operating Expenditures	80,877	37,161	115,732	6,028,627
Debt Service:				
Principal	4,982,664	656,677	5,703,443	11,342,784
Interest	1,187,590	556,747	1,033,211	2,777,548
Issuance Costs	259,488	-	-	544,620
Capital Outlay	-	-	-	17,817,972
<b>Total Expenditures</b>	<u>6,510,619</u>	<u>1,250,585</u>	<u>6,852,386</u>	<u>38,511,551</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	(2,621,826)	836,816	(844,027)	(17,120,216)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of Sale of Assets	-	-	-	312,500
Debt Issuances	-	-	-	21,138,495
Bond Escrow Payment	(14,615,512)	-	-	(14,615,512)
Bond Premium	-	-	-	3,251,761
Refunding Bond Issuance	14,875,000	-	-	14,875,000
<b>Total Other Financing Sources (Uses)</b>	<u>259,488</u>	<u>-</u>	<u>-</u>	<u>24,962,244</u>
<b>CHANGE IN FUND BALANCE</b>	(2,362,338)	836,816	(844,027)	7,842,028
Fund Balance - Beginning of Year	<u>15,935,228</u>	<u>8,188,657</u>	<u>6,630,182</u>	<u>54,757,377</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 13,572,890</u></u>	<u><u>\$ 9,025,473</u></u>	<u><u>\$ 5,786,155</u></u>	<u><u>\$ 62,599,405</u></u>

See accompanying Notes to Basic Financial Statements.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

**Net Change in Fund Balances - Governmental Funds** \$ 7,842,028

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Additionally, governmental funds report proceeds on capital assets while the statement of activities reflects gain or loss on sale.

Capital Outlay	17,817,807	
Book Value of Disposals	(339,393)	
Depreciation Expense	<u>(1,819,316)</u>	15,659,098

The issuance of long-term debt and obligations provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences.

Issuance of long-term debt	(36,013,495)	
Bond premium	(3,251,761)	
Loan origination fee	(23,440)	
Principal payments	<u>24,362,784</u>	(14,925,912)

Governmental funds report the issuance of debt, including premiums and discounts, as an other financing source or use. In the governmental activities, however, the issuance of debt is reflected as a liability. This amount is shown net of payments made to the bond refunding escrow agent.

Amortization of Bond Premium	432,154	
Accrued Interest Payable	73,801	
Deferred Loss	<u>1,089,555</u>	1,595,510

Federal grants previously recorded as revenue in the statement of activities but was not considered available on governmental funds (see also Note 9).

Bad debt expense	(72,306)	
Federal grant funds received, previously recorded as revenue government-wide	<u>(208,832)</u>	(281,138)

Certain expenses reported in the statement of activities do not require use of current financial resources and, therefore, are not reported as an expenditure in the governmental funds.

Change in accrued interest payable	144,047	
Change in compensated absences	3,118	
Amortization of bond insurance	(10,440)	
Amortization of bond premium	826,667	
Amortization of loss on bond refunding	(72,424)	
Pension expense	62,263	
OPEB expense	<u>7,640</u>	<u>960,871</u>

Change in Net Position of Governmental Activities \$ 10,850,457

See accompanying Notes to Basic Financial Statements.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT**  
**STATEMENT OF NET POSITION**  
**BUSINESS-TYPE ACTIVITIES – ENTERPRISE FUNDS**  
**DECEMBER 31, 2021**

	Business-Type Activities			Total
	District	WAS	GMS	
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 3,690,142	\$ 290,365	\$ 1,678,558	\$ 5,659,065
Property Taxes Receivable	37,117	-	147,548	184,665
Accounts Receivable	-	-	50,000	50,000
Due from Other Funds	-	-	120,777	120,777
Prepaid Items	-	-	286,201	286,201
Total Current Assets	<u>3,727,259</u>	<u>290,365</u>	<u>2,283,084</u>	<u>6,300,708</u>
Capital Assets:				
Land Improvements	-	-	-	-
Water Rights and CIP	7,382	-	1,447,646	1,455,028
Assets Being Depreciated	2,658,011	-	5,605,413	8,263,424
Total	<u>2,665,393</u>	<u>-</u>	<u>7,053,059</u>	<u>9,718,452</u>
Accumulated Depreciation	<u>(24,148)</u>	<u>-</u>	<u>(466,830)</u>	<u>(490,978)</u>
Total Capital Assets	<u>2,641,245</u>	<u>-</u>	<u>6,586,229</u>	<u>9,227,474</u>
Total Assets	<u>6,368,504</u>	<u>290,365</u>	<u>8,869,313</u>	<u>15,528,182</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts and Retainage Payable	8,620	-	136,297	144,917
Due to Other Funds	627	-	-	627
Accrued Interest Payable	55,156	-	70,206	125,362
Current Portion of Long-Term Liabilities	2,250,000	-	-	2,250,000
Total Current Liabilities	<u>2,314,403</u>	<u>-</u>	<u>206,503</u>	<u>2,520,906</u>
Long-Term Liabilities:				
Due in More than One Year	<u>-</u>	<u>-</u>	<u>3,155,087</u>	<u>3,155,087</u>
Total Liabilities	<u>2,314,403</u>	<u>-</u>	<u>3,361,590</u>	<u>5,675,993</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	<u>37,117</u>	<u>-</u>	<u>147,548</u>	<u>184,665</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	391,245	-	3,431,142	3,822,387
Unrestricted	<u>3,625,739</u>	<u>290,365</u>	<u>1,929,033</u>	<u>5,845,137</u>
Total Net Position	<u>\$ 4,016,984</u>	<u>\$ 290,365</u>	<u>\$ 5,360,175</u>	<u>\$ 9,667,524</u>

See accompanying Notes to Basic Financial Statements.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
BUSINESS-TYPE ACTIVITIES – ENTERPRISE FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	Business-Type Activities			Total
	District	WAS	GMS	
<b>OPERATING REVENUE</b>				
Assessments	\$ 3,000	\$ 53,850	\$ 1,775,490	1,832,340
Water Lease Revenue	408,399	-	176,267	584,666
State and Federal Grants	-	-	278,422	278,422
Miscellaneous	3,033	-	530,947	533,980
Total Operating Revenue	<u>414,432</u>	<u>53,850</u>	<u>2,761,126</u>	<u>3,229,408</u>
<b>OPERATING EXPENSES</b>				
Water Leases	-	-	2,059,331	2,059,331
Supplies	828	-	13,507	14,335
Professional Fees	6,674	-	168,681	175,355
Utilities	20,481	-	9,746	30,227
Repairs and Maintenance	33,821	-	37,144	70,965
Depreciation	6,496	-	112,108	118,604
Other Expenses	13,962	-	21,977	35,939
Total Operating Expenses	<u>82,262</u>	<u>-</u>	<u>2,422,494</u>	<u>2,504,756</u>
<b>OPERATING INCOME</b>	332,170	53,850	338,632	724,652
<b>NONOPERATING REVENUE (EXPENSES)</b>				
Investment Earnings	(1,251)	34	527	(690)
Interest Expense	(55,156)	-	(78,567)	(133,723)
Property Taxes	52,180	-	185,873	238,053
Net Nonoperating Revenue (Expenses)	<u>(4,227)</u>	<u>34</u>	<u>107,833</u>	<u>103,640</u>
<b>CHANGE IN NET POSITION</b>	327,943	53,884	446,465	828,292
Fund Net Position - Beginning of Year	<u>3,689,041</u>	<u>236,481</u>	<u>4,913,710</u>	<u>8,839,232</u>
<b>FUND NET POSITION - END OF YEAR</b>	<u><u>\$ 4,016,984</u></u>	<u><u>\$ 290,365</u></u>	<u><u>\$ 5,360,175</u></u>	<u><u>\$ 9,667,524</u></u>

