

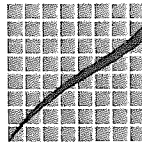
**FOUNTAIN SANITATION DISTRICT
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2021 AND 2020

**FOUNTAIN SANITATION DISTRICT
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YEARS ENDED DECEMBER 31, 2021 AND 2020**

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fountain Sanitation District
Fountain, Colorado

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Fountain Sanitation District ("District") as of and for the years ended December 31, 2021, and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the District as of December 31, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

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

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

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

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 supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is 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 information procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BiggsKofford, P.C.

Colorado Springs, Colorado
May 31, 2022

BASIC FINANCIAL STATEMENTS

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2021**

	Business-Type Activities - Enterprise Funds			
	Fountain Sanitation District			
	Fountain Sanitation	Jimmy Camp Creek Enterprise	Fountain Sanitation District Total	LFMSDD (Component Unit)
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 7,021,030	\$ 14,497,403	\$ 21,518,433	\$ 1,355,632
Cash and Cash Equivalents - Restricted	96,900	507,500	604,400	46,300
Accounts Receivable, Net of Allowance for Doubtful Accounts	146,544	202,559	349,103	19,939
Receivable from County Treasurer	10,924	-	10,924	-
Property Taxes Receivable	1,226,035	-	1,226,035	-
Intergovernmental Receivable	-	51,192	51,192	109,812
Inventory	26,105	36,050	62,155	48,433
Total Current Assets	<u>8,527,538</u>	<u>15,294,704</u>	<u>23,822,242</u>	<u>1,580,116</u>
OTHER ASSETS				
Intangible Assets, Net of Accumulated Amortization	1,170	-	1,170	-
Total Other Assets	<u>1,170</u>	<u>-</u>	<u>1,170</u>	<u>-</u>
CAPITAL ASSETS				
Capital Assets Not Being Depreciated	52,867	-	52,867	291,375
Capital Assets, Net of Accumulated Depreciation	11,173,396	3,403,336	14,576,732	35,042,247
Total Capital Assets	<u>11,226,263</u>	<u>3,403,336</u>	<u>14,629,599</u>	<u>35,333,622</u>
Total Assets	<u>\$ 19,754,971</u>	<u>\$ 18,698,040</u>	<u>\$ 38,453,011</u>	<u>\$ 36,913,738</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts and Contracts Payable	\$ 29,396	\$ 13,028	\$ 42,424	\$ 213,954
Accrued Liabilities	13,692	280,260	293,952	18,094
Accrued Compensated Absences	213,140	117,272	330,412	-
Intergovernmental Payable	-	109,812	109,812	51,192
Current Maturities of Long-Term Obligations	-	338,566	338,566	-
Total Current Liabilities	<u>256,228</u>	<u>858,938</u>	<u>1,115,166</u>	<u>283,240</u>
LONG-TERM OBLIGATIONS	-	3,550,560	3,550,560	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	1,226,035	-	1,226,035	-
Total Deferred Inflows of Resources	<u>1,226,035</u>	<u>-</u>	<u>1,226,035</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	11,226,263	3,403,336	14,629,599	35,333,622
Restricted	96,900	507,500	604,400	46,300
Unrestricted	6,949,545	10,377,706	17,327,251	1,250,576
Total Net Position	<u>18,272,708</u>	<u>14,288,542</u>	<u>32,561,250</u>	<u>36,630,498</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 19,754,971</u>	<u>\$ 18,698,040</u>	<u>\$ 38,453,011</u>	<u>\$ 36,913,738</u>

See accompanying notes to Basic Financial Statements.

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2020**

	Business-Type Activities - Enterprise Funds			
	Fountain Sanitation District			
	Fountain Sanitation	Jimmy Camp Creek Enterprise	Fountain Sanitation District Total	LFMSDD (Component Unit)
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 5,671,549	\$ 13,797,596	\$ 19,469,145	\$ 969,736
Cash and Cash Equivalents - Restricted	88,100	477,000	565,100	43,400
Accounts Receivable, Net of Allowance for Doubtful Accounts	140,669	194,405	335,074	19,651
Receivable from County Treasurer	9,908	-	9,908	-
Property Taxes Receivable	1,167,469	-	1,167,469	-
Intergovernmental Receivable	-	67,457	67,457	103,468
Inventory	29,678	40,985	70,663	46,430
Total Current Assets	<u>7,107,373</u>	<u>14,577,443</u>	<u>21,684,816</u>	<u>1,182,685</u>
OTHER ASSETS				
Intangible Assets, Net of Accumulated Amortization	2,340	-	2,340	-
Total Other Assets	<u>2,340</u>	<u>-</u>	<u>2,340</u>	<u>-</u>
CAPITAL ASSETS				
Capital Assets Not Being Depreciated	52,867	-	52,867	291,375
Capital Assets, Net of Accumulated Depreciation	11,450,722	3,235,317	14,686,039	35,850,344
Total Capital Assets	<u>11,503,589</u>	<u>3,235,317</u>	<u>14,738,906</u>	<u>36,141,719</u>
Total Assets	<u>\$ 18,613,302</u>	<u>\$ 17,812,760</u>	<u>\$ 36,426,062</u>	<u>\$ 37,324,404</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts and Contracts Payable	\$ 24,125	\$ 14,711	\$ 38,836	\$ 60,735
Accrued Liabilities	3,236	223,629	226,865	18,094
Accrued Compensated Absences	200,512	113,346	313,858	-
Intergovernmental Payable	-	103,468	103,468	67,457
Current Maturities of Long-Term Obligations	-	333,527	333,527	-
Total Current Liabilities	<u>227,873</u>	<u>788,681</u>	<u>1,016,554</u>	<u>146,286</u>
LONG-TERM OBLIGATIONS	-	3,889,125	3,889,125	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	1,167,469	-	1,167,469	-
Total Deferred Inflows of Resources	<u>1,167,469</u>	<u>-</u>	<u>1,167,469</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	11,503,589	3,235,317	14,738,906	36,141,719
Restricted	88,100	477,000	565,100	43,400
Unrestricted	5,626,271	9,422,637	15,048,908	992,999
Total Net Position	<u>17,217,960</u>	<u>13,134,954</u>	<u>30,352,914</u>	<u>37,178,118</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 18,613,302</u>	<u>\$ 17,812,760</u>	<u>\$ 36,426,062</u>	<u>\$ 37,324,404</u>

See accompanying notes to Basic Financial Statements.

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021**

	Business-Type Activities - Enterprise Funds			
	Fountain Sanitation District			
	Fountain Sanitation	Jimmy Camp Creek Enterprise	Fountain Sanitation District Total	LFMSDD (Component Unit)
OPERATING REVENUES				
Charges for Services	\$ 1,840,872	\$ 2,545,559	\$ 4,386,431	\$ 1,539,511
Intergovernmental Revenue - LFMSDD	-	606,603	606,603	-
Bad Debt Recovery	-	-	-	-
Miscellaneous	68,727	17,255	85,982	-
Total Operating Revenues	<u>1,909,599</u>	<u>3,169,417</u>	<u>5,079,016</u>	<u>1,539,511</u>
OPERATING EXPENSES				
Personnel Services	1,081,316	1,872,412	2,953,728	84,228
Depreciation and Amortization	597,096	219,317	816,413	1,033,122
Supplies	50,098	21,449	71,547	162,235
Repairs and Maintenance	54,009	23,643	77,652	35,476
Purchased Services	173,740	60,938	234,678	681,895
Utilities	139,443	51,549	190,992	209,930
General and Administrative	-	-	-	20,564
Management Fees	-	-	-	99,178
Fixed Charges	123,599	-	123,599	43,931
Total Operating Expenses	<u>2,219,301</u>	<u>2,249,308</u>	<u>4,468,609</u>	<u>2,370,559</u>
OPERATING INCOME (LOSS)	(309,702)	920,109	610,407	(831,048)
NONOPERATING REVENUES (EXPENSES)				
Property Tax Revenue	1,166,204	-	1,166,204	-
Specific Ownership Taxes	138,414	-	138,414	-
County Treasurer's Fees	(17,526)	-	(17,526)	-
Interest Income	13,698	6,148	19,846	1,423
Gain (Loss) on Disposal of Capital Assets	-	-	-	-
Interest Expense	-	(81,596)	(81,596)	-
Note Payable Premium Amortization	-	11,583	11,583	-
Total Nonoperating Revenues	<u>1,300,790</u>	<u>(63,865)</u>	<u>1,236,925</u>	<u>1,423</u>
CAPITAL CONTRIBUTIONS				
Intergovernmental Contributions	-	(187,500)	(187,500)	282,005
Tap Fees	63,114	234,143	297,257	-
Capital Contributions	-	251,247	251,247	-
Transfers (to) from Other Funds	546	(546)	-	-
Total Capital Contributions	<u>63,660</u>	<u>297,344</u>	<u>361,004</u>	<u>282,005</u>
CHANGE IN NET POSITION	1,054,748	1,153,588	2,208,336	(547,620)
Total Net Position - Beginning of Year	<u>17,217,960</u>	<u>13,134,954</u>	<u>30,352,914</u>	<u>37,178,118</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 18,272,708</u>	<u>\$ 14,288,542</u>	<u>\$ 32,561,250</u>	<u>\$ 36,630,498</u>

