

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2019 AND 2018

**FOUNTAIN SANITATION DISTRICT
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fountain Sanitation District
Fountain, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component unit of Fountain Sanitation District as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component unit of Fountain Sanitation District as of December 31, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 a 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.

Other 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.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BiggsKofford, P.C.

Colorado Springs, Colorado
July 1, 2020

BASIC FINANCIAL STATEMENTS

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2019**

	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	\$ 6,595,124	\$ 12,468,588	\$ 19,063,712	\$ 950,354
Cash and Cash Equivalents - Restricted	90,900	438,200	529,100	41,100
Accounts Receivable, Net of Allowance for Doubtful Accounts	129,396	178,760	308,156	18,709
Receivable from County Treasurer	10,516	-	10,516	-
Property Taxes Receivable	1,102,029	-	1,102,029	-
Intergovernmental Receivable	-	46,789	46,789	95,048
Inventory	42,368	58,508	100,876	65,166
Total Current Assets	<u>7,970,333</u>	<u>13,190,845</u>	<u>21,161,178</u>	<u>1,170,377</u>
OTHER ASSETS				
Intangible Assets, Net of Accumulated Amortization	3,510	-	3,510	-
Total Other Assets	<u>3,510</u>	<u>-</u>	<u>3,510</u>	<u>-</u>
CAPITAL ASSETS				
Capital Assets Not Being Depreciated	5,025,586	-	5,025,586	291,375
Capital Assets, Net of Accumulated Depreciation	5,753,310	3,122,647	8,875,957	36,770,793
Total Capital Assets	<u>10,778,896</u>	<u>3,122,647</u>	<u>13,901,543</u>	<u>37,062,168</u>
Total Assets	<u>\$ 18,752,739</u>	<u>\$ 16,313,492</u>	<u>\$ 35,066,231</u>	<u>\$ 38,232,545</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts and Contracts Payable	\$ 1,215,755	\$ 16,880	\$ 1,232,635	\$ 70,798
Accrued Liabilities	6,958	14,801	21,759	18,094
Accrued Compensated Absences	175,590	106,062	281,652	-
Intergovernmental Payable	-	95,048	95,048	46,789
Current Maturities of Long-Term Obligations	-	328,565	328,565	-
Total Current Liabilities	<u>1,398,303</u>	<u>561,356</u>	<u>1,959,659</u>	<u>135,681</u>
LONG-TERM OBLIGATIONS	-	4,222,653	4,222,653	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	1,102,029	-	1,102,029	-
Deferred Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>1,102,029</u>	<u>-</u>	<u>1,102,029</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	10,778,896	3,122,647	13,901,543	37,062,168
Restricted	90,900	438,200	529,100	41,100
Unrestricted	5,382,611	7,968,636	13,351,247	993,596
Total Net Position	<u>16,252,407</u>	<u>11,529,483</u>	<u>27,781,890</u>	<u>38,096,864</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 18,752,739</u>	<u>\$ 16,313,492</u>	<u>\$ 35,066,231</u>	<u>\$ 38,232,545</u>

See accompanying notes to Basic Financial Statements.

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2018**

	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	\$ 8,090,111	\$ 10,986,093	\$ 19,076,204	\$ 1,022,532
Cash and Cash Equivalents - Restricted	89,100	390,400	479,500	34,200
Accounts Receivable, Net of Allowance for Doubtful Accounts	112,561	199,984	312,545	17,732
Receivable from County Treasurer	10,823	-	10,823	-
Property Taxes Receivable	1,031,922	-	1,031,922	-
Intergovernmental Receivable	-	41,675	41,675	90,289
Inventory	32,783	58,281	91,064	46,621
Total Current Assets	<u>9,367,300</u>	<u>11,676,433</u>	<u>21,043,733</u>	<u>1,211,374</u>
OTHER ASSETS				
Intangible Assets, Net of Accumulated Amortization	4,680	-	4,680	-
Total Other Assets	<u>4,680</u>	<u>-</u>	<u>4,680</u>	<u>-</u>
CAPITAL ASSETS				
Capital Assets Not Being Depreciated	415,258	-	415,258	291,375
Capital Assets, Net of Accumulated Depreciation	6,144,114	3,015,752	9,159,866	37,596,293
Total Capital Assets	<u>6,559,372</u>	<u>3,015,752</u>	<u>9,575,124</u>	<u>37,887,668</u>
Total Assets	<u>\$ 15,931,352</u>	<u>\$ 14,692,185</u>	<u>\$ 30,623,537</u>	<u>\$ 39,099,042</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts and Contracts Payable	\$ 50,949	\$ 6,177	\$ 57,126	\$ 132,555
Accrued Liabilities	6,874	74,915	81,789	18,073
Accrued Compensated Absences	158,176	102,683	260,859	-
Intergovernmental Payable	-	90,289	90,289	81
Current Maturities of Long-Term Obligations	-	329,575	329,575	-
Total Current Liabilities	<u>215,999</u>	<u>603,639</u>	<u>819,638</u>	<u>150,709</u>
LONG-TERM OBLIGATIONS	-	4,551,218	4,551,218	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	1,031,922	-	1,031,922	-
Deferred Revenue	-	-	-	137,871
Total Deferred Inflows of Resources	<u>1,031,922</u>	<u>-</u>	<u>1,031,922</u>	<u>137,871</u>
NET POSITION				
Net Investment in Capital Assets	6,559,372	3,015,752	9,575,124	37,887,668
Restricted	89,100	390,400	479,500	34,200
Unrestricted	8,034,959	6,131,176	14,166,135	888,594
Total Net Position	<u>14,683,431</u>	<u>9,537,328</u>	<u>24,220,759</u>	<u>38,810,462</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 15,931,352</u>	<u>\$ 14,692,185</u>	<u>\$ 30,623,537</u>	<u>\$ 39,099,042</u>

See accompanying notes to Basic Financial Statements.