See accompanying Notes to Basic Financial Statements.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	Business-Type Activities			Total
	District	WAS	GMS	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Receipts from Customers	\$ 415,003	\$ 53,850	\$ 2,770,739	\$ 3,239,592
Payments to Suppliers and Employees	(67,146)	-	(2,282,365)	(2,349,511)
Net Cash Provided by Operating Activities	<u>347,857</u>	<u>53,850</u>	<u>488,374</u>	<u>890,081</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Debt Payments	-	-	(1,879,773)	(1,879,773)
Debt Issuance	-	-	3,155,087	3,155,087
Acquisition of Property, Plant, and Equipment	(8,620)	-	(316,029)	(324,649)
Increase (Decrease) in Due to Other Funds	227,982	-	(317,581)	(89,599)
Net Cash Provided by Capital and Related Financing Activities	<u>219,362</u>	<u>-</u>	<u>641,704</u>	<u>861,066</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Property Taxes	52,180	-	185,873	238,053
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and Dividends Received	<u>(1,251)</u>	<u>34</u>	<u>527</u>	<u>(690)</u>
<b>INCREASE IN CASH AND CASHEQUIVALENTS</b>	618,148	53,884	1,316,478	1,988,510
Cash and Cash Equivalents - Beginning of Year	<u>3,071,994</u>	<u>236,481</u>	<u>362,080</u>	<u>3,670,555</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 3,690,142</u></u>	<u><u>\$ 290,365</u></u>	<u><u>\$ 1,678,558</u></u>	<u><u>\$ 5,659,065</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income	\$ 332,170	\$ 53,850	\$ 338,632	\$ 724,652
Depreciation Expense	6,496	-	112,108	118,604
Change in Operating Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	571	-	9,613	10,184
Due from Other Funds	-	-	(268,743)	(268,743)
Prepaid Items	-	-	160,467	160,467
Increase (Decrease) in:				
Accounts Payable and Accrued Expenses	8,620	-	136,297	144,917
Net Cash Provided by Operating Activities	<u><u>\$ 347,857</u></u>	<u><u>\$ 53,850</u></u>	<u><u>\$ 488,374</u></u>	<u><u>\$ 890,081</u></u>

See accompanying Notes to Basic Financial Statements.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Form of Organization**

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

**Scope of Reporting Entity**

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

**Financial Reporting Entity**

In 2019, the District adopted Statement 90 of the Governmental Accounting Standards Board, *Majority Equity Interests*. For financial reporting purposes, management has considered all potential component units in defining the District. The basic criterion for including a potential component unit is the District's ability to exercise significant operational control or financial accountability with the District. Financial relationship or operational control is determined on the basis of the District's obligation to fund deficits, responsibility for debt, budgetary authority, fiscal management, selection of governing authority and/or management, and the ability to significantly influence operations.

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

WAS was established to conserve the water resources of the state of Colorado for the greatest beneficial use of water within this state to develop a plan of augmentation, which will replace the depletion of the river caused by underground water users in the South Platte river basin. The 15-member board of directors is the same as the District's. The District and WAS have the same management.

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Reporting Entity (Continued)**

GMS was established to develop a plan of augmentation, which will replace the depletion of the river caused by underground water users in the South Platte River Basin. The 15-member board of directors is the same as the District's. The District and GMS have the same management.

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

**Government-Wide and Fund Financial Statements**

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

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

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

The District reports the following major governmental funds:

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

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

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

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

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

An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The District reports the following major proprietary funds:

The Water Enterprise Funds of District, GMS, and WAS accounts for user charges and the expenses for operating, financing, and maintaining these water enterprise systems.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated.

Accounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

**Cash Equivalents**

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

**Investments**

Investments are reported at fair value.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Receivables**

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at December 31, 2021. During 2021, \$72,306 of the FEMA receivable was written off as uncollectible (see Note 9).

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. The District uses the County Treasurer to bill and collect its property taxes. Property taxes levied on December 31, 2021, are identified as property taxes receivable and deferred inflows of resources.

**Short-Term Interfund Receivables/Payables**

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

**Prepaid Items**

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

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are stated at cost except for easements which are reported with an original cost of over \$50,000. The cost of maintenance and repairs is charged against income as incurred; significant renewals, betterments, and improvements are capitalized. Depreciation has been computed using the straight-line method based on lives of 50 to 100 years for water projects and 5 to 40 years for equipment, vehicles, and the office building.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has two items that qualify for reporting in this category: changes in the net pension/OPEB liability not included in pension/OPEB expense reported in the government-wide statement of net position and the deferred loss on refunding.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows and Inflows of Resources (Continued)**

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

**Compensated Absences**

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

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

**Budgets**

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

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

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

**Long-Term Obligations**

Long-term debt and other long-term obligations are reported as liabilities in the government-wide financial statements. Bond premiums and the deferred loss on refunding are deferred and amortized over the life of the bonds using the effective interest rate method over the term of the debt. Debt issuance costs are reports as an outflow of resources.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Funds Balance and Net Position**

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

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

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

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

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

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

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

*Committed Fund Balance* – Amounts that can be used only for specific purposes determined by a formal action of the board of directors (the Board). The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

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

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pensions**

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

**Other Postemployment Benefits (OPEB)**

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

**NOTE 2 CASH AND INVESTMENTS**

A summary of deposits and investments at December 31, 2021, follows:

Bank Deposits	\$ 2,592,082
Cash with County Treasurers	84,361
Investments	<u>66,230,667</u>
Total Cash and Investments	<u>\$ 68,907,110</u>
Cash and Investments	\$ 61,440,312
Cash and Investments - Restricted	<u>7,466,798</u>
Total Cash and Investments	<u>\$ 68,907,110</u>

The District's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the District's custodial banks under provisions of the Colorado Public Deposit Protection Act (PDPA). Bank deposits of \$250,000 were covered by federal depository insurance and balances of \$2,342,082 were covered by PDPA.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

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

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

**Credit Risk**

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

At December 31, 2021, the District had invested \$66,230,667 in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is valued at the net asset value (NAV) of \$1.00. Investments of COLOTRUST consist of bills, notes, and bonds issued by the U.S. Treasury or a government agency, and repurchase agreements secured by such obligations. COLOTRUST is rated AAAM by Standard & Poor's. The District's interest is valued at NAV. COLOTRUST does not have any unfunded commitments, redemption restrictions or redemption notice periods.