See accompanying notes to Basic Financial Statements.

FOUNTAIN SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Business-Type Activities - Enterprise Funds			
	Fountain Sanitation District			
	Fountain Sanitation	Jimmy Camp Creek Enterprise	Fountain Sanitation District Total	LFMSDD (Component Unit)
OPERATING REVENUES				
Charges for Services	\$ 1,722,611	\$ 2,375,758	\$ 4,098,369	\$ 1,438,681
Intergovernmental Revenue - LFMSDD	-	614,235	614,235	-
Bad Debt Recovery	1,245	2,195	3,440	-
Miscellaneous	6,099	10,241	16,340	-
Total Operating Revenues	<u>1,729,955</u>	<u>3,002,429</u>	<u>4,732,384</u>	<u>1,438,681</u>
OPERATING EXPENSES				
Personnel Services	1,019,420	1,736,220	2,755,640	82,757
Depreciation and Amortization	527,319	193,993	721,312	1,027,333
Supplies	90,237	17,544	107,781	320,018
Repairs and Maintenance	55,461	46,771	102,232	62,870
Purchased Services	173,575	57,598	231,173	611,183
Utilities	136,007	49,992	185,999	190,666
General and Administrative	-	-	-	23,307
Management Fees	-	-	-	87,557
Fixed Charges	136,272	-	136,272	77,307
Total Operating Expenses	<u>2,138,291</u>	<u>2,102,118</u>	<u>4,240,409</u>	<u>2,482,998</u>
OPERATING INCOME (LOSS)	(408,336)	900,311	491,975	(1,044,317)
NONOPERATING REVENUES (EXPENSES)				
Property Tax Revenue	1,100,173	-	1,100,173	-
Specific Ownership Taxes	121,033	-	121,033	-
County Treasurer's Fees	(16,524)	-	(16,524)	-
Interest Income	106,538	41,676	148,214	6,326
Gain (Loss) on Disposal of Capital Assets	-	(10,201)	(10,201)	-
Interest Expense	-	(98,297)	(98,297)	-
Note Payable Premium Amortization	-	12,477	12,477	-
Total Nonoperating Revenues	<u>1,311,220</u>	<u>(54,345)</u>	<u>1,256,875</u>	<u>6,326</u>
CAPITAL CONTRIBUTIONS				
Intergovernmental Contributions	-	-	-	119,245
Tap Fees	59,549	762,625	822,174	-
Capital Contributions	-	-	-	-
Transfers (to) from Other Funds	3,120	(3,120)	-	-
Total Capital Contributions	<u>62,669</u>	<u>759,505</u>	<u>822,174</u>	<u>119,245</u>
CHANGE IN NET POSITION	965,553	1,605,471	2,571,024	(918,746)
Total Net Position - Beginning of Year	<u>16,252,407</u>	<u>11,529,483</u>	<u>27,781,890</u>	<u>38,096,864</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 17,217,960</u>	<u>\$ 13,134,954</u>	<u>\$ 30,352,914</u>	<u>\$ 37,178,118</u>

See accompanying notes to Basic Financial Statements.

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021**

	Business-Type Activities - Enterprise Funds		
	Fountain Sanitation District		
	Fountain Sanitation	Jimmy Camp Creek Enterprise	Fountain Sanitation District Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 1,903,724	\$ 3,161,263	\$ 5,064,987
Payments to Employees	(862,939)	(451,876)	(1,314,815)
Payments for Employee Benefits	(218,377)	(106,218)	(324,595)
Payments for Operating Expenses from LFMSDD	-	(1,314,318)	(1,314,318)
Payments to Suppliers	(509,977)	(71,161)	(581,138)
Net Cash Provided by Operating Activities	<u>312,431</u>	<u>1,217,690</u>	<u>1,530,121</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer (to) from Other Funds	546	(546)	-
Taxes Received	1,304,618	-	1,304,618
County Treasurer's Fees	(17,526)	-	(17,526)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,287,638</u>	<u>(546)</u>	<u>1,287,092</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Fees Received as Contributions in Aid of Construction	63,114	234,143	297,257
Acquisitions and Construction of Capital Assets	(318,600)	(387,336)	(705,936)
Capital Contributions	-	251,247	251,247
Interest Expense	-	(81,596)	(81,596)
Principal Paid on Note Payable	-	(321,943)	(321,943)
Net Cash Used by Capital and Related Financing Activities	<u>(255,486)</u>	<u>(305,485)</u>	<u>(560,971)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Intergovernmental Contributions	-	(187,500)	(187,500)
Interest Received	13,698	6,148	19,846
Net Cash Provided (Used) by Investing Activities	<u>13,698</u>	<u>(181,352)</u>	<u>(167,654)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>1,358,281</u>	<u>730,307</u>	<u>2,088,588</u>
Cash and Cash Equivalents - Beginning of Year	<u>5,759,649</u>	<u>14,274,596</u>	<u>20,034,245</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,117,930</u>	<u>\$ 15,004,903</u>	<u>\$ 22,122,833</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Net Income (Loss) from Operations	\$ (309,702)	\$ 920,109	\$ 610,407
Adjustments to Reconcile Net Income (Loss) from Operations to Net Cash Flows Provided by Operating Activities:			
Depreciation/Amortization	597,096	219,317	816,413
Loss (Gain) on Disposal of Capital Assets	-	-	-
Net Change in Operating Assets and Liabilities:			
Accounts Receivable	(6,891)	(8,154)	(15,045)
Due from LFMSDD and JCC	-	22,609	22,609
Inventory	3,573	4,935	8,508
Accounts Payable	5,271	(1,683)	3,588
Accrued Liabilities	10,456	56,631	67,087
Accrued Vacation and Sick Leave	12,628	3,926	16,554
Net Cash Provided by Operating Activities	<u>\$ 312,431</u>	<u>\$ 1,217,690</u>	<u>\$ 1,530,121</u>

NONCASH CAPITAL ACTIVITIES

During the year ended December 31, 2021, the District received sewer lines contributed by developers in the amount of \$251,247.

See accompanying notes to Basic Financial Statements.