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2019**

	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	\$ 1,629,818	\$ 2,341,614	\$ 3,971,432	\$ 1,328,505
Intergovernmental Revenue - LFMSDD	-	523,522	523,522	-
Bad Debt Recovery	14,359	1,362	15,721	-
Miscellaneous	6,300	34,841	41,141	20,331
Total Operating Revenues	<u>1,650,477</u>	<u>2,901,339</u>	<u>4,551,816</u>	<u>1,348,836</u>
OPERATING EXPENSES				
Personnel Services	903,223	1,590,393	2,493,616	91,336
Depreciation and Amortization	370,181	164,495	534,676	1,027,647
Supplies	44,577	20,609	65,186	196,562
Repairs and Maintenance	66,628	45,581	112,209	31,788
Purchased Services	175,096	29,673	204,769	568,345
Utilities	127,495	66,563	194,058	196,694
General and Administrative	-	-	-	20,903
Management Fess	-	-	-	84,357
Fixed Charges	111,346	-	111,346	11,025
Total Operating Expenses	<u>1,798,546</u>	<u>1,917,314</u>	<u>3,715,860</u>	<u>2,228,657</u>
OPERATING INCOME (LOSS)	(148,069)	984,025	835,956	(879,821)
NONOPERATING REVENUES (EXPENSES)				
Property Tax Revenue	1,028,206	-	1,028,206	-
Specific Ownership Taxes	126,269	-	126,269	-
County Treasurer's Fees	(15,470)	-	(15,470)	-
Interest Income	348,172	114,740	462,912	17,842
Gain (Loss) on Disposal of Capital Assets	191,349	(7,964)	183,385	-
Interest Expense	-	(102,295)	(102,295)	-
Note Payable Premium Amortization	-	13,486	13,486	-
Total Nonoperating Revenues	<u>1,678,526</u>	<u>17,967</u>	<u>1,696,493</u>	<u>17,842</u>
CAPITAL CONTRIBUTIONS				
Intergovernmental Contributions	-	(121,538)	(121,538)	148,381
Tap Fees	37,066	955,355	992,421	-
Capital Contributions	-	157,799	157,799	-
Transfers (to) from Other Funds	1,453	(1,453)	-	-
Total Capital Contributions	<u>38,519</u>	<u>990,163</u>	<u>1,028,682</u>	<u>148,381</u>
CHANGE IN NET POSITION	1,568,976	1,992,155	3,561,131	(713,598)
Total Net Position - Beginning of Year	<u>14,683,431</u>	<u>9,537,328</u>	<u>24,220,759</u>	<u>38,810,462</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 16,252,407</u>	<u>\$ 11,529,483</u>	<u>\$ 27,781,890</u>	<u>\$ 38,096,864</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, 2018

	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	\$ 1,594,352	\$ 2,436,952	\$ 4,031,304	1,127,123
Intergovernmental Revenue - LFMSDD	3,147	459,638	\$ 462,785	-
Bad Debt Recovery	-	-	-	-
Miscellaneous	1,596	1,303	2,899	47
Total Operating Revenues	<u>1,599,095</u>	<u>2,897,893</u>	<u>4,496,988</u>	<u>1,127,170</u>
OPERATING EXPENSES				
Personnel Services	878,215	1,427,270	2,305,485	76,611
Depreciation and Amortization	402,342	144,241	546,583	885,833
Supplies	47,865	23,780	71,645	79,670
Repairs and Maintenance	36,767	27,151	63,918	42,781
Purchased Services	169,415	42,547	211,962	481,389
Utilities	116,529	54,461	170,990	203,687
General and Administrative	-	-	-	20,588
Management Fees	-	-	-	74,117
Fixed Charges	132,202	-	132,202	17,625
Total Operating Expenses	<u>1,783,335</u>	<u>1,719,450</u>	<u>3,502,785</u>	<u>1,882,301</u>
OPERATING INCOME (LOSS)	(184,240)	1,178,443	994,203	(755,131)
NONOPERATING REVENUES (EXPENSES)				
Property Tax Revenue	963,619	-	963,619	-
Specific Ownership Taxes	123,184	-	123,184	-
County Treasurer's Fees	(20,465)	-	(20,465)	-
Interest Income	283,885	96,660	380,545	12,432
Gain (Loss) on Disposal of Capital Assets	(49,052)	-	(49,052)	-
Interest Expense	-	(104,890)	(104,890)	-
Note Payable Premium Amortization	-	14,140	14,140	-
Total Nonoperating Revenues	<u>1,301,171</u>	<u>5,910</u>	<u>1,307,081</u>	<u>12,432</u>
CAPITAL CONTRIBUTIONS				
Intergovernmental Contributions	-	(3,600,000)	(3,600,000)	4,833,758
Tap Fees	72,455	1,768,975	1,841,430	-
Capital Contributions	-	407,849	407,849	-
Transfers (to) from Other Funds	177	(177)	-	-
Total Capital Contributions	<u>72,632</u>	<u>(1,423,353)</u>	<u>(1,350,721)</u>	<u>4,833,758</u>
CHANGE IN NET POSITION	1,189,563	(239,000)	950,563	4,091,059
Total Net Position - Beginning of Year	<u>13,493,868</u>	<u>9,776,328</u>	<u>23,270,196</u>	<u>34,719,403</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 14,683,431</u>	<u>\$ 9,537,328</u>	<u>\$ 24,220,759</u>	<u>\$ 38,810,462</u>

See accompanying notes to Basic Financial Statements.

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019**

	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	\$ 1,633,642	\$ 2,922,563	\$ 4,556,205
Payments to Employees	(745,467)	(380,838)	(1,126,305)
Payments for Employee Benefits	(157,756)	(91,112)	(248,868)
Payments for Operating Expenses from LFMSDD	-	(1,118,443)	(1,118,443)
Payments to Suppliers	456,535	(201,076)	255,459
Net Cash Provided by Operating Activities	<u>1,186,954</u>	<u>1,131,094</u>	<u>2,318,048</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer (to) from Other Funds	1,453	(1,453)	-
Taxes Received	1,154,475	-	1,154,475
County Treasurer' Fees	(15,470)	-	(15,470)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,140,458</u>	<u>(1,453)</u>	<u>1,139,005</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Fees Received as Contributions in Aid of Construction	37,066	955,355	992,421
Acquisitions and Construction of Capital Assets	(4,545,469)	(129,519)	(4,674,988)
Proceeds from Sales of Capital Assets	339,632	-	339,632
Interest Expense	-	(102,295)	(102,295)
Principal Paid on Note Payable	-	(316,089)	(316,089)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,168,771)</u>	<u>407,452</u>	<u>(3,761,319)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Intergovernmental Contributions	-	(121,538)	(121,538)
Interest Received	348,172	114,740	462,912
Net Cash Provided (Used) by Investing Activities	<u>348,172</u>	<u>(6,798)</u>	<u>341,374</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(1,493,187)	1,530,295	37,108
Cash and Cash Equivalents - Beginning of Year	<u>8,179,211</u>	<u>11,376,493</u>	<u>19,555,704</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,686,024</u>	<u>\$ 12,906,788</u>	<u>\$ 19,592,812</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Income (loss) from Operations	\$ (148,069)	\$ 984,025	\$ 835,956
Adjustments to Reconcile Income (loss) from Operations to Net Cash Flows Provided by Operating Activities:			
Depreciation/Amortization	370,181	164,495	534,676
Loss (Gain) on Disposal of Capital Assets	(191,349)	7,964	(183,385)
Net Change in Operating Assets and Liabilities:			
Accounts Receivable	(16,528)	21,224	4,696
Due from LFMSDD and JCC	-	(355)	(355)
Inventory	(9,585)	(227)	(9,812)
Accounts Payable	1,164,806	10,703	1,175,509
Accrued Liabilities	84	(60,114)	(60,030)
Accrued Vacation and Sick Leave	17,414	3,379	20,793
Net Cash Provided by Operating Activities	<u>\$ 1,186,954</u>	<u>\$ 1,131,094</u>	<u>\$ 2,318,048</u>
NONCASH CAPITAL ACTIVITIES			

