

***Julesburg Irrigation District***

**Financial Statements**

**For the Year Ended December 31, 2018**

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## **Independent Auditors' Report**

Board of Directors  
Julesburg Irrigation District  
Julesburg, Colorado

We have audited the accompanying financial statements of the governmental activities and the major fund of Julesburg Irrigation District (the District) as of and for the year ended December 31, 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.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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 governmental activities and the major fund of the District as of December 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other 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 other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
May 17, 2019

## MANAGEMENT DISCUSSION AND ANALYSIS

This section of the Julesburg Irrigation District's annual financial report presents the discussion and analysis of the financial performance for the fiscal year that ended December 31, 2018.

### FINANCIAL HIGHLIGHTS

- The Julesburg Irrigation District remains in good financial condition.
- The assets of the Julesburg Irrigation District exceeded its liabilities at the close of 2018 by \$2,030,793 (net position). Of this amount \$920,208 or 45% is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.
- During the year, the District's revenue from taxes and other revenues were greater than the expenses by \$144,537.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Julesburg Irrigation District's basic financial statements. The Julesburg Irrigation District's basic financial statements are comprised of two components:

- Financial statements
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Financial statements**

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

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

The financial statements can be found starting on page 8 of this report.

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found starting on page 14 of this report.

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Julesburg Irrigation District, assets exceed liabilities by \$2,030,793 at the close of 2018.

## Net Position

Net position of the Julesburg Irrigation District as of December 31, 2018 is shown in Table 1 below.

**Table 1**  
**NET POSITION**

|   | 2018                | 2017                |
|---|---------------------|---------------------|
| Current and other assets  | \$ 1,488,118        | \$ 1,348,939        |
| <u>Capital assets</u>   | <u>1,775,715</u>    | <u>1,836,649</u>    |
| <u>Total assets</u>   | <u>\$ 3,263,833</u> | <u>\$ 3,185,588</u> |
| Long-term debt outstanding  | \$ 751,750          | \$ 822,893          |
| <u>Other liabilities</u>  | <u>31,635</u>       | <u>26,784</u>       |
| Total liabilities   | 783,385             | 849,677             |
| <u>Deferred property tax revenues</u>                                       | <u>449,655</u>      | <u>449,655</u>      |
| Total deferred inflows of resources   | 449,655             | 449,655             |
| Net position:   |                     |                     |
| Net investment in capital assets  | 1,023,965           | 1,013,756           |
| Restricted  | 86,620              | 86,404              |
| <u>Unrestricted</u>   | <u>920,208</u>      | <u>786,096</u>      |
| <u>Total net position</u>   | <u>2,030,793</u>    | <u>1,886,256</u>    |
| Total liabilities, deferred inflows of resources and<br><u>net position</u> | <u>\$ 3,263,833</u> | <u>\$ 3,185,588</u> |

The largest portion of the Julesburg Irrigation District's net position, 50%, reflects its investment in capital assets (land, irrigation system and equipment). The Julesburg Irrigation District uses these capital assets to provide services to its landowners; consequently these assets are not available for future spending. In addition, a portion of the Julesburg Irrigation District's net position, 4%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 46%, may be used to meet the government's ongoing obligations to citizens and creditors. At the end of 2018, the Julesburg Irrigation District is able to report positive balances in all three categories of net position for the government as a whole.

### Changes in net position

The District's total revenue of \$649,161 was more than program expenses of \$504,624 for an increase in net position of \$144,537.