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

	Business-Type Activities - Enterprise Funds		
	Fountain Sanitation District		
	Fountain Sanitation	Jimmy Camp Creek Enterprise	Fountain Sanitation District Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 1,718,682	\$ 2,986,784	\$ 4,705,466
Payments to Employees	(838,526)	(426,595)	(1,265,121)
Payments for Employee Benefits	(180,894)	(89,785)	(270,679)
Payments for Operating Expenses from LFMSDD	-	(1,219,841)	(1,219,841)
Payments to Suppliers	(1,748,684)	57,514	(1,691,170)
Net Cash Provided (Used) by Operating Activities	(1,049,422)	1,308,077	258,655
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer (to) from Other Funds	3,120	(3,120)	-
Taxes Received	1,221,206	-	1,221,206
County Treasurer's Fees	(16,524)	-	(16,524)
Net Cash Provided (Used) by Noncapital Financing Activities	1,207,802	(3,120)	1,204,682
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Fees Received as Contributions in Aid of Construction	59,549	762,625	822,174
Acquisitions and Construction of Capital Assets	(1,250,842)	(327,064)	(1,577,906)
Capital Contributions	-	-	-
Interest Expense	-	(98,297)	(98,297)
Principal Paid on Note Payable	-	(316,089)	(316,089)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,191,293)	21,175	(1,170,118)
CASH FLOWS FROM INVESTING ACTIVITIES			
Intergovernmental Contributions	-	-	-
Interest Received	106,538	41,676	148,214
Net Cash Provided by Investing Activities	106,538	41,676	148,214
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(926,375)	1,367,808	441,433
Cash and Cash Equivalents - Beginning of Year	6,686,024	12,906,788	19,592,812
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,759,649	\$ 14,274,596	\$ 20,034,245
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Net Income (Loss) from Operations	\$ (408,336)	\$ 900,311	\$ 491,975
Adjustments to Reconcile Net Income (Loss) from Operations to Net Cash Flows Provided by Operating Activities:			
Depreciation/Amortization	527,319	193,993	721,312
Loss on Disposal of Capital Assets	-	10,200	10,200
Net Change in Operating Assets and Liabilities:			
Accounts Receivable	(10,665)	(15,645)	(26,310)
Due from LFMSDD and JCC	-	(12,248)	(12,248)
Inventory	12,690	17,523	30,213
Accounts Payable	(1,191,630)	(2,169)	(1,193,799)
Accrued Liabilities	(3,722)	208,828	205,106
Accrued Vacation and Sick Leave	24,922	7,284	32,206
Net Cash Provided (Used) by Operating Activities	\$ (1,049,422)	\$ 1,308,077	\$ 258,655

NONCASH CAPITAL ACTIVITIES

During the year ended December 31, 2020, the District did not receive any sewer lines contribution from developers.

See accompanying notes to Basic Financial Statements.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY

Fountain Sanitation District (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by order and decree of the District Court for El Paso County on January 1, 1955, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Section 1, Colorado Revised Statutes). The District's service area is located in El Paso County, Colorado. The District was established to provide sewage services and treatment facilities for residents and businesses located within the District's boundaries, which are comprised of a specified portion of the City of Fountain, Colorado and certain surrounding areas.

As of December 31, 2021 and 2020, the District is comprised of two business-type activity funds, Fountain Sanitation (FS) and Jimmy Camp Creek Basin Wastewater Enterprise (JCCE). JCCE was established by a resolution of the District's Board of Directors on September 7, 2011 in order to facilitate funding of a new treatment plant which will provide service to residents and businesses located in the Jimmy Camp Creek Basin which is located within the boundaries of the District. The establishment of JCCE allowed the District to obtain additional financing to complete payment for its share of the new treatment plant, to adopt fees for wastewater services and for new taps to be added.

Based on the number of customers located in JCCE's boundaries and the miles of pipeline serving JCCE, the District has adopted a general allocation percentage of 55.56% of expenses and assets for JCCE and 44.44% for FS. The effective date for segregating the activities of JCCE from the District was September 1, 2011. As of the effective date, FS transferred the cash accounts established for the construction of the new treatment plant and 55.56% of the value of pipelines and equipment to JCCE, as well as a 55.56% allocation of certain other assets and liabilities. All revenues related to customers located in JCCE have been recorded in JCCE beginning in September of 2011, and operating expenses (excluding administrative expenses) were allocated to JCCE on a 55.56% basis through December 31, 2013. JCCE does not levy any property taxes.

On January 1, 2016, the District updated the allocation percentages based on current operations. All expenses related to sewage collection and transmission are allocated 64% to JCCE and 36% to FS. All expenses related to the District's sewage treatment plant are allocated 36% to JCCE and 64% to FS. All administrative expenses are allocated 100% to FS.

On January 1, 2019, the District updated the allocation percentages based on current operations. All expenses related to sewage collection and transmission are allocated 58% to JCCE and 42% to FS. All expenses related to the District's sewage treatment plant are allocated 35% to JCCE and 65% to FS. All administrative expenses are allocated 100% to FS.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

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

The District is not a component unit of any other primary governmental entity.

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

The District has been financially accountable for Lower Fountain Metropolitan Sewage Disposal District (LFMSDD) since 2003. LFMSDD is a component unit because the District appoints a voting majority of its Board of Directors, and therefore can control LFMSDD. LFMSDD is also financially dependent upon the District. LFMSDD's purpose is to construct and operate a new sewage treatment facility and interceptor sewer that will serve the future needs of the District and of other entities. LFMSDD's financial statements are presented as a discrete component unit. Financial statements for LFMSDD may be obtained by contacting Jim Heckman at the District offices (11545 Link Road, Fountain, Colorado 80817).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and loans is recorded as a reduction in liabilities. Tap fees and contributed assets from developers are recorded as capital contributions when received.

Operating Revenues and Expenses

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

Accounts Receivable

Accounts receivable consist of sewage collection services receivable. Accounts receivable are unsecured and stated at the amount the District expects to collect. The District maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer credit-worthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. If the financial condition of the District's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. As of December 31, 2021 and 2020, allowances for doubtful accounts totaled \$1,361 for each year.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Inventory

Inventory is composed of various spare parts, replacement equipment and expendable supplies and materials used in the operations of the District. Inventory is valued at the lower of cost or market value under the first-in, first-out (FIFO) method.

Capital Assets

Capital assets, which include land, plant and buildings, distribution and collection systems, and machinery and equipment, are reported by the District. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Sewer Lines and Lagoons	20 – 50 Years
Building and Improvements	10 – 50 Years
Treatment Plant and Sewage Control	10 – 40 Years
Equipment	5 – 20 Years

Maintenance and repairs are charged to expense as incurred. At the time of retirement or disposition of depreciable property, the related cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in nonoperating revenues (expenses).

Costs of certain engineering, feasibility, environmental and other studies are capitalized until the projects become operational. When projects become operational, the costs are included in capital assets and depreciated over the estimated useful life of the related asset.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tap Fees and Contributed Lines

Tap fees are recorded as capital contribution when received. Lines contributed to the District by developers are recorded as capital contributions and additions to the systems at the estimated fair value when received. Capital contributions from charges for the years ended December 31, 2021 and 2020 were \$297,257 and \$822,174, respectively. Sewer lines contributed for the years ended December 31, 2021 and 2020 were \$251,247 and \$-0-, respectively.

Deferred Inflows of Resources

In addition to liabilities, the statement of net 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Accordingly, the items incremental property tax revenue and deferred revenue are deferred and recognized as an inflow of resources in the period that the amounts become available.

Amortization – Original Issue Discount/Premium

Debt premiums and discounts are amortized over the respective terms of the borrowing using the interest method.

Compensated Absences

The District has a policy that allows all full-time employees to accumulate for vacation benefits at various rates, up to a maximum of 360 hours (45 days), based on their length of service.

Full-time employees are also entitled to accumulate personal leave at a rate of four hours every two weeks, up to a maximum of 720 hours (90 days). These accumulated hours are payable to the employee upon separation from the District.