During the year ended December 31, 2019, the District received sewer lines contributed by developers in the amount of \$157,799.

**FOUNTAIN SANITATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018**

	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	\$ 1,600,173	\$ 2,888,121	\$ 4,488,294
Payments to Employees	(735,158)	(377,082)	(1,112,240)
Payments for Employee Benefits	(143,057)	(87,591)	(230,648)
Payments for Operating Expenses from LFMSDD	-	(948,760)	(948,760)
Payments to Suppliers	(349,792)	(173,649)	(523,441)
Net Cash Provided by Operating Activities	<u>372,166</u>	<u>1,301,039</u>	<u>1,673,205</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer (to) from Other Funds	177	(177)	-
Taxes Received	1,086,803	-	1,086,803
County Treasurer' Fees	(20,465)	-	(20,465)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,066,515</u>	<u>(177)</u>	<u>1,066,338</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Fees Received as Contributions in Aid of Construction	72,455	1,768,975	1,841,430
Acquisitions and Construction of Capital Assets	(570,025)	(21,000)	(591,025)
Proceeds from Sales of Capital Assets	33,475	-	33,475
Interest Expense	-	(104,890)	(104,890)
Principal Paid on Note Payable	-	(316,088)	(316,088)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(464,095)</u>	<u>1,326,997</u>	<u>862,902</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Intergovernmental Contributions	-	(3,600,000)	(3,600,000)
Interest Received	283,885	96,660	380,545
Net Cash Provided (Used) by Investing Activities	<u>283,885</u>	<u>(3,503,340)</u>	<u>(3,219,455)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	1,258,471	(875,481)	382,990
Cash and Cash Equivalents - Beginning of Year	<u>6,920,740</u>	<u>12,251,974</u>	<u>19,172,714</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 8,179,211</u>	<u>\$ 11,376,493</u>	<u>\$ 19,555,704</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Income (loss) from Operations	\$ (184,240)	\$ 1,178,443	\$ 994,203
Adjustments to Reconcile Income (loss) from Operations to Net Cash Flows Provided by Operating Activities:			
Depreciation/Amortization	402,342	144,241	546,583
Loss on Disposal of Capital Assets	49,052	-	49,052
Net Change in Operating Assets and Liabilities:			
Accounts Receivable	1,078	4,065	5,143
Due from LFMSDD and JCC	(81)	(1,690)	(1,771)
Inventory	(7,051)	(12,535)	(19,586)
Accounts Payable	25,223	(5,201)	20,022
Accrued Liabilities	(555)	(28,127)	(28,682)
Accrued Vacation and Sick Leave	86,398	21,843	108,241
Net Cash Provided by Operating Activities	<u>\$ 372,166</u>	<u>\$ 1,301,039</u>	<u>\$ 1,673,205</u>
NONCASH CAPITAL ACTIVITIES			

During the year ended December 31, 2018, the District received sewer lines contributed by developers in the amount of \$407,849.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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, 2019 and 2018, 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, 2019 AND 2018**

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, 2019 AND 2018**

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 change 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, 2019 and 2018, allowances for doubtful accounts totaled \$4,790 and \$20,511, respectively.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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 non-operating 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, 2019 AND 2018**

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, 2019 and 2018 were \$992,421 and \$1,841,430, respectively. Sewer lines contributed for the years ended December 31, 2019 and 2018 were \$157,799 and \$407,849, 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 \$281,652 and \$260,859 represents the total actual vacation and personal leave hours accrued as of December 31, 2019 and 2018, respectively, for all employees.

Reclassifications

For comparability, certain 2018 amounts have been reclassified where appropriate to conform with the 2019 financial statement presentation.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in all statements because such inclusion would make certain statements unduly complex and difficult to understand.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2019 and 2018 are classified in the accompanying financial statements of the District as follows:

	2019	2018
Statement of Net Position:		
Cash and Cash Equivalents	\$ 19,063,712	\$ 19,076,204
Cash and Cash Equivalents - Restricted	529,100	479,500
Total Cash and Cash Equivalents	\$ 19,592,812	\$ 19,555,704

Cash and cash equivalents for the District as of December 31, 2019 and 2018 consist of the following:

	2019	2018
Cash on Hand	\$ 100	\$ 100
Deposits with Financial Institutions	660,153	843,905
Investments	18,932,559	18,711,699
Total Cash and Investments	\$ 19,592,812	\$ 19,555,704

Cash and investments as of December 31, 2019 and 2018 are classified in the accompanying financial statements of LFMSDD as follows:

	2019	2018
Statement of Net Position:		
Cash and Cash Equivalents	\$ 950,354	\$ 1,022,532
Cash and Cash Equivalents - Restricted	41,100	34,200
Total Cash and Cash Equivalents	\$ 991,454	\$ 1,056,732

Cash and cash equivalents for LFMSDD as of December 31, 2019 and 2018 consist of the following:

	2019	2018
Deposits with Financial Institutions	\$ 305,979	\$ 573,900
Investments	685,475	482,832
Total Cash and Investments	\$ 991,454	\$ 1,056,732

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.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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, 2019, the District's cash deposits had a bank balance of \$689,993 and a carrying balance of \$660,153. As of December 31, 2018, the District's cash deposits had a bank balance of \$941,850 and a carrying balance of \$843,905.