**Interest Rate Risk**

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in the statutes. The District has interest rate risk related to its investments in COLOTRUST. At December 31, 2021, COLOTRUST has a weighted average maturity of 60 days or less.

**Concentration of Credit Risk**

The District places no limit on the amount that may be invested in any one issuer.

**Restricted Cash and Investments**

At December 31, 2021, the District has the following restricted cash balances:

Debt Service Funds - Colostrust	\$ 5,061,938
Debt Service Reserve - CWCB Loans	2,404,860

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 CAPITAL ASSETS**

Capital activities for governmental activities are as follows:

	Balance December 31, 2020	Additions	Deletions/ Reclassifications	Balance December 31, 2021
Capital Assets, Not Being Depreciated:				
Water Rights	\$ 37,844,488	\$ 5,505,750	\$ (304,095)	\$ 43,046,143
Land	2,056,787	646,114	513,213	3,216,114
Perpetual Easements	477,297	50,781	-	528,078
Ditch Carriage	-	375,000	-	375,000
Pro-Legal	16,152	-	(16,152)	-
Pro-Engineering	560,426	-	(560,426)	-
Construction in Progress	47,800,739	2,897,487	(44,380,373)	6,317,853
Total Capital Assets, Not Being Depreciated	88,755,889	9,475,132	(44,747,833)	53,483,188
Capital Assets, Being Depreciated				
Water Projects	52,959,157	7,349,899	44,408,440	104,717,496
Office Building	850,938	513,715	-	1,364,653
Computer Software	-	36,286	-	36,286
Equipment and Vehicles	3,239,600	442,775	-	3,682,375
Total Capital Assets, Being Depreciated	57,049,695	8,342,675	44,408,440	109,800,810
Accumulated Depreciation				
Water Projects	(9,417,652)	(1,512,849)	-	(10,930,501)
Office Building	(376,220)	(47,836)	-	(424,056)
Computer Software	-	(1,815)	-	(1,815)
Equipment and Vehicles	(1,649,987)	(256,816)	-	(1,906,803)
Total Accumulated Depreciation	(11,443,859)	(1,819,316)	-	(13,263,175)
Total Capital Assets, Being Depreciated, Net	45,605,836	6,523,359	44,408,440	96,537,635
Capital Assets, Net	<u>\$ 134,361,725</u>	<u>\$ 15,998,491</u>	<u>\$ (339,393)</u>	<u>\$ 150,020,823</u>

Governmental activities depreciation expense of \$1,819,316 has been included in general government on the statement of activities.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 CAPITAL ASSETS (CONTINUED)**

Capital activities for business-type activities are as follows:

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
Capital Assets, Not Being Depreciated:				
Water Rights	\$ 863,650	\$ -	\$ -	\$ 863,650
Land Improvements	1,340,487	-	(1,340,487)	-
Construction in Progress	258,699	323,411	9,268	591,378
Pro-Engineering	93,615	-	(93,615)	-
Total Capital Assets, Not Being Depreciated	2,556,451	323,411	(1,424,834)	1,455,028
Capital Assets, Being Depreciated				
Water Projects	5,678,581	1,160,178	1,424,665	8,263,424
Less: Accumulated Depreciation	(372,374)	(118,604)	-	(490,978)
Total Capital Assets, Being Depreciated, Net	5,306,207	1,041,574	1,424,665	7,772,446
Capital Assets, Net	<u>\$ 7,862,658</u>	<u>\$ 1,364,985</u>	<u>\$ (169)</u>	<u>\$ 9,227,474</u>

**NOTE 4 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO**

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes are in effect as of December 31, 2021.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)**

**Plan Description**

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

**Benefits Provided**

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)**

**Benefits Provided (Continued)**

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, the annual increase from 2020 is 0% for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 will receive an annual increase of 1.25% unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.25% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The automatic adjustment provision may raise or lower the aforementioned annual increase by up to .25% based on the parameters specified C.R.S. § 24-51-413.

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

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

**Contributions**

Contributions provisions as of December 31, 2021: Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employer contribution rates for the period of January 1, 2021 through December 31, 2021 are summarized in the table below:

	<u>June 30, 2021</u>	<u>December 31, 2021</u>
Employer Contribution Rate as a Percentage of Salary		
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)	10.50%	10.50%
Total Apportioned to the LGDTF	<u>-1.02%</u>	<u>-1.02%</u>
	9.48%	9.48%
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411	1.50%	1.50%
Total Employer Contribution Rate to the LGDTF	<u>13.18%</u>	<u>13.18%</u>

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)**

**Contributions (Continued)**

At December 31, 2021, the District reported a liability of \$874,218 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2020. The Subdistrict proportion of the net pension liability was based on the Subdistrict's contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2020, the District's proportion was .1677%, which was approximately the same as of December 31, 2019.

For the year ended December 31, 2021, the District recognized pension expense of (\$104,532). At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 42,268	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	945,419
Changes in Assumptions	211,264	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	46,458	2,931
Contributions Subsequent to the Measurement Date	166,229	-
Total	\$ 466,219	\$ 948,350

Deferred outflows of resources related to pensions of \$166,229, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2022.

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ (74,623)
2023	(104,049)
2024	(320,480)
2025	(149,208)
Total	\$ (648,360)

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)**

**Actuarial Assumptions**

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.20% - 11.30%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount Rate	7.25%
Future Postretirement Benefit Increases:	
PERA Benefit Structure Hired Prior to 1/1/07 (Automatic)	1.25%, Compounded Annually
PERA Benefit Structure Hired After 12/31/06 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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

Postretirement nondisabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males** – Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females** – Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019 valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016 Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)**

**Actuarial Assumptions (Continued)**

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.20% - 11.30%
Long-Term Investment Rate of Return, Net of Pension	
Plan Investment Expenses, Including Price Inflation	7.25%
Discount Rate	7.25%
Future Postretirement Benefit Increases:	
PERA Benefit Structure Hired Prior to 1/1/07 (Automatic)	1.25%, Compounded Annually
PERA Benefit Structure Hired After 12/31/06 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

<sup>1</sup> C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the LGDTF, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

<sup>2</sup> Postretirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Pre-retirement mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 4 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)**

**Actuarial Assumptions (Continued)**

Postretirement nondisabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Postretirement nondisabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40% per year to 2.30% per year.
- Real rate of investment return assumption increased from 4.85% per year, net of investment expenses to 4.95% per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50% per year to 3.00% per year.

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
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**NOTE 4 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)**

**Actuarial Assumptions (Continued)**

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Geometric Expected Real Rate of Return</u>
Global Equity	54.00 %	5.60 %
Fixed Income	23.00	1.30
Private Equity	8.50	7.10
Real Estate	8.50	4.40
Alternatives	6.00	4.70
Total	<u>100.00</u>	

The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

**Discount Rate**

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 4 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO (CONTINUED)**

**Discount Rate (Continued)**

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond index rate and, therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

**Sensitivity of the District Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 2,013,851	\$ 874,218	\$ (77,226)

**Pension Plan Fiduciary Net Position**

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**General Information about the OPEB Plan**

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple employer defined benefit Other Postemployment Benefit Plan (OPEB) fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable accordance with the benefit terms. Investments are reported at fair value.