Accrued vacation and personal leave totaling \$330,412 and \$313,858 represents the total actual vacation and personal leave hours accrued as of December 31, 2021 and 2020, respectively, for all employees.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021 and 2020 are classified in the accompanying financial statements of the District as follows:

	<u>2021</u>	<u>2020</u>
Statement of Net Position:		
Cash and Cash Equivalents	\$ 21,518,433	\$ 19,469,145
Cash and Cash Equivalents - Restricted	604,400	565,100
Total Cash and Cash Equivalents	<u>\$ 22,122,833</u>	<u>\$ 20,034,245</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and cash equivalents for the District as of December 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Cash on Hand	\$ 100	\$ 100
Deposits with Financial Institutions	889,539	805,201
Investments	<u>21,233,194</u>	<u>19,228,944</u>
Total Cash and Investments	<u>\$ 22,122,833</u>	<u>\$ 20,034,245</u>

Cash and investments as of December 31, 2021 and 2020 are classified in the accompanying financial statements of LFMSDD as follows:

	<u>2021</u>	<u>2020</u>
Statement of Net Position:		
Cash and Cash Equivalents	\$ 1,355,632	\$ 969,736
Cash and Cash Equivalents - Restricted	<u>46,300</u>	<u>43,400</u>
Total Cash and Cash Equivalents	<u>\$ 1,401,932</u>	<u>\$ 1,013,136</u>

Cash and cash equivalents for LFMSDD as of December 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Deposits with Financial Institutions	\$ 429,972	\$ 322,008
Investments	<u>971,960</u>	<u>691,128</u>
Total Cash and Investments	<u>\$ 1,401,932</u>	<u>\$ 1,013,136</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2021, the District's cash deposits had a bank balance of \$897,006 and a carrying balance of \$889,639. As of December 31, 2020, the District's cash deposits had a bank balance of \$489,037 and a carrying balance of \$805,301.

As of December 31, 2021, LFMSDD's cash deposits had a bank balance of \$430,129 and a carrying balance of \$429,972. As of December 31, 2020, LFMSDD's cash deposits had a bank balance of \$347,701 and a carrying balance of \$322,008.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors, such actions are generally associated with a debt service reserve or sinking fund requirements.

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

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2021 and 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>	
		<u>2021</u>	<u>2020</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 18,758,608	\$ 16,755,548
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	2,474,586	2,473,396
Total		<u>\$ 21,233,194</u>	<u>\$ 19,228,944</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2021 and 2020, LFMSDD had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>	
		<u>2021</u>	<u>2020</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	<u>\$ 971,960</u>	<u>\$ 691,128</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing COLOTRUST. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for COLOTRUST's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by COLOTRUST. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 4 CAPITAL ASSETS

Capital asset activity of the District for the year ended December 31, 2021 was as follows:

	Balance - December 31, 2020	Increases	Decreases	Balance - December 31, 2021
Capital Assets Not Being Depreciated:				
Land	\$ 52,867	\$ -	\$ -	\$ 52,867
Construction in Progress	-	-	-	-
Total Capital Assets, Not Being Depreciated	52,867	-	-	52,867
Capital Assets Being Depreciated:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	10,280,479	617,946	-	10,898,425
Building and Improvements	6,682,060	-	-	6,682,060
Equipment	5,830,957	-	-	5,830,957
Land Improvements	1,752,788	87,990	6,898	1,833,880
Total Capital Assets Being Depreciated	29,765	-	-	29,765
	24,576,049	705,936	6,898	25,275,087
Less Accumulated Depreciation For:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	(4,118,426)	(267,510)	-	(4,385,936)
Building and Improvements	(4,251,125)	(186,841)	-	(4,437,966)
Equipment	(330,598)	(188,584)	-	(519,182)
Land Improvements	(1,160,096)	(172,308)	(6,898)	(1,325,506)
Total Accumulated Depreciation	(29,765)	-	-	(29,765)
	(9,890,010)	(815,243)	(6,898)	(10,698,355)
Total Capital Assets Being Depreciated	14,686,039	(109,307)	-	14,576,732
Capital Assets, Net	<u>\$ 14,738,906</u>	<u>\$ (109,307)</u>	<u>\$ -</u>	<u>\$ 14,629,599</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

	Balance - December 31, 2019	Increases	Decreases	Balance - December 31, 2020
Capital Assets Not Being Depreciated:				
Land	\$ 52,867	\$ -	\$ -	\$ 52,867
Construction in Progress	4,972,719	684,793	5,657,512	-
Total Capital Assets Not Being Depreciated	5,025,586	684,793	5,657,512	52,867
Capital Assets Being Depreciated:				
Sewer Lines and Lagoons	9,794,327	486,152	-	10,280,479
Treatment Plant and Sewage Control	6,682,060	-	-	6,682,060
Building and Improvements	173,445	5,657,512	-	5,830,957
Equipment	1,388,336	396,760	32,308	1,752,788
Land Improvements	29,765	-	-	29,765
Total Capital Assets Being Depreciated	18,067,933	6,540,424	32,308	24,576,049
Less Accumulated Depreciation For:				
Sewer Lines and Lagoons	(3,874,607)	(243,819)	-	(4,118,426)
Treatment Plant and Sewage Control	(4,063,623)	(187,502)	-	(4,251,125)
Building and Improvements	(173,445)	(157,153)	-	(330,598)
Equipment	(1,050,536)	(131,668)	(22,108)	(1,160,096)
Land Improvements	(29,765)	-	-	(29,765)
Total Accumulated Depreciation	(9,191,976)	(720,142)	(22,108)	(9,890,010)
Total Capital Assets Being Depreciated	8,875,957	5,820,282	10,200	14,686,039
Capital Assets, Net	<u>\$ 13,901,543</u>	<u>\$ 6,505,075</u>	<u>\$ 5,667,712</u>	<u>\$ 14,738,906</u>

Depreciation expense of the District for the years ended December 31, 2021 and 2020 was charged to the following operations:

	2021	2020
Sewer Lines and Lagoons	\$ 267,510	\$ 243,819
Treatment Plant and Sewage Control	186,841	187,502
Building and Improvements	188,584	157,153
Equipment	172,308	131,668
Total Depreciation Expense	<u>\$ 815,243</u>	<u>\$ 720,142</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Capital asset activity of LFMSDD for the year ended December 31, 2021 was as follows:

	Balance - December 31, 2020	Increases	Decreases	Balance - December 31, 2021
Capital Assets Not Being Depreciated:				
Land	\$ 291,375	\$ -	\$ -	\$ 291,375
Construction in Progress	-	-	-	-
Total Capital Assets, Not Being Depreciated	291,375	-	-	291,375
Capital Assets Being Depreciated:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	8,144,673	176,930	-	8,321,603
Equipment	34,074,246	11,514	-	34,085,760
	83,121	36,581	-	119,702
Total Capital Assets Being Depreciated	42,302,040	225,025	-	42,527,065
Less Accumulated Depreciation For:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	(1,122,319)	(162,893)	-	(1,285,212)
Equipment	(5,301,480)	(851,856)	-	(6,153,336)
	(27,897)	(18,373)	-	(46,270)
Total Accumulated Depreciation	(6,451,696)	(1,033,122)	-	(7,484,818)
Total Capital Assets Being Depreciated	35,850,344	(808,097)	-	35,042,247
Capital Assets, Net	<u>\$ 36,141,719</u>	<u>\$ (808,097)</u>	<u>\$ -</u>	<u>\$ 35,333,622</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

	Balance - December 31, 2019	Increases	Decreases	Balance - December 31, 2020
Capital Assets Not Being Depreciated:				
Land	\$ 291,375	\$ -	\$ -	\$ 291,375
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	291,375	-	-	291,375
Capital Assets Being Depreciated:				
Sewer Lines	8,114,874	29,799	-	8,144,673
Treatment Plant and Sewage Control	34,061,032	13,214	-	34,074,246
Equipment	19,250	63,871	-	83,121
Total Capital Assets Being Depreciated	42,195,156	106,884	-	42,302,040
Less Accumulated Depreciation For:				
Sewer Lines and Lagoons	(960,021)	(162,298)	-	(1,122,319)
Treatment Plant and Sewage Control	(4,450,900)	(850,580)	-	(5,301,480)
Equipment	(13,442)	(14,455)	-	(27,897)
Total Accumulated Depreciation	(5,424,363)	(1,027,333)	-	(6,451,696)
Total Capital Assets Being Depreciated	36,770,793	(920,449)	-	35,850,344
Capital Assets, Net	<u>\$ 37,062,168</u>	<u>\$ (920,449)</u>	<u>\$ -</u>	<u>\$ 36,141,719</u>