As of December 31, 2019, LFMSDD's cash deposits had a bank balance of \$310,462 and a carrying balance of \$305,979. As of December 31, 2018, LFMSDD's cash deposits had a bank balance of \$1,003,471 and a carrying balance of \$573,900.

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

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2019 and 2018, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>	
		<u>2019</u>	<u>2018</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 16,790,257	\$ 16,618,822
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	2,142,302	2,092,877
		<u>\$ 18,932,559</u>	<u>\$ 18,711,699</u>

As of December 31, 2019 and 2018, LFMSDD had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>	
		<u>2019</u>	<u>2018</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 685,475	\$ 482,832

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.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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, 2019 AND 2018**

NOTE 4 CAPITAL ASSETS

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

	Balance - December 31, 2018	Increases	Decreases	Balance - December 31, 2019
Capital Assets Not Being Depreciated:				
Land	\$ 56,867	\$ -	\$ 4,000	\$ 52,867
Construction in progress	358,391	4,614,328	-	4,972,719
Total Capital Assets, Not Being Depreciated	415,258	4,614,328	4,000	5,025,586
Capital Assets Being Depreciated:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	9,541,127	310,967	57,767	9,794,327
Building and Improvements	6,698,124	-	16,064	6,682,060
Equipment	618,539	-	445,094	173,445
Land Improvements	1,402,360	90,877	104,901	1,388,336
	29,765	-	-	29,765
Total Capital Assets Being Depreciated	18,289,915	401,844	623,826	18,067,933
Less Accumulated Depreciation For:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	(3,701,955)	(230,115)	(57,463)	(3,874,607)
Building and Improvements	(3,883,507)	(196,180)	(16,064)	(4,063,623)
Equipment	(470,619)	(14,603)	(311,777)	(173,445)
Land Improvements	(1,044,203)	(92,608)	(86,275)	(1,050,536)
	(29,765)	-	-	(29,765)
Total Accumulated Depreciation	(9,130,049)	(533,506)	(471,579)	(9,191,976)
Total Capital Assets Being Depreciated	9,159,866	(131,662)	152,247	8,875,957
Capital Assets, Net	<u>\$ 9,575,124</u>	<u>\$ 4,482,666</u>	<u>\$ 156,247</u>	<u>\$ 13,901,543</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Capital asset activity of the District for the year ended December 31, 2018 was as follows:

	Balance - December 31, 2017	Increases	Decreases	Balance - December 31, 2018
Capital Assets Not Being Depreciated:				
Land	\$ 56,867	\$ -	\$ -	\$ 56,867
Construction in progress	-	358,391	-	358,391
Total Capital Assets Not Being Depreciated	56,867	358,391	-	415,258
Capital Assets Being Depreciated:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	9,112,321	428,806	-	9,541,127
Building and Improvements	6,786,724	-	88,600	6,698,124
Equipment	618,539	-	-	618,539
Land Improvements	1,314,118	162,624	74,382	1,402,360
Total Capital Assets Being Depreciated	29,765	-	-	29,765
Less Accumulated Depreciation For:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	(3,487,696)	(214,259)	-	(3,701,955)
Building and Improvements	(3,674,949)	(217,418)	(8,860)	(3,883,507)
Equipment	(441,946)	(28,673)	-	(470,619)
Land Improvements	(1,030,736)	(85,063)	(71,596)	(1,044,203)
Total Accumulated Depreciation	(29,765)	-	-	(29,765)
Total Capital Assets Being Depreciated	(8,665,092)	(545,413)	(80,456)	(9,130,049)
Total Capital Assets Being Depreciated	9,196,375	46,017	82,526	9,159,866
Capital Assets, Net	<u>\$ 9,253,242</u>	<u>\$ 404,408</u>	<u>\$ 82,526</u>	<u>\$ 9,575,124</u>

Depreciation expense of the District for the years ended December 31, 2019 and 2018 was charged to the following operations:

	2019	2018
Sewer Lines and Lagoons	\$ 230,115	\$ 214,259
Treatment Plant and Sewage Control	196,180	217,418
Building and Improvements	14,603	28,673
Equipment	92,608	85,063
Total Depreciation Expense	<u>\$ 533,506</u>	<u>\$ 545,413</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

	Balance - December 31, 2018	Increases	Decreases	Balance - December 31, 2019
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	8,101,444	13,430	-	8,114,874
Equipment	33,872,315	188,717	-	34,061,032
	19,250	-	-	19,250
Total Capital Assets Being Depreciated	41,993,009	202,147	-	42,195,156
Less Accumulated Depreciation For:				
Sewer Lines and Lagoons Treatment Plant and Sewage Control	(797,186)	(162,835)	-	(960,021)
Equipment	(3,596,247)	(860,962)	-	(4,457,209)
	(3,283)	(3,850)	-	(7,133)
Total Accumulated Depreciation	(4,396,716)	(1,027,647)	-	(5,424,363)
Total Capital Assets Being Depreciated	37,596,293	(825,500)	-	36,770,793
Capital Assets, Net	<u>\$ 37,887,668</u>	<u>\$ (825,500)</u>	<u>\$ -</u>	<u>\$ 37,062,168</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Capital asset activity of LFMSDD for the year ended December 31, 2018 was as follows:

	Balance - December 31, 2017	Increases	Decreases	Balance - December 31, 2018
Capital Assets Not Being Depreciated:				
Land	\$ 291,375	\$ -	\$ -	\$ 291,375
Construction in progress	815,715	4,694,978	5,510,693	-
Total Capital Assets Not Being Depreciated	1,107,090	4,694,978	5,510,693	291,375
Capital Assets Being Depreciated:				
Sewer Lines	8,101,444	-	-	8,101,444
Treatment Plant and Sewage Control	28,361,622	5,510,693	-	33,872,315
Equipment	15,000	4,250	-	19,250
Total Capital Assets Being Depreciated	36,478,066	5,514,943	-	41,993,009
Less Accumulated Depreciation For:				
Sewer Lines and Lagoons	(635,157)	(162,029)	-	(797,186)
Treatment Plant and Sewage Control	(2,875,726)	(720,521)	-	(3,596,247)
Equipment	-	(3,283)	-	(3,283)
Total Accumulated Depreciation	(3,510,883)	(885,833)	-	(4,396,716)
Total Capital Assets Being Depreciated	32,967,183	4,629,110	-	37,596,293
Capital Assets, Net	<u>\$ 34,074,273</u>	<u>\$ 9,324,088</u>	<u>\$ 5,510,693</u>	<u>\$ 37,887,668</u>