**Plan Description**

Eligible employees of the District are provided with OPEB through the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Benefits Provided**

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

For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four divisions (State Division, School Division, Local Government Division and Judicial Division Trust Funds), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
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**NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**PERA Benefit Structure**

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

**Contributions**

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Subdistrict were \$12,864 for the year ended December 31, 2021.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At December 31, 2021, the District reported a liability of \$121,684 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District proportion of the net OPEB liability was based on the District contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District proportion was .01%, which was approximately the same as its proportion measured as of December 31, 2019.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

For the year ended December 31, 2021, the District recognized OPEB expense of \$6,205. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 323	\$ 26,752
Changes of Assumptions or other Inputs	909	7,462
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	4,972
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	14,429	3,207
Contributions Subsequent to the Measurement Date	<u>12,864</u>	<u>-</u>
Total	<u>\$ 28,525</u>	<u>\$ 42,393</u>

Deferred outflows of resources related to OPEB of \$12,864, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2022.

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ (5,518)
2023	(4,822)
2024	(6,474)
2025	(7,851)
2026	(1,952)
Thereafter	(115)
Total	<u>\$ (26,732)</u>

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions**

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 % in the aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.50% for 2020, gradually increasing to 4.50% in 2029

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

	<u>Initial Costs for Members without M</u>	
	<u>Monthly Cost</u>	<u>Monthly Premium</u>
Medicare Advantage/Self-Insured Prescription	\$ 588	\$ 227
Kaiser Permanente Medicare Advantage HMO	621	232

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions (Continued)**

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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

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

Postretirement nondisabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions (Continued)**

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

Postretirement nondisabled mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
	Entry age	Entry age	Entry age	Entry age
Actuarial Cost Method				
Price Inflation	2.30%	2.30%	2.30%	2.30%
Real Wage Growth	0.70%	0.70%	0.70%	0.70%
Wage Inflation	3.00%	3.00%	3.00%	3.00%
Salary Increases, Including Wage Inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25%.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions (Continued)**

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Postretirement nondisabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions (Continued)**

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

Price inflation assumption decreased from 2.40% per year to 2.30% per year.

- Real rate of investment return assumption increased from 4.85% per year, net of investment expenses to 4.95% per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50% per year to 3.00% per year.

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions (Continued)**

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30-Year Geometric Expected Real Rate of Return
Global Equity	54.00 %	5.60 %
Fixed Income	23.00	1.30
Private Equity	8.50	7.10
Real Estate	8.50	4.40
Alternatives	6.00	4.70
Total	<u>100.00</u>	

The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

**Sensitivity of the Subdistrict Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$ 118,538	\$ 121,684	\$ 125,345

**Discount Rate**

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Discount Rate (Continued)**

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

**Sensitivity of the District Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 139,391	\$ 121,684	\$ 125,345

**OPEB Plan Fiduciary Net Position**

Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 6 LONG-TERM DEBT**

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

Description	Balance			Balance	
	December 31, 2020	Additions	Retirements	December 31, 2021	Due Within One Year
2013 G.O. Bond	\$ 22,890,000	\$ -	\$ 14,100,000	\$ 8,790,000	\$ 1,115,000
Bond Premium	759,755	-	498,232	261,523	59,800
2021 Refunding - 2013 GO Bond	-	14,875,000	230,000	14,645,000	160,000
2016 CWCB Loan - Chatfield	19,304,280	-	516,664	18,787,616	525,706
2018 CWCB Loan - Chatfield	6,238,433	432,251	-	6,670,684	185,185
2020 CWCB Loan	3,156,000	-	3,156,000	-	-
2018 CWCB (Shores) - WAS	2,344,000	23,440	61,624	2,305,816	62,641
2010 CWCB - WAS	11,123,499	-	435,453	10,688,046	446,339
2015 CWCB - WAS	1,522,655	-	44,600	1,478,055	45,380
2019 CWCB (Walker) - WAS	1,455,517	1,544,483	-	3,000,000	3,000,000
2019 CWCB (Walker) - GMS	4,728,239	5,021,761	-	9,750,000	9,750,000
2004 CWCB - GMS	3,568,443	-	3,568,443	-	-
2019 Bond - GMS	13,510,000	-	2,135,000	11,375,000	1,190,000
2019 Bond Premium	1,923,178	-	588,838	1,334,340	280,608
2019 CWCB (Pioneer) - GMS	3,202,750	-	-	3,202,750	-
2020 Bond Issue - WAS	5,960,000	-	115,000	5,845,000	120,000
2020 Bond Issue - WAS - Premium	382,657	-	33,124	349,533	21,940
2021 Bond - GMS	-	14,140,000	-	14,140,000	475,000
2021 Bond Premium - GMS	-	3,251,761	138,627	3,113,134	288,475
Compensated Absences	36,360	33,242	36,360	33,242	-
Total	<u>\$ 102,105,766</u>	<u>\$ 39,321,938</u>	<u>\$ 25,657,965</u>	<u>\$ 115,769,739</u>	<u>\$ 17,726,074</u>

In 2013, the District obtained a 23-year general obligation bond for \$29,250,000. Escalating principal payments paid annually; interest payments with varying coupon rates of 1.5% to 5.0% paid semi-annually through December 1, 2036. Property taxes have been pledged for the purpose of repayment of this bond. In 2021, \$13,020,000 was refunded by the Series 2021 limited tax general obligation refunding bond.

In 2016, the District obtained a loan from the CWCB for \$19,812,059. During 2017, the District began drawing on the loan to fund costs related to expansion of Chatfield Reservoir. The loan requires annual payments of \$854,489 including principal and interest at a rate of 1.75% are due annually, for thirty years, through September 1, 2049.

In 2018, the District obtained a loan from the CWCB for \$7,000,310 with a final revised balance of \$6,670,684. The loan requires annual payments of \$301,922 at 1.75% through June 1, 2050.

In 2020, the District obtained a loan from the CWCB for the Chatfield project for \$3,156,000. This loan was repaid in 2021.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 6 LONG-TERM DEBT (CONTINUED)**

In 2021, the District issued a limited tax general obligation refunding bonds for \$14,875,000 with interest rates ranging between 0.325% and 2.657%. The District issued the bonds to advanced refund \$13,020,000 of the outstanding Series 2013 general obligation bond. Varying principal and interest payments are paid annually through December 1, 2036. The District used the net proceeds to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 2013 Series bond. As a result, that portion of the 2013 Series bond is considered defeased, and the District has removed the liability from its accounts. The outstanding principal of the defeased bond is \$13,020,000 at December 31, 2021. The advance refunding reduced total debt service payments over the next 15 years by nearly \$1.3 million. This results in an economic gain of \$1.1 million.