Depreciation expense of LFMSDD for the years ended December 31, 2021 and 2020 was charged to the following operations:

	2021	2020
Sewer Lines and Lagoons	\$ 162,893	\$ 162,298
Treatment Plant and Sewage Control	851,856	850,580
Equipment	18,373	14,455
Total Depreciation Expense	<u>\$ 1,033,122</u>	<u>\$ 1,027,333</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 5 LONG-TERM OBLIGATIONS

Long-term obligation activity for the years ended December 31, 2021 and 2020 was as follows:

	Balance December 31, 2020	Additions	Reductions	Balance December 31, 2021	Amounts Due Within One Year
2011 CWRPDA Loan	\$ 4,138,425	\$ -	\$ 321,943	\$ 3,816,482	\$ 327,796
Plus Loan Premium	84,227	-	11,583	72,644	10,770
Total Long-Term Obligations	<u>\$ 4,222,652</u>	<u>\$ -</u>	<u>\$ 333,526</u>	<u>\$ 3,889,126</u>	<u>\$ 338,566</u>
	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020	Amounts Due Within One Year
2011 CWRPDA Loan	\$ 4,454,514	\$ -	\$ 316,089	\$ 4,138,425	\$ 321,943
Plus Loan Premium	96,704	-	12,477	84,227	11,584
Total Long-Term Obligations	<u>\$ 4,551,218</u>	<u>\$ -</u>	<u>\$ 328,566</u>	<u>\$ 4,222,652</u>	<u>\$ 333,527</u>

Loan Agreements

On November 3, 2011, the District entered into an agreement to borrow \$7,097,680 from the Colorado Water Resources and Power Development Authority (CWRPDA) repayable in initial semi-annual installments of \$202,374 escalating to \$207,659 including servicing fee, principal and interest, at a gross interest rate of 2.23% per annum, maturing August 1, 2032, and secured by District revenues. In May of 2021, CWRPDA refunded certain bonds to generate savings for the District. The refunding savings for the District totaled \$244,760 and will be applied as payment credits to the District's upcoming loan repayments.

The components of interest expense for this loan for the years ended December 31, 2021 and 2020 are as follows:

	2021	2020
Interest	\$ 32,751	\$ 49,452
Administrative Fee	48,845	48,845
Total	<u>\$ 81,596</u>	<u>\$ 98,297</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 327,796	\$ 42,687	\$ 370,483
2023	327,796	39,568	367,364
2024	327,796	36,736	364,532
2025	333,650	34,168	367,818
2026	333,650	31,796	365,446
2027-2031	1,767,758	97,911	1,865,669
2032	398,036	5,068	403,104
Total	<u>\$ 3,816,482</u>	<u>\$ 287,934</u>	<u>\$ 4,104,416</u>

In addition to principal and interest, the District pays \$48,845 annually in administration/servicing fees, which are reduced in 2030, 2031, and 2032 to \$36,634, \$24,423, and \$12,211, respectively. There are a number of covenants and restrictions contained in the note payable agreement, including a provision that a reserve equal to three months of operations and maintenance expenses be maintained by the District. The District was in compliance with all covenants and restrictions as of December 31, 2021 and 2020.

NOTE 6 INTERGOVERNMENTAL AGREEMENTS

City of Fountain Colorado

The District has a service contract with the City of Fountain Colorado, a municipal corporation and home rule city on behalf of its utility enterprise, the City of Fountain Electric, Water, and Wastewater Enterprise (the City). Under the terms of the contract, the City through its utility enterprise performs billing, collection, customer service turn on and turn offs, reports, new account sign up for the District. For the years ended December 31, 2021 and 2020, the City service fees were \$65,578 for each year.

Lower Fountain Metropolitan Sewage Disposal District

Intergovernmental Agreement

The District is party to an intergovernmental agreement with LFMSDD. The agreement obligates the District to fund its proportionate share of the cost of constructing and operating a regional treatment facility and interceptor sewer, which will increase the treatment capacity of the District to meet anticipated future needs. The District contributed \$187,500 and \$-0- to LFMSDD for the years ended December 31, 2021 and 2020, respectively.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 6 INTERGOVERNMENTAL AGREEMENTS (CONTINUES)

Lower Fountain Metropolitan Sewage Disposal District (Continued)

Operating Services Agreement

On May 11, 2010, the District entered into an operating services agreement with LFMSDD. The District agrees to provide management and operational services for LFMSDD as set forth in the agreement. The initial term of this agreement shall end on December 31, 2010. Contingent upon the appropriation of funds necessary to meet the responsibilities of each party to this agreement, the agreement shall be automatically extended for successive one year terms, commencing January 1 of each year, unless notice of nonrenewal is given by either party not less than one hundred eighty (180) days prior to the end of the existing term. LFMSDD paid the District a total of \$606,603 and \$614,235 for operating and administrative services during the years ended December 31, 2021 and 2020, respectively.

NOTE 7 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2021 and 2020, the District had the following net investment in capital assets, calculated as follows:

	2021	2020
Net Investment in Capital Assets:		
Invested in Capital Assets	\$ 25,327,954	\$ 24,628,916
Less Depreciation	(10,698,355)	(9,890,010)
Net Investment in Capital Assets	\$ 14,629,599	\$ 14,738,906

Restricted assets include net position that are restricted for use either externally by creditors, granters, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2021 and 2020 as follows:

	2021	2020
Restricted Net Position:		
Emergency Reserves	\$ 96,900	\$ 88,100
Note Payable Requirements	507,500	477,000
Total Restricted Net Position	\$ 604,400	\$ 565,100

LFMSDD has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 7 NET POSITION (CONTINUED)

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2021 and 2020, LFMSDD had the following net investment in capital assets, calculated as follows:

	2021	2020
Net Investment in Capital Assets:		
Invested in Capital Assets	\$ 42,818,440	\$ 42,593,415
Less Depreciation	(7,484,818)	(6,451,696)
Net Investment in Capital Assets	\$ 35,333,622	\$ 36,141,719

Restricted assets include net position that are restricted for use either externally by creditors, granters, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. LFMSDD had restricted net position as of December 31, 2021 and 2020 as follows:

	2021	2020
Restricted Net Position:		
Emergency Reserves	\$ 46,300	\$ 43,400

Unrestricted net position consist of net assets that do not meet the definition of invested in capital assets or restricted.

NOTE 8 COMMITMENTS AND CONTINGENCIES

Operating Agreement

The District leases office facilities under an operating lease agreement that expires on March 31, 2020. Total rental expense for the years ended December 31, 2021 and 2020 were \$-0- and \$9,740, respectively.

NOTE 9 BOARD-DESIGNATED CASH BALANCES

The District's Board of Directors has chosen to designate the unrestricted cash balance for specific future needs to reflect the expected future use of available resources. These designations are nonbinding and subject to change.

- Designated for capital outlay – Represents an amount reserved for future capital outlay.
- Designated for renewal and replacement – Represents amounts to be used to secure financing for aging infrastructure within the existing system.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 9 BOARD-DESIGNATED CASH BALANCES (CONTINUED)

- Designated for note payable and liabilities – Represents amounts needed in the future to repay note payable and other liabilities.
- Designated for operations – Represents amounts set aside for operational expenses as determined by the Board of Directors.
- Designated for LFMSDD – Represents amounts designated to be used to fund construction and improvements of the treatment plant and interceptor sewer.