**Table 2**  
**CHANGES IN NET POSITION**

|  | 2018                | 2017                |
|--|---------------------|---------------------|
| Program revenues                         | \$ 182,505          | \$ 168,129          |
| Program expenses                         | (504,624)           | (569,214)           |
| <u>General revenues</u>                  | <u>466,656</u>      | <u>485,423</u>      |
| Change in net position                   | 144,537             | 84,338              |
| <u>Net position at beginning of year</u> | <u>1,886,256</u>    | <u>1,801,918</u>    |
| <u>Net position at end of year</u>       | <u>\$ 2,030,793</u> | <u>\$ 1,886,256</u> |

**BUDGET HIGHLIGHTS**

The actual charges to appropriations (expenses) were \$113,777 below the final budget amounts. Additionally, resources available for appropriation (revenues) were \$15,763 greater than the final budgeted amounts.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The Julesburg Irrigation District's investment in capital assets as of December 31, 2018, amounts to \$1,775,715 (net of accumulated depreciation). This amount includes a broad range of capital assets, including land, equipment and its irrigation system.

Major asset additions during 2019 included the purchase of a Mack Truck.

The District remains committed to the upkeep and maintenance of the District's largest assets. More detailed information about the District's capital assets is presented in Table 3 and Note D to the financial statements.

**Table 3**  
**CAPITAL ASSETS ON DECEMBER 31, 2018**  
**(net of depreciation)**

|  | 2018                | 2017                |
|--|---------------------|---------------------|
| Land and easements                         | \$ 65,899           | \$ 65,899           |
| Irrigation system                          | 1,489,806           | 1,517,943           |
| <u>Other equipment</u>                     | <u>220,010</u>      | <u>252,807</u>      |
| <u>Capital assets, net of depreciation</u> | <u>\$ 1,775,715</u> | <u>\$ 1,836,649</u> |

**Long-term debt.** The District had \$751,750 in long-term debt outstanding at year-end, which consisted of four individual notes payable to Colorado Water Conservation Board totaling \$719,049 and a capital lease obligation of \$32,701. More detailed information about the District's long-term debt is presented in Note E to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Julesburg Irrigation District is in a good financial position. The District is in the process of evaluating its spillway profile and a survey is planned to evaluate the elevation of the fills and the spillway to determine if any work needs to be performed on either.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact Julesburg Irrigation District, 315 Cedar, Julesburg, Colorado, 80737.

## **Basic Financial Statements**

The basic financial statements of the District include the following:

*Government-wide financial statements.* The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

*Fund financial statements.* The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

*Notes to the financial statements.* The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

**JULESBURG IRRIGATION DISTRICT**  
**Statement of Net Position**  
**December 31, 2018**

|   | Governmental<br>Activities |
|---|----------------------------|
| <b>Assets</b>   |                            |
| Cash  | \$ 759,106                 |
| Cash with county treasurer  | 3,344                      |
| Certificate of deposit  | 66,152                     |
| Receivables   | 554,515                    |
| Prepaid insurance   | 18,381                     |
| Capital assets, net of depreciation                               | 1,775,715                  |
| Restricted cash   | 86,620                     |
|   | <hr/>                      |
| Total assets  | <u>\$ 3,263,833</u>        |
| <b>Liabilities</b>  |                            |
| Accounts payable  | \$ 15,319                  |
| Accrued interest payable  | 16,316                     |
| Noncurrent liabilities  |                            |
| Due within one year   | 73,490                     |
| Due in more than one year   | 678,260                    |
|   | <hr/>                      |
| Total liabilities   | 783,385                    |
| Deferred inflows of resources                                     |                            |
| Deferred property tax revenues                                    | 449,655                    |
|   | <hr/>                      |
| Total deferred inflows of resources                               | 449,655                    |
| <b>Net position</b>   |                            |
| Net investment in capital assets                                  | 1,023,965                  |
| Restricted for debt service by Colorado Water Conservation Board  | 55,218                     |
| Restricted for debt service and legal fees by landowners          | 31,402                     |
| Unrestricted  | 920,208                    |
|   | <hr/>                      |
| Total net position  | 2,030,793                  |
|   | <hr/>                      |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 3,263,833</u>        |