In 2010, the Subdistrict obtained a loan from the Colorado Water Conservation Board (CWCB). At December 31, 2021, the outstanding balance was \$10,688,046. The loan requires annual payments of \$713,541, bearing interest at 2.5%, through June 1, 2040. Property taxes have been pledged to CWCB for the purpose of repayment of this loan. A debt service reserve account is required to be established and funded at an amount equal to one-tenth of an annual payment on the due date of the first payment and annually thereafter for the first 10 years.

In 2015, WAS obtained a loan from the Colorado Water Conservation Board (CWCB) with a present balance of \$1,478,055. Annual payments of \$71,246 including principal and interest at a rate of 1.75% are due annually through June 1, 2035. Property taxes collected have been pledged to the CWCB for the purpose of this loan.

In 2018, WAS obtained a loan from the CWCB for \$2,367,440, requiring annual payments including interest, at 1.65%, through January 1, 2050. Property taxes have been pledged to CWCB for the purpose of repayment of this loan.

In 2019, WAS obtained a loan from the CWCB for \$3,030,000 requiring annual payments including interest, at 1.75%, through January 1, 2050. Property taxes have been pledged to CWCB for the purpose of repayment of this loan.

In 2020, WAS issued a 30-year bond for \$6,015,000, requiring annual payments including interest at 4% through January 1, 2050. Property taxes have been pledged to CWCB for the purpose of repayment of this bond.

In 2004, GMS obtained a loan from the CWCB for \$15,000,000, requiring annual payments of \$740,766, principal and interest, at 2.75% through June 1, 2035. GMS repaid the outstanding balance in full in 2021.

In 2019, GMS issued a 30-year limited tax water conservancy bond for \$16,015,000. Varying principal payments are paid annually; interest payments with coupon rates of 5.0% paid semi-annually through December 1, 2029. Property taxes have been pledged for the purpose of repayment of this loan.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 6 LONG-TERM DEBT (CONTINUED)**

In 2019, GMS obtained a loan from the CWCB for \$8,697,110 with a present balance of \$3,202,750. The loan requires annual payments including interest at 1.2% through June 1, 2029 beginning at the date the loan is fully funded, at which time a formal repayment schedule will be established. Accordingly, the present balance of \$3,202,750 is not included in the future repayment schedule. Property taxes have been pledged to CWCB for the purpose of repayment of this loan.

In 2019, GMS obtained a loan from the CWCB for \$9,750,000 with a present balance of \$9,750,000. GMS repaid the present balance in full in 2022. Accordingly, the present balance is reflected as due within one year. Property taxes have been pledged to CWCB for the purpose of repayment of this loan.

In 2021, GMS issued a 20-year limited tax water conservancy bond for \$14,140,000. Varying principal payments are paid annually; interest payments with coupon rates of 4.0%-5.0% paid semi-annually through December 1, 2040. Property taxes have been pledged for the purpose of repayment of this loan

Future payments of governmental long-term debt as December 31, 2021, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 17,075,251	\$ 2,789,966	\$ 19,865,217
2023	4,490,678	2,631,209	7,121,887
2024	4,636,633	2,482,889	7,119,522
2025	4,823,126	2,298,888	7,122,014
2026	4,990,170	2,130,881	7,121,051
2027-2031	24,011,616	8,041,673	32,053,289
2032-3036	21,982,397	4,831,464	26,813,861
2037-2041	13,323,097	2,198,336	15,521,433
2042-2046	7,359,390	916,631	8,276,021
2047-2051	4,782,859	190,467	4,973,326
Total	<u>\$ 107,475,217</u>	<u>\$ 28,512,404</u>	<u>\$ 135,987,621</u>

**Loss on Refunding**

Under existing standards, such as GASB 23, in a transaction involving current refundings or advance refundings resulting in defeasance of debt, any difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized to interest expense over a period of time that is the shorter of the remaining life of the old debt or the life of the new debt. Under GASB 65, this difference, referred to as the deferred gain or loss on refunding, will be recognized as a deferred outflow of resources or a deferred inflow of resources and amortized to interest expense in a systematic and rational manner over the same period mentioned above. The deferred loss on refunding as of December 31, 2021, is as follows:

<u>Description</u>	<u>Balance December 31, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2021</u>
2021 Refunding	\$ -	\$ 1,089,555	\$ 72,424	\$ 1,017,131
	<u>\$ -</u>	<u>\$ 1,089,555</u>	<u>\$ 72,424</u>	<u>\$ 1,017,131</u>

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 6 LONG-TERM DEBT (CONTINUED)**

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

<u>Description</u>	Balance December 31,			Balance December 31,	
	2020	Additions	Retirements	2021	Due Within One Year
2019 CWCB (Walker)	\$ 1,091,231	\$ 1,158,769	\$ -	\$ 2,250,000	\$ 2,250,000
2017 Capital Lease - GMS	1,816,663	-	1,816,663	-	-
2021 Loan - GMS	-	3,155,087	-	3,155,087	-
Total	<u>\$ 2,907,894</u>	<u>\$ 4,313,856</u>	<u>\$ 1,816,663</u>	<u>\$ 5,405,087</u>	<u>\$ 2,250,000</u>

In 2019, the District obtained a loan from the CWCB for \$2,272,500 with a present balance of \$2,250,000. The District repaid the present balance in full in 2022. Accordingly, the present balance is reflected as due within one year. Property taxes have been pledged to CWCB for the purpose of repayment of this loan.

In 2017, GMS entered into a 10-year capital lease related to the purchase of water storage and settlements related to construction contracts. The Subdistrict paid off the capital lease obligation in full in 2021. The value of the assets under this lease are \$2,367,000.

In 2021, GMS obtained a 30-year loan from the CWCB for \$5,444,405 with a present balance of \$3,155,087. The loan bears interest at 1.42%. A formal repayment schedule will be established once the loan has been fully funded. Accordingly, the present balance of \$3,155,087 is excluded from the

Future payments of business type long-term debt as of as of December 31, 2021, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,250,000	\$ -	\$ 2,250,000
Total	<u>\$ 2,250,000</u>	<u>\$ -</u>	<u>\$ 2,250,000</u>

**NOTE 7 INDIVIDUAL FUND INTERFUND RECEIVABLES/PAYABLES**

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 7 INDIVIDUAL FUND INTERFUND RECEIVABLES/PAYABLES (CONTINUED)**

As of December 31, 2021, the District has the following interfund receivables and payables:

Fund	Due From	Due To
General Fund - District	\$ 53,298	\$ -
General Fund - GMS	-	57,498
General Fund - WAS	-	17,500
Debt Service Fund - District	-	32,834
Debt Service Fund - GMS	-	51,184
Debt Service Fund - WAS	-	14,432
Water Enterprise Fund - District	-	627
Water Enterprise Fund - GMS	120,777	-
Total	<u>\$ 174,075</u>	<u>\$ 174,075</u>

**NOTE 8 RISK MANAGEMENT**

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

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

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

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

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

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

On November 6, 2012, the District's voters approved the issuance of up to \$60,000,000 of debt. At December 31, 2021, \$750,071 of this debt remains unissued.