Cash balances designated by the Board of Directors are as follows:

	Balance 1/1/21	Additions/ Dispositions	Balance 12/31/21
Capital Outlay	\$ 7,724,855	\$ 2,397,341	\$ 10,122,196
Renewal and Replacement	2,558,219	284,836	2,843,055
Notes Payable and Liabilities	4,905,679	(239,953)	4,665,726
Operations	2,324,759	(775,520)	1,549,239
LFMSDSD	2,166,728	845,451	3,012,179
Total	\$ 19,680,240	\$ 2,512,155	\$ 22,192,395

NOTE 10 RETIREMENT PLANS

Defined Contribution Pension Plan

The District participates in the Colorado County Officials and Employees Retirement Association (CCOERA), a multiple employer defined contribution plan, to which permanent employees contribute. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees become plan members after one year of regular full-time, or regular part-time service. Under this plan, 5% of the plan members' compensation is withheld and remitted to the Plan Administrator along with a matching payment of 5% from the District. Both the District and employees match are 100% vested at the time of contribution.

Contributions to the retirement plan for the year ended December 31, 2021 and 2020 was \$53,989 and \$47,712, respectively.

There is no liability for benefits under the plan beyond the District's matching payments.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 10 RETIREMENT PLANS (CONTINUED)

Deferred Compensation Plan

The District maintains a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is administered by CCOERA. The plan allows the employee to defer a portion of their salary until future years. Effective January 1, 2020, the District will contribute up to a maximum of 3% of the employee's annual salary provided the employee contributes up to 3% of their salary. The assets held are not material to the statement of net position. There is no liability for benefits under the plan beyond the District's payments. Plan provisions and contribution requirements are established and may be amended by the District's Board of Directors.

Contributions to the retirement plan for the year ended December 31, 2021 and 2020 was \$28,975 and \$22,525, respectively.

NOTE 11 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2021 and 2020. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 12 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 12 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

Prior to TABOR, sewer tap fees paid by customers were treated as contributions in aid of construction in fund equity. With the passing of TABOR, the appropriate treatment of tap fees was ambiguous. On May 7, 1996, an election was held whereby the voters in the District authorized the District to retain and spend revenues collected in 1993 and thereafter, which were in excess of the spending limits previously established by TABOR. Accordingly, tap fees have been classified as capital contributions.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an Enterprise will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**FOUNTAIN SANITATION DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES
FOUNTAIN SANITATION
BUDGET COMPARED TO ACTUAL
CASH BASIS
YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Sewage Charges	\$ 1,823,698	\$ 1,833,748	\$ 10,050
Property Taxes	1,167,469	1,168,540	1,071
Specific Ownership Taxes	45,000	137,249	92,249
Tap Fees	48,000	63,114	15,114
Interest Income	49,768	12,364	(37,404)
Miscellaneous Income	250	73,092	72,842
Total Revenues	<u>3,134,185</u>	<u>3,288,107</u>	<u>153,922</u>
EXPENDITURES			
Sewage Collection and Transmission:			
Personnel Services	275,228	244,397	30,831
Supplies	35,816	9,472	26,344
Repairs and Maintenance	64,500	17,815	46,685
Purchased Services	23,925	14,440	9,485
Utilities	5,360	3,574	1,786
System Renewal and Replacement Projects	305,350	50,255	255,095
Capital Outlay	144,700	7,660	137,040
Total Sewage Collection and Transmission	<u>854,879</u>	<u>347,613</u>	<u>507,266</u>
Sewer Treatment Plant:			
Personnel Services	436,345	354,486	81,859
Supplies	34,042	17,011	17,031
Repairs and Maintenance	74,852	22,731	52,121
Purchased Services	138,025	73,294	64,731
Utilities	140,590	84,628	55,962
Facility Renewal and Replacement Projects	256,425	210,502	45,923
Capital Outlay	157,053	50,182	106,871
Total Sewer Treatment Plant	<u>1,237,332</u>	<u>812,834</u>	<u>424,498</u>
Sewage Administration:			
Personnel Services	493,154	469,928	23,226
Supplies	37,250	22,156	15,094
Repairs and Maintenance	30,000	14,796	15,204
Purchased Services	174,320	79,039	95,281
Utilities	52,457	49,368	3,089
Fixed Charges	154,293	123,599	30,694
County Treasurer's Fees	25,500	18,378	7,122
Renewal and Replacement Projects	35,000	-	35,000
Capital Outlay	40,000	-	40,000
Transfer from JCC	-	(546)	546
Total Sewage Administration	<u>1,041,974</u>	<u>776,718</u>	<u>265,256</u>
Total Expenditures	<u>3,134,185</u>	<u>1,937,165</u>	<u>1,197,020</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 1,350,942</u>	<u>\$ 1,350,942</u>

**FOUNTAIN SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF REVENUES
AND EXPENDITURES – FOUNTAIN SANITATION
YEAR ENDED DECEMBER 31, 2021**

The accompanying Supplementary Schedule of Revenues and Expenditures – Budget Compared to Actual for Fountain Sanitation on page 27 presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of differences in revenues and expenditures for the year ended December 31, 2021 is presented below.

Total Revenue per Financial Statements (Operating and Nonoperating Revenue)	\$ 3,291,029
Add:	
Revenue Accruals and Noncash Adjustments at December 31, 2020	149,076
Less:	
Revenue Accruals and Noncash Adjustments at December 31, 2021	<u>(151,998)</u>
Total Actual Revenue and Receipts per the Budget	<u><u>\$ 3,288,107</u></u>
Total Expenses and Capital Expenditures per Financial Statements	\$ 2,236,281
Add:	
Expenses and Capital Expenditures Accruals and Noncash Adjustments at December 31, 2020	61,631
Capital Expenditures	318,599
Less:	
Expenses and Capital Expenditures Accruals and Noncash Adjustments at December 31, 2021	(82,250)
Depreciation and Amortization Expenses	<u>(597,096)</u>
Total Actual Expenses and Capital Expenditures per the Budget	<u><u>\$ 1,937,165</u></u>

**FOUNTAIN SANITATION DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES
JIMMY CAMP CREEK ENTERPRISE
BUDGET COMPARED TO ACTUAL
CASH BASIS
YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Sewage Charges	\$ 2,332,221	\$ 2,535,350	\$ 203,129
Tap Fees	445,000	234,143	(210,857)
IGA Contract Service Revenue - LFMSDD	504,946	622,868	117,922
Interest Income	32,600	6,148	(26,452)
Miscellaneous Income	1,250	16,190	14,940
Total Revenues	<u>3,316,017</u>	<u>3,414,699</u>	<u>98,682</u>
EXPENDITURES			
Sewage Collection and Transmission:			
Personnel Services	284,804	330,386	(45,582)
Supplies	17,401	12,882	4,519
Repairs and Maintenance	41,431	12,006	29,425
Purchased Services	30,015	17,414	12,601
Utilities	10,150	4,993	5,157
System Renewal and Replacement Projects	387,150	-	387,150
Capital Outlay	63,800	10,578	53,222
Capital Contributions LFMSDD	5,980	-	5,980
Total Sewage Collection and Transmission	<u>840,731</u>	<u>388,259</u>	<u>452,472</u>
Sewer Treatment Plant:			
Personnel Services	1,376,799	1,506,228	(129,429)
Supplies	16,800	9,370	7,430
Repairs and Maintenance	49,750	12,321	37,429
Purchased Services	62,078	39,705	22,373
Utilities	64,750	45,569	19,181
Facility Renewal and Replacement Projects	158,075	105,940	52,135
Capital Outlay	90,500	270,818	(180,318)
Capital Contributions LFMSDD	85,000	187,500	(102,500)
Total Sewer Treatment Plant	<u>1,903,752</u>	<u>2,177,451</u>	<u>(273,699)</u>
Sewage Administration:			
Personnel Services	34,361	25,594	8,767
Debt Service Payments	537,173	403,539	133,634
Transfer to FSD	-	546	(546)
Total Sewage Administration	<u>571,534</u>	<u>429,679</u>	<u>141,855</u>
Total Expenditures	<u>3,316,017</u>	<u>2,995,389</u>	<u>320,628</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 419,310</u>	<u>\$ 419,310</u>

**FOUNTAIN SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF REVENUES
AND EXPENDITURES – JIMMY CAMP CREEK ENTERPRISE
YEAR ENDED DECEMBER 31, 2021**

The accompanying Supplementary Schedule of Revenues and Expenditures – Budget Compared to Actual for Jimmy Camp Creek Enterprise on page 29 presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of differences in revenues and expenditures for the year ended December 31, 2021 is presented below.