Depreciation expense of LFMSDD for the years ended December 31, 2019 and 2018 was charged to the following operations:

	2019	2018
Sewer Lines and Lagoons	\$ 162,835	\$ 162,029
Treatment Plant and Sewage Control	860,962	720,521
Equipment	3,850	3,283
Total Depreciation Expense	<u>\$ 1,027,647</u>	<u>\$ 885,833</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 5 LONG-TERM OBLIGATIONS

Long-term obligation activity for the years ended December 31, 2019 and 2018 was as follows:

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019	Amounts Due Within One Year
2011 CWRPDA Loan	\$ 4,770,603	\$ -	\$ 316,089	\$ 4,454,514	\$ 316,089
Plus Loan Premium	110,190	-	13,486	96,704	12,476
Total Long-Term Obligations	<u>\$ 4,880,793</u>	<u>\$ -</u>	<u>\$ 329,575</u>	<u>\$ 4,551,218</u>	<u>\$ 328,565</u>
	Balance December 31, 2017	Additions	Reductions	Balance December 31, 2018	Amounts Due Within One Year
2011 CWRPDA Loan	\$ 5,086,691	\$ -	\$ 316,088	\$ 4,770,603	\$ 316,089
Plus Loan Premium	124,330	-	14,140	110,190	13,486
Total Long-Term Obligations	<u>\$ 5,211,021</u>	<u>\$ -</u>	<u>\$ 330,228</u>	<u>\$ 4,880,793</u>	<u>\$ 329,575</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.

The components of interest expense for this loan for the years ended December 31, 2019 and 2018 are as follows:

	2019	2018
Interest	\$ 53,450	\$ 56,045
Administrative Fee	48,845	48,845
Total	<u>\$ 102,295</u>	<u>\$ 104,890</u>

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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>
2020	\$ 316,089	\$ 49,451	\$ 365,540
2021	321,943	45,914	367,857
2022	327,796	42,687	370,483
2023	327,796	39,568	367,364
2024	327,796	36,736	364,532
2025-2029	1,691,663	139,076	1,830,739
2030-2032	1,141,431	29,867	1,171,298
Total	<u>\$ 4,454,514</u>	<u>\$ 383,299</u>	<u>\$ 4,837,813</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, 2019 and 2018.

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, 2019 and 2018, 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 \$121,538 and \$3,600,000 to LFMSDD for the years ended December 31, 2019 and 2018, respectively.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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 non-renewal 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 \$495,045 and \$448,948 for operating and administrative services during the years ended December 31, 2019 and 2018, 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, 2019 and 2018, the District had the following net investment in capital assets, calculated as follows:

	<u>2019</u>	<u>2018</u>
Net Investment in Capital Assets:		
Invested in Capital Assets	\$ 23,093,519	\$ 18,705,173
Less Depreciation	<u>(9,191,976)</u>	<u>(9,130,049)</u>
Net Investment in Capital Assets	<u><u>\$ 13,901,543</u></u>	<u><u>\$ 9,575,124</u></u>

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, 2019 and 2018 as follows:

	<u>2019</u>	<u>2018</u>
Restricted Net Position:		
Emergency Reserves	\$ 90,900	\$ 89,100
Note Payable Requirements	<u>438,200</u>	<u>390,400</u>
Total Restricted Net Position	<u><u>\$ 529,100</u></u>	<u><u>\$ 479,500</u></u>

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, 2019 AND 2018**

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, 2019 and 2018, LFMSDD had the following net investment in capital assets, calculated as follows:

	2019	2018
Net Investment in Capital Assets:		
Invested in Capital Assets	\$ 42,486,531	\$ 42,284,384
Less Depreciation	(5,424,363)	(4,396,716)
Net Investment in Capital Assets	\$ 37,062,168	\$ 37,887,668

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, 2019 and 2018 as follows:

	2019	2018
Restricted Net Position:		
Emergency Reserves	\$ 41,100	\$ 34,200

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 year ended December 31, 2019 was \$45,000. The future minimum annual rental commitments under this lease for the year ended December 31, 2020 total \$10,000.

Construction Contract

As of December 31, 2019 and 2018, the District had unexpended construction related contract commitments of approximately \$2,045,533 and \$4,582,000, 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 non-binding and subject to change.

- Designated for capital outlay - Represents an amount reserved for future capital outlay.

**FOUNTAIN SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 9 BOARD DESIGNATED CASH BALANCES (CONTINUED)

- Designated for renewal and replacement - Represents amounts to be used to secure financing for aging infrastructure within the existing system.
- 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 01/01/19	Additions/ Dispositions	Balance 12/31/19
Capital Outlay	\$ 4,885,600	\$ 2,682,353	\$ 7,567,953
Renewal and Replacement	2,155,529	258,196	2,413,725
Notes Payable and Liabilities	6,402,778	(1,065,620)	5,337,158
Operations	1,010,494	1,207,914	2,218,408
LFMSDSD	5,012,303	(2,973,861)	2,038,442
	\$ 19,466,704	\$ -	\$ 19,575,686

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, 2019 and 2018 was \$78,329 and \$83,916, 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, 2019 AND 2018**

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, 2019 and 2018 was \$32,336 and \$50,959, 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, 2019 and 2018. 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, 2019 AND 2018**