WAS has authorized but unissued debt of \$97,890 and GMS has authorized but unissued debt of \$1,043 at December 31, 2021.

The District received a grant from the Federal Emergency Management Agency (FEMA) and closed out this grant in 2021. The District had recorded a receivable for \$281,138 as of December 31, 2020. The District collected \$208,832 related to this grant in 2021. The total amount disallowed by the granting agency of \$72,306 was recorded in other expense on the government-wide statement of activities for the year ended December 31, 2021.

**NOTE 10 RELATED PARTY TRANSACTIONS**

The District entered into a joint venture with Chatfield Reservoir Mitigation Company (CRMC) to build storage in the Chatfield Reservoir. The District's total share of the project was approximately \$36 million, which was placed into service in March 2021. A member of District management is President of the Chatfield Reservoir Mitigation Company.

**NOTE 11 COMPLIANCE**

The following fund may be in violation of state statutes as the expenditures exceed appropriated budgets.

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Unfavorable Variance</u>
<b>Total Expenditures</b>				
Debt Service Fund	\$ 21,126,131	\$ 2,905,104	\$ 6,205,104	\$ (14,921,027)

**REQUIRED SUPPLEMENTARY INFORMATION**

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS  
YEAR ENDED DECEMBER 31, 2021**

<b>Fiscal Year</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Contractually Required Contribution	\$ 166,229	\$ 140,714	\$ 139,673	\$ 134,008	\$ 127,063	\$ 109,477	\$ 98,537	\$ 95,229	\$ 92,306
Contributions in Relation to the Contractually Required Contribution	<u>166,229</u>	<u>140,714</u>	<u>139,673</u>	<u>134,008</u>	<u>127,063</u>	<u>109,477</u>	<u>98,537</u>	<u>95,229</u>	<u>92,306</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,261,221	\$ 1,088,017	\$ 1,101,522	\$ 1,062,675	\$ 1,008,602	\$ 757,275	\$ 766,496	\$ 743,023	\$ 736,380
Contributions as a Percentage of Covered Payroll	13.2%	12.9%	12.7%	12.6%	12.6%	14.5%	12.9%	12.8%	12.5%

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS  
YEAR ENDED DECEMBER 31, 2021**

<u>Fiscal Year</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily Required Contribution	\$ 12,864	\$ 11,098	\$ 11,235	\$ 10,850	\$ 11,115
Contributions in Relation to the Statutorily Required Contribution	<u>12,864</u>	<u>11,098</u>	<u>11,235</u>	<u>10,850</u>	<u>11,115</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,261,221	\$ 1,088,017	\$ 1,101,522	\$ 1,062,675	\$ 1,008,602
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.0%	1.0%	1.1%

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
YEAR ENDED DECEMBER 31, 2021**

Fiscal Year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Plan Measurement Date	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
(Entity)'s Proportion of the Net Pension Liability	0.167755355%	0.159391616%	0.162019261%	0.149753564%	0.146622845%	0.136833272%	0.137057599%	0.136448263%
(Entity)'s Proportionate Share of the Net Pension Liability	\$ 874,218	\$ 1,165,776	\$ 2,036,927	\$ 1,667,401	\$ 1,979,908	\$ 1,507,329	\$ 1,028,012	\$ 1,228,459
(Entity)'s Covered Payroll	1,088,017	1,101,522	1,062,675	1,008,602	757,275	766,496	743,023	736,380
(Entity)'s Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	80.3%	105.8%	191.7%	165.3%	261.5%	196.7%	138.4%	166.8%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.9%	86.3%	76.0%	79.4%	73.6%	76.9%	80.7%	77.7%

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

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY  
YEAR ENDED DECEMBER 31, 2021**

Fiscal Year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Plan Measurement Date	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
(Entity)'s Proportion (Percentage) of the Collective Net OPEB Liability	0.0128057625%	0.0122075067%	0.0125646126%	0.0116365546%
(Entity)'s Proportionate Share of the Collective Net OPEB Liability	\$ 121,684	\$ 137,212	\$ 151,228	\$ 151,240
Covered payroll	\$ 1,088,017	\$ 1,101,522	\$ 1,062,675	\$ 1,008,602
(Entity)'s Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	11.18%	12.46%	14.23%	15.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	32.78%	24.49%	17.03%	17.53%

\* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
SCHEDULE OF REVENUE AND EXPENDITURES  
COMPARED WITH BUDGET – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2021**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance</u>
<b>REVENUE</b>			
Property Taxes	\$ 2,766,944	\$ 2,767,636	\$ (692)
Specific Ownership Taxes	370,908	276,000	94,908
Investment Income	1,050	50,000	(48,950)
Miscellaneous	350,761	10,000	340,761
State and Federal Grants	916,986	-	916,986
Total Revenue	<u>4,406,649</u>	<u>3,103,636</u>	<u>1,303,013</u>
<b>EXPENDITURES</b>			
Operating Expenses:			
Personnel	721,918	786,080	64,162
Maintenance	123,941	46,000	(77,941)
Supplies	84,501	34,000	(50,501)
Professional	341,766	125,000	(216,766)
Travel and Meals	6,579	10,550	3,971
Water Leases	341,360	1,097,500	756,140
Water Storage (Chatfield)	31,610	860,000	828,390
Other	239,884	872,250	632,366
Total Operating Expenses	<u>1,891,559</u>	<u>3,831,380</u>	<u>1,939,821</u>
Capital Outlay:			
Pro-Engineering	-	-	-
Building	513,715	-	(513,715)
Field Equipment	375,000	432,500	57,500
Vehicle	212,229	34,500	(177,729)
Chatfield	-	-	-
Gravel Pit Reservoirs:			
Walker	-	21,250	21,250
Rinn Valley	-	66,000	66,000
Siebring	-	315,000	315,000
Other	5,231,946	4,520,000	(711,946)
Total Capital Outlay	<u>6,332,890</u>	<u>5,389,250</u>	<u>(943,640)</u>
Total Expenditures	<u>8,224,449</u>	<u>9,220,630</u>	<u>996,181</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(3,817,800)</b>	<b>(6,116,994)</b>	<b>2,299,194</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan Proceeds	432,251	-	(432,251)
Total Other Financing Sources (Uses)	<u>432,251</u>	<u>-</u>	<u>(432,251)</u>
<b>CHANGE IN FUND BALANCE</b>	<b>(3,385,549)</b>	<b>(6,116,994)</b>	<b>1,866,943</b>
Fund Balances - Beginning of Year	<u>10,116,540</u>	<u>10,116,540</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<b><u>\$ 6,730,991</u></b>	<b><u>\$ 3,999,546</u></b>	<b><u>\$ 1,866,943</u></b>

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
WELL AUGMENTATION SUBDISTRICT  
SCHEDULE OF REVENUE AND EXPENDITURES  
COMPARED WITH BUDGET – SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2021**