Total Revenue per Financial Statements (Operating and Nonoperating Revenue)	\$ 3,672,538
Add:	
Revenue Accruals and Noncash Adjustments at December 31, 2020	263,526
Less:	
Revenue Accruals and Noncash Adjustments at December 31, 2021	<u>(270,118)</u>
Total Actual Revenue and Receipts per the Budget	<u><u>\$ 3,414,699</u></u>
Total Expenses and Capital Expenditures per Financial Statements	\$ 2,518,950
Add:	
Principal Payment on Bonds	321,943
Amortization on Bond Premium	11,583
Expenses and Capital Expenditures Accruals and Noncash Adjustments at December 31, 2020	142,985
Capital Expenditures	387,336
Less:	
Expenses and Capital Expenditures Accruals and Noncash Adjustments at December 31, 2020	(168,091)
Depreciation and Amortization Expenses	<u>(219,317)</u>
Total Actual Expenses and Capital Expenditures per the Budget	<u><u>\$ 2,995,389</u></u>

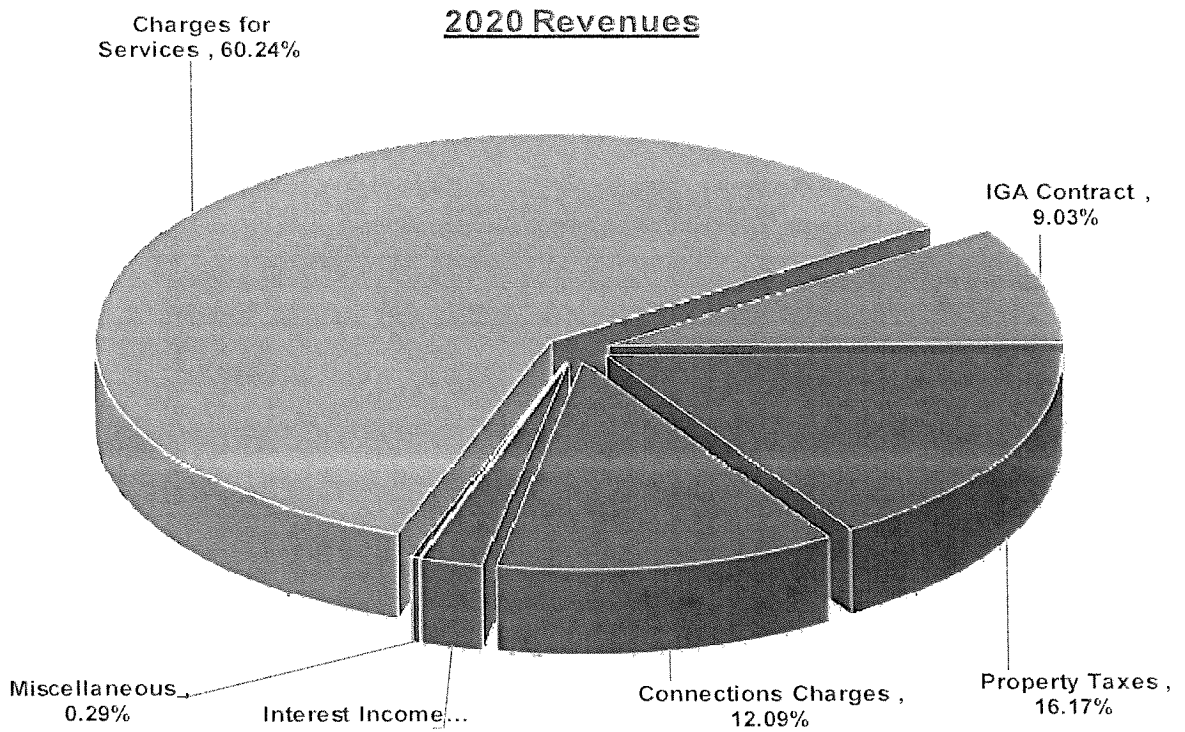
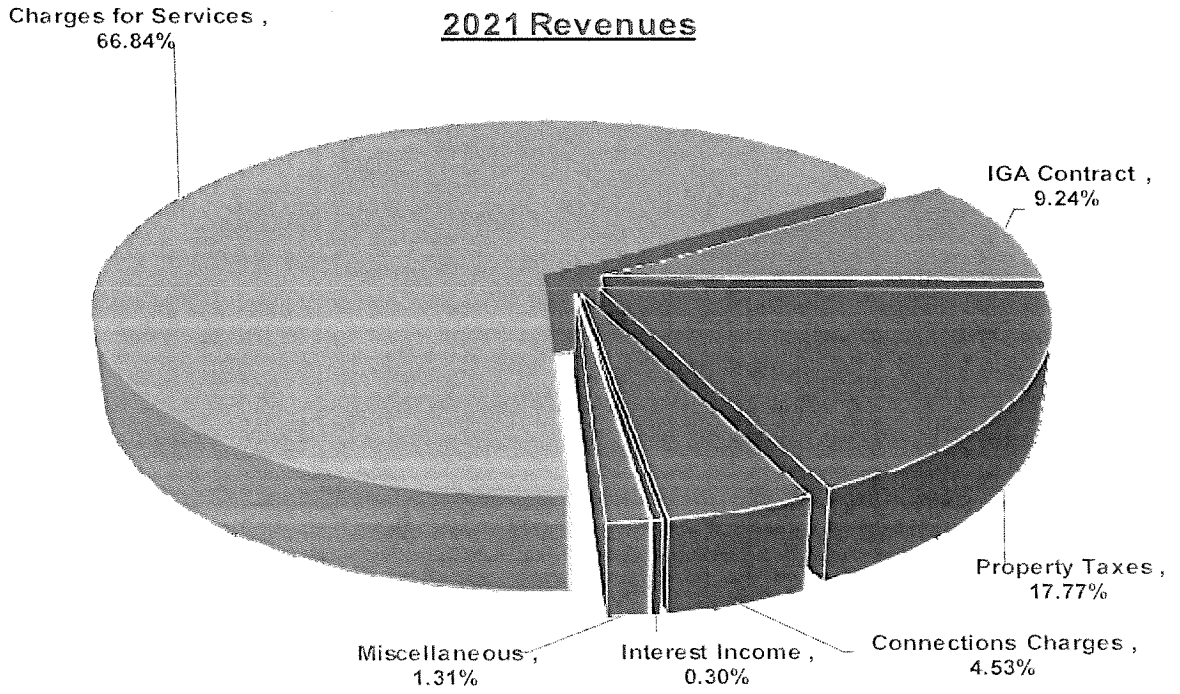
**FOUNTAIN SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2021**

\$6,860,303 Loan Dated
November 1, 2011 Colorado
Water Resources and Power
Development Authority Gross Rates of
2.23% Principal and
Interest Payable February 1
and August 1