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, 2019**

	Original Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Sewage Charges	\$ 1,711,672	\$ 1,612,760	\$ (98,912)
Property Taxes	1,031,922	1,031,342	(580)
Specific Ownership Taxes	45,000	125,697	80,697
Tap Fees	10,000	37,066	27,066
Interest Income	57,500	347,391	289,891
Miscellaneous Income	250	6,300	6,050
Proceeds from Sale of Capital Assets	-	339,632	339,632
Reserve Transfer for CIP	4,329,556	-	(4,329,556)
Total Revenues	<u>7,185,900</u>	<u>3,500,188</u>	<u>(3,685,712)</u>
EXPENDITURES			
Sewage Collection and Transmission:			
Personnel Services	193,045	186,698	6,347
Supplies	16,691	8,103	8,588
Repairs and Maintenance	108,792	19,270	89,522
Purchased Services	37,549	11,417	26,132
Utilities	8,056	3,680	4,376
System Renewal and Replacement Projects	175,390	70,131	105,259
Capital Outlay	50,400	20,892	29,508
Total Sewage Collection and Transmission	<u>589,923</u>	<u>320,191</u>	<u>269,732</u>
Sewer Treatment Plant:			
Personnel Services	415,376	333,816	81,560
Supplies	44,665	15,681	28,984
Repairs and Maintenance	78,765	46,516	32,249
Purchased Services	132,043	60,517	71,526
Utilities	235,961	97,954	138,007
Facility Renewal and Replacement Projects	154,050	-	154,050
Capital Outlay	140,725	30,416	110,309
Total Sewer Treatment Plant	<u>1,201,585</u>	<u>584,900</u>	<u>616,685</u>
Sewage Administration:			
Personnel Services	426,406	363,622	62,784
Supplies	35,461	16,676	18,785
Repairs and Maintenance	11,725	6,087	5,638
Purchased Services	227,607	82,623	144,984
Utilities	25,245	17,694	7,551
Fixed Charges	121,907	111,346	10,561
County Treasurer' Fees	19,041	16,946	2,095
Renewal and Replacement Projects	4,500,000	3,474,826	1,025,174
Capital Outlay	27,000	-	27,000
Transfer from JCC	-	(1,453)	1,453
Total Sewage Administration	<u>5,394,392</u>	<u>4,088,367</u>	<u>1,306,025</u>
Total Expenditures	<u>7,185,900</u>	<u>4,993,458</u>	<u>2,192,442</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ (1,493,270)</u>	<u>\$ (1,493,270)</u>

**FOUNTAIN SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF REVENUES
AND EXPENDITURES – FOUNTAIN SANITATION
YEAR ENDED DECEMBER 31, 2019**

The accompanying Supplementary Schedule of Revenues and Expenditures – Budget Compared to Actual for Fountain Sanitation on page 28 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, 2019 is presented below.

Total Revenue per Financial Statements (Operating and Non-Operating Revenue)	\$	3,190,190
Add:		
Revenue Accruals and Non-Cash Adjustments at December 31, 2018		123,161
Proceeds from Sale of Capital Assets		339,632
Less:		
Revenue Accruals and Non-Cash Adjustments at December 31, 2019		<u>(152,795)</u>
Total Actual Revenue and Receipts per the Budget	<u>\$</u>	<u>3,500,188</u>
Total Expenses and Capital Expenditures per Financial Statements	\$	1,621,214
Add:		
Expenses and Capital Expenditures Accruals and Non-Cash Adjustments at December 31, 2018		36,366
Gain on Disposal of Capital Assets		191,349
Capital Expenditures		3,596,265
Less:		
Expenses and Capital Expenditures Accruals and Non-Cash Adjustments at December 31, 2019		(81,555)
Depreciation and Amortization Expenses		<u>(370,181)</u>
Total Actual Expenses and Capital expenditures per the budget	<u>\$</u>	<u>4,993,458</u>

**FOUNTAIN SANITATION DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES
JIMMY CAMP CREEK ENTERPRISE
BUDGET COMPARED TO ACTUAL
CASH BASIS
YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Sewage Charges	\$ 2,363,738	\$ 2,362,636	\$ (1,102)
Tap Fees	1,050,000	955,355	(94,645)
IGA Contract Service Revenue - LFMSDD	425,863	518,407	92,544
Interest Income	21,250	114,740	93,490
Bad Debt Recovery	-	15,721	15,721
Miscellaneous Income	250	34,771	34,521
Total Revenues	<u>3,861,101</u>	<u>4,001,630</u>	<u>140,529</u>
EXPENDITURES			
Sewage Collection and Transmission:			
Personnel Services	329,462	263,889	65,573
Supplies	23,050	11,378	11,672
Repairs and Maintenance	151,626	7,824	143,802
Purchased Services	51,854	8,060	43,794
Utilities	11,124	5,191	5,933
System Renewal and Replacement Projects	249,110	81,986	167,124
Capital Outlay	74,600	28,851	45,749
Total Sewage Collection and Transmission	<u>890,826</u>	<u>407,179</u>	<u>483,647</u>
Sewer Treatment Plant:			
Personnel Services	1,492,919	1,291,486	201,433
Supplies	24,051	8,451	15,600
Repairs and Maintenance	45,100	25,049	20,051
Purchased Services	71,100	32,556	38,544
Utilities	127,056	52,931	74,125
Facility Renewal and Replacement Projects	82,950	-	82,950
Capital Outlay	83,463	10,717	72,746
Capital Contributions LFMSDD	579,877	121,538	458,339
Total Sewer Treatment Plant	<u>2,506,516</u>	<u>1,542,728</u>	<u>963,788</u>
Sewage Administration:			
Personnel Services	34,361	25,755	8,606
Debt Service Payments	429,398	418,384	11,014
Transfer to FSD	-	1,453	(1,453)
Total Sewage Administration	<u>463,759</u>	<u>445,592</u>	<u>18,167</u>
Total Expenditures	<u>3,861,101</u>	<u>2,395,499</u>	<u>1,465,602</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 1,606,131</u>	<u>\$ 1,606,131</u>

**FOUNTAIN SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF REVENUES
AND EXPENDITURES – JIMMY CAMP CREEK ENTERPRISE
YEAR ENDED DECEMBER 31, 2019**

The accompanying Supplementary Schedule of Revenues and Expenditures – Budget Compared to Actual for Fountain Sanitation on page 30 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, 2019 is presented below.