	Actual	Original and Final Budget	Variance
<b>REVENUE</b>			
Class D Assessments	\$ 1,153,754	\$ 1,033,000	120,754
Property Taxes	802,496	804,395	(1,899)
Specific Ownership Taxes	146,164	93,750	52,414
Investment Income	1,092	17,000	(15,908)
Miscellaneous	233,669	173,000	60,669
Federal Grants	194,489	-	194,489
Total Revenue	<u>2,531,664</u>	<u>2,121,145</u>	<u>410,519</u>
<b>EXPENDITURES</b>			
Operating Expenses:			
Personnel	372,376	389,540	17,164
Maintenance	167,347	48,500	(118,847)
Supplies	141,565	30,000	(111,565)
Professional	157,073	99,000	(58,073)
Travel and Meals	7,377	10,550	3,173
Water Leases	893,544	1,164,360	270,816
Utilities	50,324	-	(50,324)
Other	218,981	94,750	(124,231)
Debt Issuance Costs	-	-	-
Total Operating Expenses	<u>2,008,587</u>	<u>1,836,700</u>	<u>(171,887)</u>
Capital Outlay:			
Water Purchases	1,824,500	5,620,300	3,795,800
Vehicles	-	28,500	28,500
Recharge Projects	-	170,750	170,750
Walker Recharge	1,717,324	1,623,500	(93,824)
Orchard Recharge	-	193,000	193,000
Field Equipment	90,022	244,500	154,478
Shores Gravel Pit	-	52,000	52,000
Contingency	29,022	660,000	630,978
Total Capital Outlay	<u>3,660,868</u>	<u>8,592,550</u>	<u>4,931,682</u>
Total Expenditures	<u>5,669,455</u>	<u>10,429,250</u>	<u>4,759,795</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>(3,137,791)</u>	<u>(8,308,105)</u>	<u>5,170,314</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan Proceeds	1,544,483	2,613,655	(1,069,172)
Total Other Financing Sources (Uses)	<u>1,544,483</u>	<u>2,613,655</u>	<u>(1,069,172)</u>
<b>CHANGE IN FUND BALANCE</b>	<u>(1,593,308)</u>	<u>(5,694,450)</u>	<u>4,101,142</u>
Fund Balances - Beginning of Year	<u>7,602,457</u>	<u>7,602,457</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 6,009,149</u></u>	<u><u>\$ 1,908,007</u></u>	<u><u>\$ 4,101,142</u></u>

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
GROUND WATER MANAGEMENT SUBDISTRICT  
SCHEDULE OF REVENUE AND EXPENDITURES  
COMPARED WITH BUDGET – SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2021**

	Actual	Original and Final Budget	Variance
<b>REVENUE</b>			
Property Taxes	\$ 1,887,821	\$ 1,891,043	\$ (3,222)
Specific Ownership Taxes	416,971	215,750	201,221
Investment Income	1,645	50,000	(48,355)
Federal Grants	37,936	-	37,936
Miscellaneous	124,096	594,000	(469,904)
Water Lease	-	-	-
<b>Total Revenue</b>	<u>2,468,469</u>	<u>2,750,793</u>	<u>(282,324)</u>
<b>EXPENDITURES</b>			
Operating Expenses:			
Personnel	370,987	402,040	31,053
Maintenance	296,043	48,500	(247,543)
Supplies	227,610	30,000	(197,610)
Professional	469,556	93,000	(376,556)
Travel and Meals	7,433	10,550	3,117
Water Leases	299,875	376,000	76,125
Utilities	64,692	-	(64,692)
Other	158,515	384,350	225,835
<b>Total Operating Expenses</b>	<u>1,894,711</u>	<u>1,344,440</u>	<u>(550,271)</u>
Debt Service:			
Bond Issuance Costs	285,132	-	(285,132)
Capital Outlay:			
Buildings	-	5,000	5,000
Pro-Legal	-	-	-
Vehicle and Equipment	152,619	34,500	(118,119)
Pro-Engineering	-	-	-
Water Rights	81,250	514,000	432,750
Perpetual Easements	16,927	-	(16,927)
Field Structures	-	337,000	337,000
Gravel Pit Reservoirs	7,573,418	29,996,737	22,423,319
Contingency	-	950,000	950,000
<b>Total Capital Outlay</b>	<u>7,824,214</u>	<u>31,837,237</u>	<u>24,013,023</u>
<b>Total Expenditures</b>	<u>10,004,057</u>	<u>33,181,677</u>	<u>23,177,620</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>(7,535,588)</u>	<u>(30,430,884)</u>	<u>22,895,296</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt Issuances	19,161,761	28,015,569	8,853,801
Bond Premium	3,251,761	-	(3,251,761)
Sale of Assets	312,500	-	(312,500)
<b>Total Other Financing Sources (Uses)</b>	<u>22,726,022</u>	<u>28,015,569</u>	<u>5,289,540</u>
<b>CHANGE IN FUND BALANCES</b>	15,190,434	(2,415,315)	28,184,836
Fund Balances - Beginning of Year	6,284,313	6,284,313	-
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 21,474,747</u></u>	<u><u>\$ 3,868,998</u></u>	<u><u>\$ 28,184,829</u></u>

## **OTHER SUPPLEMENTARY INFORMATION**

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
SCHEDULE OF REVENUE AND EXPENDITURES  
COMPARED WITH BUDGET – DEBT SERVICE FUND  
YEAR ENDED DECEMBER 31, 2021**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
<b>REVENUE</b>				
Property Taxes	\$ 3,886,803	\$ 3,887,426	\$ 3,887,426	\$ (623)
Investment Income	1,990	75,000	75,000	(73,010)
Miscellaneous	-	-	-	-
Total Revenue	<u>3,888,793</u>	<u>3,962,426</u>	<u>3,962,426</u>	<u>(73,633)</u>
<b>EXPENDITURES</b>				
Operating Expenses:				
Treasurer's Fees	80,877	85,000	85,000	4,123
Debt Service:				
Principal	4,982,664	1,596,665	4,896,665	(85,999)
Interest	1,187,590	1,223,439	1,223,439	35,849
Bond Issuance Costs	259,488	-	-	(259,488)
Total Expenditures	<u>6,510,619</u>	<u>2,905,104</u>	<u>6,205,104</u>	<u>(305,515)</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	(2,621,826)	1,057,322	(2,242,678)	(379,148)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Escrow Payment	(14,615,512)	-	-	(14,615,512)
Refunding Bond Issuance	14,875,000	-	-	14,875,000
Total Other Financing Sources (Uses)	<u>259,488</u>	<u>-</u>	<u>-</u>	<u>259,488</u>
<b>CHANGE IN FUND BALANCE</b>	(2,362,338)	1,057,322	(2,242,678)	(119,660)
Fund Balances - Beginning of Year	<u>15,935,228</u>	<u>15,935,228</u>	<u>15,935,228</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 13,572,890</u>	<u>\$ 16,992,550</u>	<u>\$ 13,692,550</u>	<u>\$ (119,660)</u>