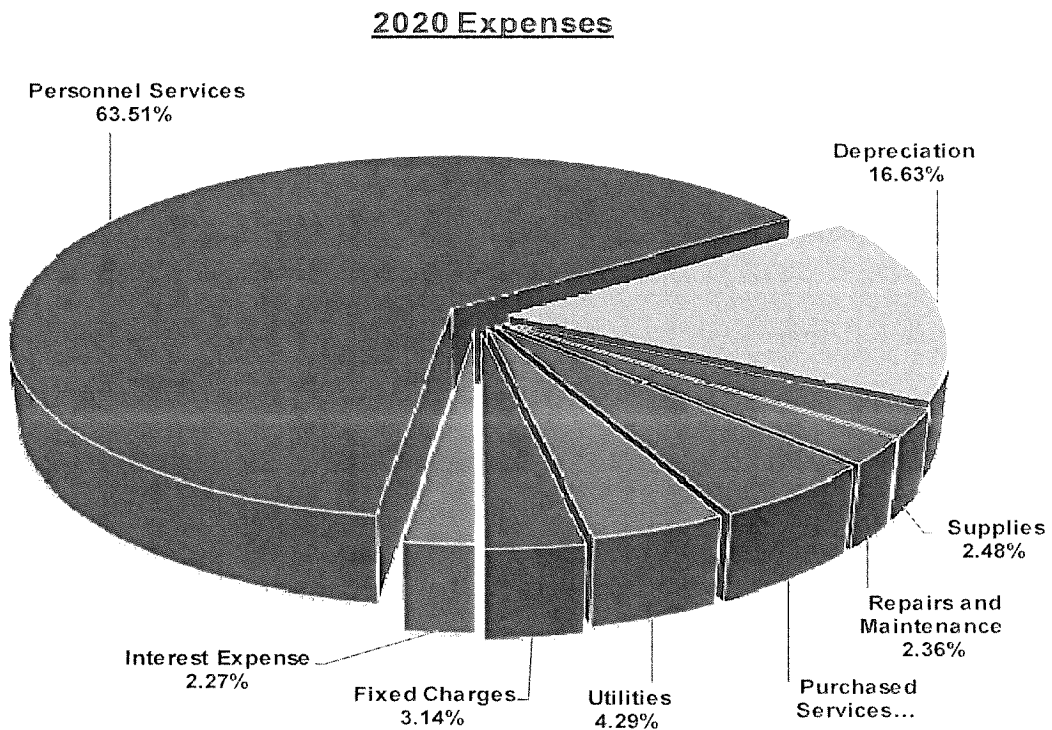
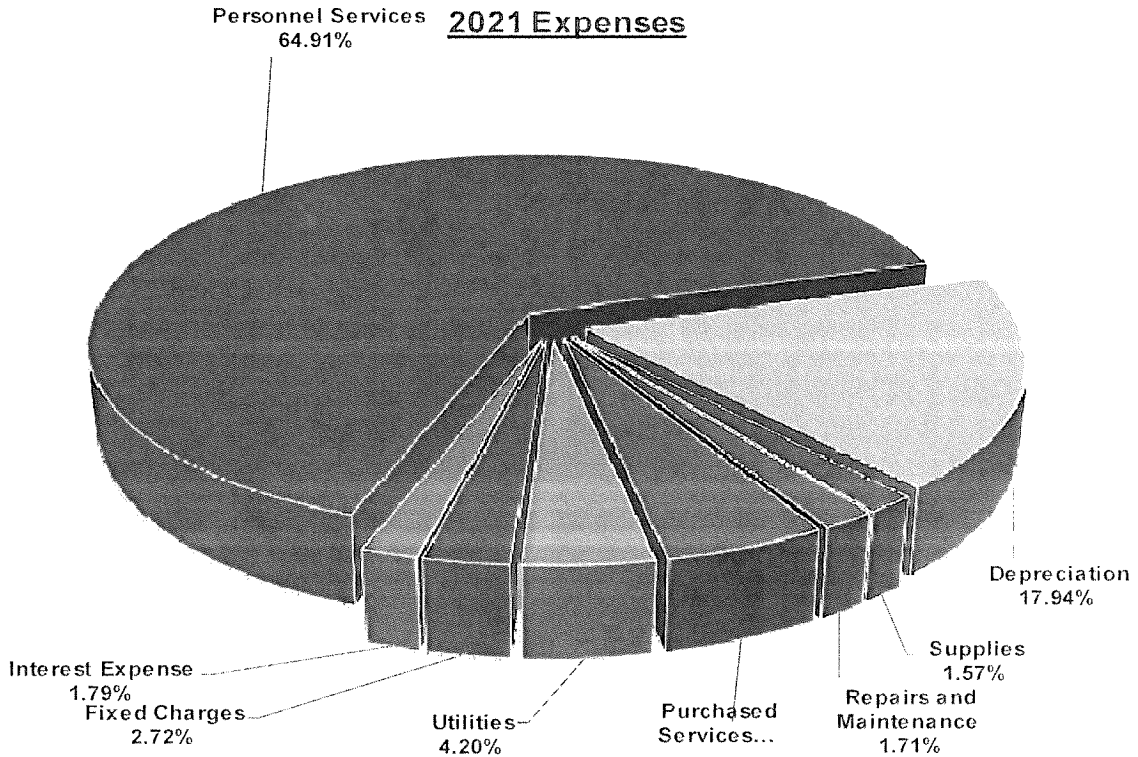
<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 327,796	\$ 42,687	\$ 370,483
2023	327,796	39,568	367,364
2024	327,796	36,736	364,532
2025	333,650	34,168	367,818
2026	333,650	31,796	365,446
2027	339,503	29,263	368,766
2028	339,503	24,321	363,824
2029	345,357	19,528	364,885
2030	362,917	14,803	377,720
2031	380,478	9,996	390,474
2032	398,036	5,068	403,104
Total	<u>\$ 3,816,482</u>	<u>\$ 287,934</u>	<u>\$ 4,104,416</u>

OTHER INFORMATION

**FOUNTAIN SANITATION DISTRICT
SCHEDULE I
REVENUES BY CATEGORY
YEARS ENDED DECEMBER 31, 2021 AND 2020**

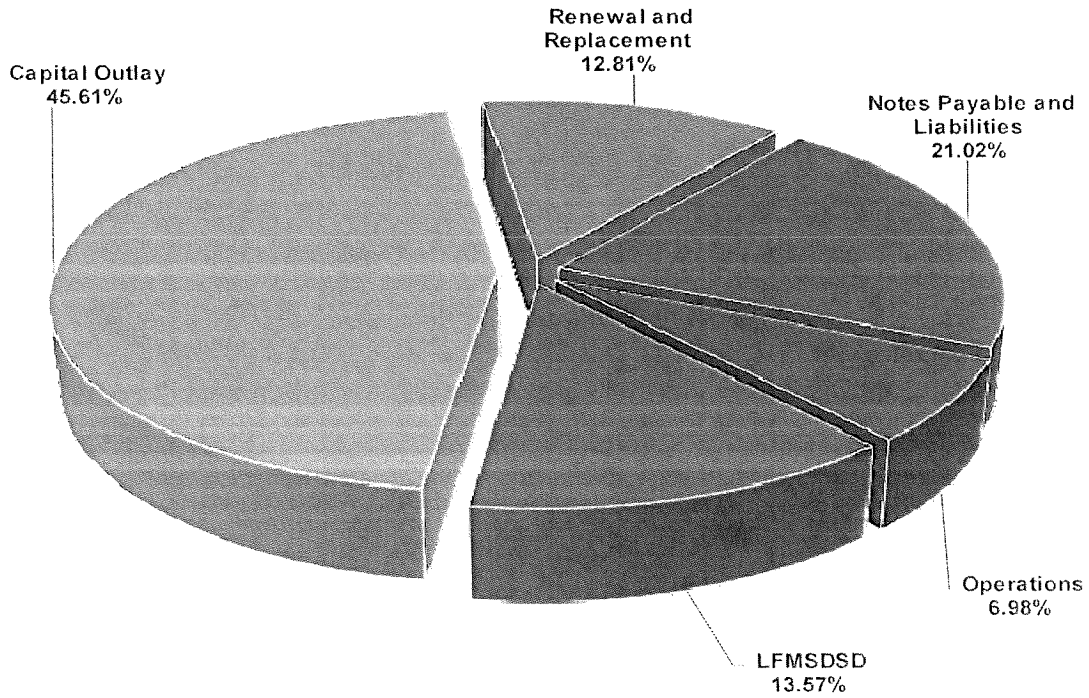


**FOUNTAIN SANITATION DISTRICT
SCHEDULE II
EXPENSES BY CATEGORY
YEARS ENDED DECEMBER 31, 2021 AND 2020**



**FOUNTAIN SANITATION DISTRICT
SCHEDULE III
CASH BALANCES DESIGNATED BY BOARD OF DIRECTORS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

2021 Cash Balances



2020 Cash Balances