Total Revenue per Financial Statements (Operating and Non-Operating Revenue)	\$ 4,129,233
Add:	
Revenue Accruals and Non-Cash Adjustments at December 31, 2018	255,745
Less:	
Revenue Accruals and Non-Cash Adjustments at December 31, 2019	(225,549)
Capital Contribution	<u>(157,799)</u>
Total Actual Revenue and Receipts per the Budget	<u><u>\$ 4,001,630</u></u>
Total Expenses and Capital Expenditures per Financial Statements	\$ 2,137,078
Add:	
Principal Payment on Bonds	316,089
Amortization on Bond Premium	13,486
Expenses and Capital Expenditures Accruals and Non-Cash Adjustments at December 31, 2018	94,831
Capital Expenditures	121,554
Less:	
Expenses and Capital Expenditures Accruals and Non-Cash Adjustments at December 31, 2019	(115,080)
Loss on Disposal of Capital Assets	(7,964)
Depreciation and Amortization Expenses	<u>(164,495)</u>
Total Actual Expenses and Capital expenditures per the budget	<u><u>\$ 2,395,499</u></u>

**FOUNTAIN SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2019**

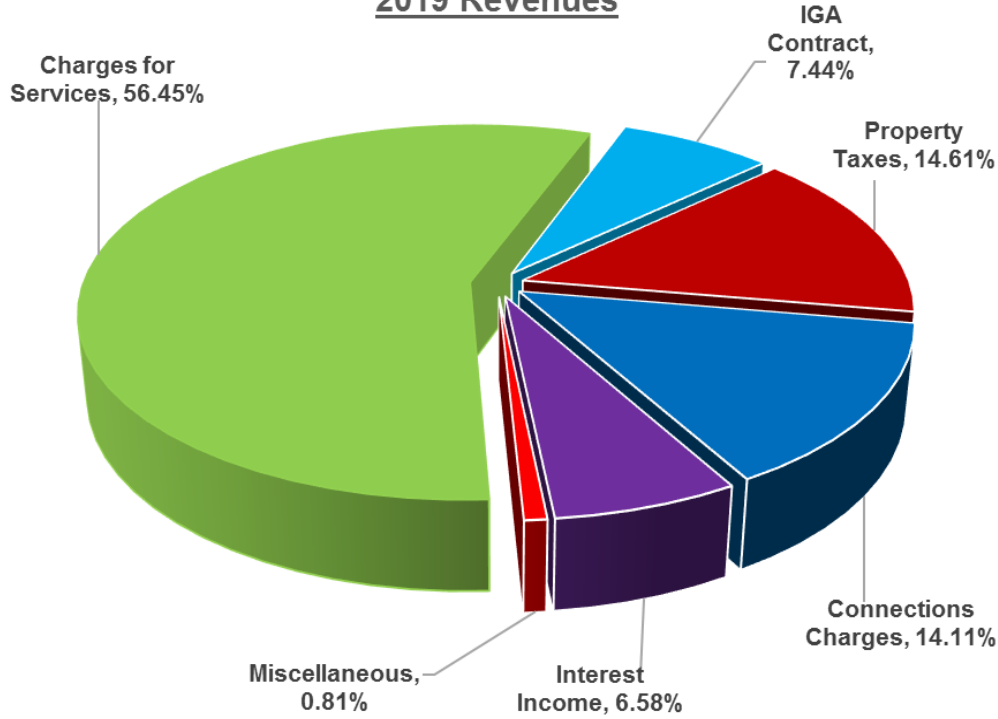
\$6,860,303 Loan Dated
November 1, 2011 Colorado
Water Resources and Power
Development Authority Gross Rates of
2.23% Principal and
Interest Payable February 1
and August 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 316,089	\$ 49,451	\$ 365,540
2021	321,943	45,914	367,857
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>\$ 4,454,514</u>	<u>\$ 383,299</u>	<u>\$ 4,837,813</u>