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
WELL AUGMENTATION SUBDISTRICT  
SCHEDULE OF REVENUE AND EXPENDITURES  
COMPARED WITH BUDGET – DEBT SERVICE FUND  
YEAR ENDED DECEMBER 31, 2021**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance</u>
<b>REVENUE</b>			
Property Taxes	\$ 2,086,255	\$ 2,091,427	\$ (5,172)
Investment Income	1,146	50,000	(48,854)
Total Revenue	<u>2,087,401</u>	<u>2,141,427</u>	<u>(54,026)</u>
<b>EXPENDITURES</b>			
Operating Expenses:			
Treasurer's Fees	37,161	80,000	42,839
Debt Service:			
Principal	656,677	641,680	(14,997)
Interest	556,747	636,105	79,358
Total Expenditures	<u>1,250,585</u>	<u>1,357,785</u>	<u>107,200</u>
<b>CHANGE IN FUND BALANCE</b>	836,816	783,642	53,174
Fund Balances - Beginning of Year	<u>8,188,657</u>	<u>8,188,657</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 9,025,473</u></u>	<u><u>\$ 8,972,299</u></u>	<u><u>\$ 53,174</u></u>

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
GROUND WATER MANAGEMENT SUBDISTRICT  
SCHEDULE OF REVENUE AND EXPENDITURES  
COMPARED WITH BUDGET – DEBT SERVICE FUND  
YEAR ENDED DECEMBER 31, 2021**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
<b>REVENUE</b>				
Property Taxes	\$ 6,007,736	\$ 6,016,324	\$ 6,016,324	\$ (8,588)
Investment Income	623	22,500	22,500	(21,877)
Total Revenue	<u>6,008,359</u>	<u>6,038,824</u>	<u>6,038,824</u>	<u>(30,465)</u>
<b>EXPENDITURES</b>				
Operating Expenses:				
Treasurer's Fees	115,732	75,000	75,000	(40,732)
Debt Service:				
Principal	5,703,443	773,635	3,273,635	(2,429,808)
Interest	1,033,211	5,703,443	5,703,443	4,670,232
Total Expenditures	<u>6,852,386</u>	<u>6,552,078</u>	<u>9,052,078</u>	<u>2,199,692</u>
<b>CHANGE IN FUND BALANCE</b>	(844,027)	(513,254)	(3,013,254)	2,169,227
Fund Balances - Beginning of Year	<u>6,630,182</u>	<u>6,630,182</u>	<u>6,630,182</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 5,786,155</u></u>	<u><u>\$ 6,116,928</u></u>	<u><u>\$ 3,616,928</u></u>	<u><u>\$ 2,169,227</u></u>

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
SCHEDULE OF REVENUE AND EXPENDITURES  
COMPARED WITH BUDGET – WATER ENTERPRISE FUND  
YEAR ENDED DECEMBER 31, 2021**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance</u>
<b>REVENUE</b>			
Water Assessments	\$ 3,000	\$ -	\$ 3,000
Water Lease Revenue	408,399	392,720	15,679
Investment Income	-	10,000	(10,000)
Miscellaneous	3,033	129,000	(125,967)
Proceeds of Debt	-	1,750,000	(1,750,000)
Property Taxes	52,180	52,198	(18)
Total Revenue	<u>466,612</u>	<u>2,333,918</u>	<u>(1,867,306)</u>
<b>EXPENDITURES</b>			
Operating Expenses:			
Other	132,173	2,000	(130,173)
Capital Outlay:			
Walker Recharge	-	1,124,507	1,124,507
Geisert	-	47,500	47,500
Rinn Valley	-	172,000	172,000
Total Expenditures	<u>132,173</u>	<u>1,346,007</u>	<u>1,213,834</u>
Perspective Differences:			
Proceeds from Debt	-	-	-
Depreciation Expense	6,496	-	(6,496)
Capital Outlay	-	-	-
Total Perspective Differences	<u>6,496</u>	<u>-</u>	<u>(6,496)</u>
Total Expenses	<u>138,669</u>	<u>1,346,007</u>	<u>1,207,338</u>
<b>REVENUE OVER (UNDER) EXPENDITURES - GAAP BASIS</b>	<u>\$ 327,943</u>	<u>\$ 987,911</u>	<u>\$ (3,074,644)</u>

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
WELL AUGMENTATION SUBDISTRICT  
SCHEDULE OF REVENUE AND EXPENDITURES  
COMPARED WITH BUDGET – WATER ENTERPRISE FUND  
YEAR ENDED DECEMBER 31, 2021**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance</u>
<b>REVENUE</b>			
Water Assessments	\$ 53,850	\$ 53,350	\$ 500
Property Taxes	-	-	-
Specific Ownership Taxes	-	-	-
Investment Income	34	3,000	(2,966)
Total Revenue	<u>53,884</u>	<u>56,350</u>	<u>(2,466)</u>
<b>EXPENDITURES</b>			
Operating Expenses:			
Personnel	-	-	-
Maintenance	-	-	-
Debt Service	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Perspective Differences:			
Proceeds from Debt	-	-	-
Principal Payments on Debt	-	-	-
Depreciation Expense	-	-	-
Capital Outlay	-	-	-
Total Perspective Differences	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUE OVER (UNDER) EXPENDITURES - GAAP BASIS</b>	<u><u>\$ 53,884</u></u>	<u><u>\$ 56,350</u></u>	<u><u>\$ (2,466)</u></u>

**CENTRAL COLORADO WATER CONSERVANCY DISTRICT  
GROUND WATER MANAGEMENT SUBDISTRICT  
SCHEDULE OF REVENUE AND EXPENDITURES  
COMPARED WITH BUDGET – WATER ENTERPRISE FUND  
YEAR ENDED DECEMBER 31, 2021**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance</u>
<b>REVENUE</b>			
Water Assessments	\$ 1,775,490	\$ 1,756,000	\$ 19,490
Water Lease Revenue	176,267	-	176,267
State Grants	278,422	-	278,422
Property Taxes	185,873	185,885	(12)
Investment Income	527	10,000	(9,473)
Miscellaneous	149,602	45,000	104,602
Rock Royalties	381,345	50,000	331,345
Proceeds of Debt	-	950,300	(950,300)
Total Revenue	<u>2,947,526</u>	<u>2,997,185</u>	<u>(49,659)</u>
<b>EXPENDITURES</b>			
Operating Expenses:			
Water Leases and Engineering	2,310,386	1,895,610	(414,776)
Debt Service	1,895,230	1,889,413	(5,817)
Capital Outlay	316,029	1,984,300	1,668,271
Total Expenditures	<u>4,521,645</u>	<u>5,769,323</u>	<u>1,247,678</u>
Perspective Differences:			
Principal Payments on Debt	(1,816,663)	-	1,816,663
Depreciation Expense	112,108	-	(112,108)
Capital Outlay	(316,029)	-	316,029
Total Perspective Differences	<u>(2,020,584)</u>	<u>-</u>	<u>2,020,584</u>
Total Expenses	<u>2,501,061</u>	<u>5,769,323</u>	<u>3,268,262</u>
<b>REVENUE OVER (UNDER) EXPENDITURES - GAAP BASIS</b>	<u>\$ 446,465</u>	<u>\$ (2,772,138)</u>	<u>\$ 3,218,603</u>



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