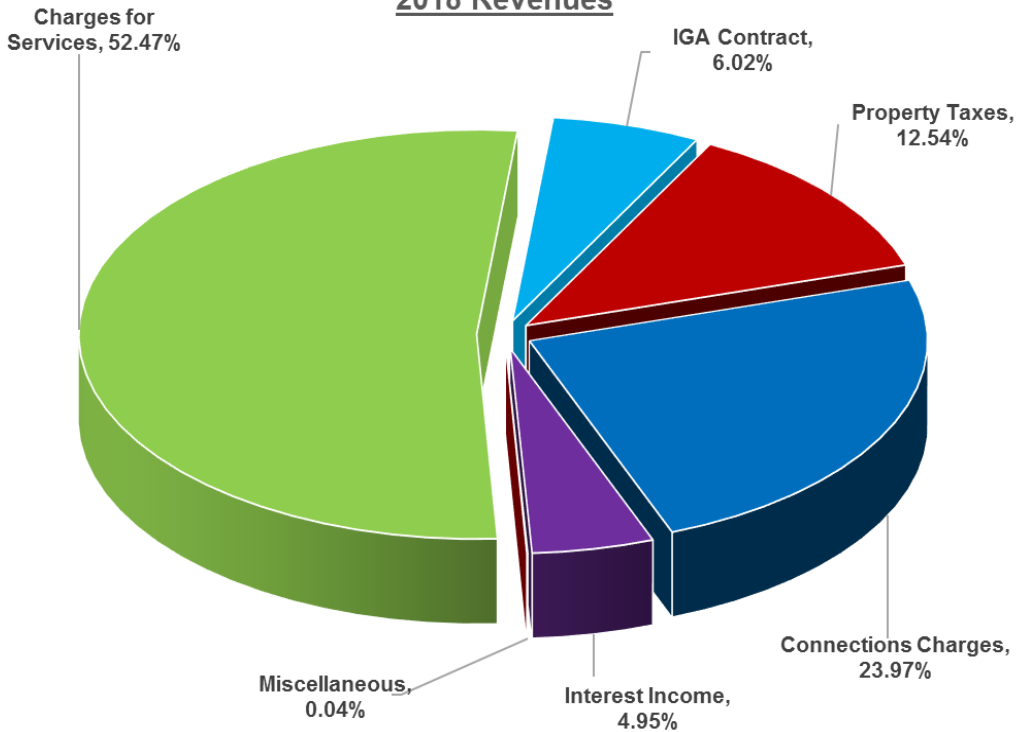
OTHER INFORMATION

**FOUNTAIN SANITATION DISTRICT
SCHEDULE I
REVENUES BY CATEGORY
YEARS ENDED DECEMBER 31, 2019 AND 2018**

2019 Revenues

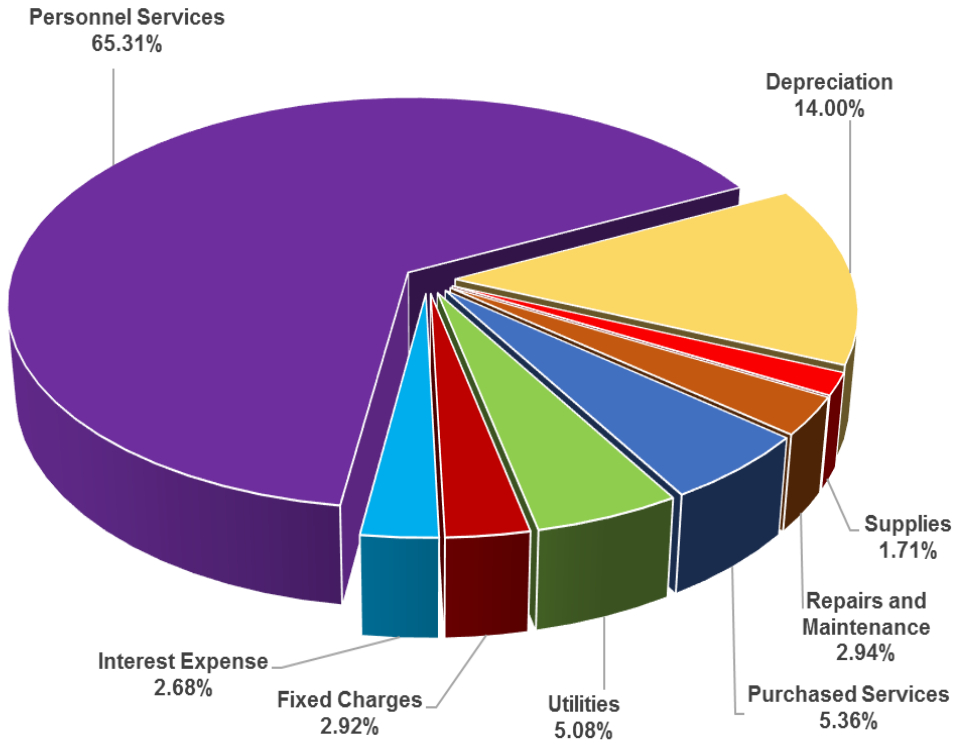


2018 Revenues

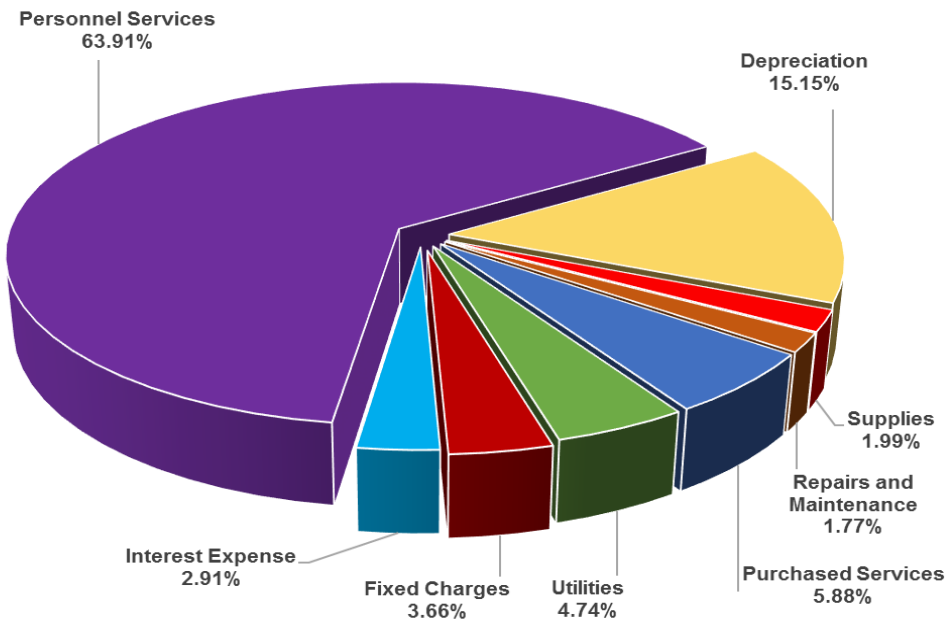


**FOUNTAIN SANITATION DISTRICT
SCHEDULE II
EXPENSES BY CATEGORY
YEARS ENDED DECEMBER 31, 2019 AND 2018**

2019 Expenses

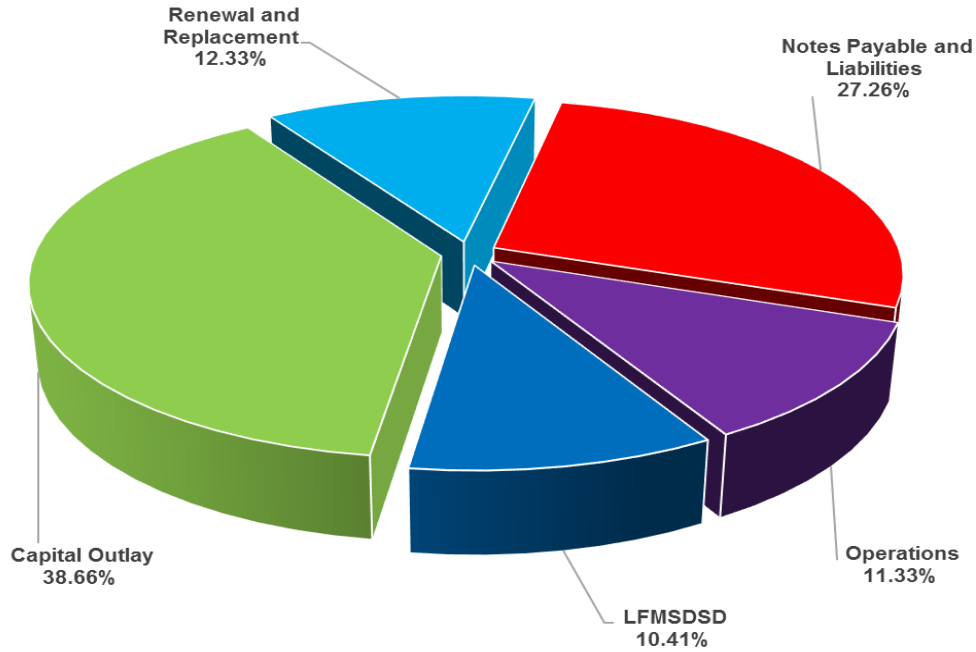


2018 Expenses



**FOUNTAIN SANITATION DISTRICT
SCHEDULE III
CASH BALANCES DESIGNATED BY BOARD OF DIRECTORS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

2019 Cash Balances



2018 Cash Balances