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

**JULESBURG IRRIGATION DISTRICT**  
**Statement of Activities**  
**December 31, 2018**

|                                   | Governmental<br>Activities |
|-----------------------------------|----------------------------|
| Program expenses                  |                            |
| General government                | \$ 119,803                 |
| Water conservation                | 280,733                    |
| Depreciation and amortization     | 79,934                     |
| Interest and fiscal charges       | 24,154                     |
|                                   | <hr/>                      |
| Total program expenses            | 504,624                    |
| Program revenues                  |                            |
| Charges for services              | 182,505                    |
|                                   | <hr/>                      |
| Net program expense               | 322,119                    |
| General revenues                  |                            |
| Property taxes                    | 451,198                    |
| Miscellaneous                     | 10,458                     |
| Gain on sale of assets            | 5,000                      |
|                                   | <hr/>                      |
| Total general revenues            | 466,656                    |
|                                   | <hr/>                      |
| Change in net position            | 144,537                    |
| Net position at beginning of year | 1,886,256                  |
|                                   | <hr/>                      |
| Net position at end of year       | <u>\$ 2,030,793</u>        |

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

**JULESBURG IRRIGATION DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**

|  | <u>General<br/>Fund</u>    |
|--|----------------------------|
| <b>Assets</b>  |                            |
| Cash   | \$ 759,106                 |
| Cash with county treasurer   | 3,344                      |
| Certificate of deposit   | 66,152                     |
| Other receivables  | 104,860                    |
| Property taxes receivable  | 449,655                    |
| Restricted cash  | <u>86,620</u>              |
| <b>Total assets</b>  | <b><u>\$ 1,469,737</u></b> |
| <b>Liabilities</b>   |                            |
| Accounts payable   | <u>\$ 15,319</u>           |
| <b>Total liabilities</b>   | 15,319                     |
| <b>Deferred inflows of resources</b>                                     |                            |
| Deferred property tax revenues   | <u>449,655</u>             |
| <b>Total deferred inflows of resources</b>                               | 449,655                    |
| <b>Fund balance</b>  |                            |
| Restricted for debt service by Colorado Water Conservation Board         | 55,218                     |
| Restricted for debt service and legal fees by landowners                 | 31,402                     |
| Unassigned   | <u>918,143</u>             |
| <b>Total fund balance</b>  | <b><u>1,004,763</u></b>    |
| <b>Total liabilities, deferred inflows of resources and fund balance</b> | <b><u>\$ 1,469,737</u></b> |

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

**JULESBURG IRRIGATION DISTRICT**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**December 31, 2018**

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

|  |                     |
|--|---------------------|
| Total fund balance - governmental funds  | \$ 1,004,763        |
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. | 1,775,715           |
| Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.            | (751,750)           |
| Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds. | (16,316)            |
| Prepaid items used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.  | <u>18,381</u>       |
| Net position of the governmental activities  | <u>\$ 2,030,793</u> |

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

**JULESBURG IRRIGATION DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2018**

|  | General<br>Fund     |
|--|---------------------|
| Revenues                                     |                     |
| Taxes  | \$ 451,198          |
| Charges for services                         | 182,505             |
| Miscellaneous                                | 10,458              |
|  | <hr/>               |
| Total revenues                               | 644,161             |
| Expenditures                                 |                     |
| Current                                      |                     |
| General government                           | 119,612             |
| Conservation                                 | 280,733             |
| Capital outlay                               | 19,000              |
| Debt service                                 |                     |
| Principal                                    | 71,144              |
| Interest and fiscal charges                  | 25,669              |
|  | <hr/>               |
| Total expenditures                           | 516,158             |
|  | <hr/>               |
| Excess of revenues over (under) expenditures | 128,003             |
| Other financing sources                      |                     |
| Sale of assets                               | 5,000               |
|  | <hr/>               |
| Net change in fund balance                   | 133,003             |
| Fund balance at beginning of year            | 871,760             |
|  | <hr/>               |
| Fund balance at end of year                  | <u>\$ 1,004,763</u> |

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

**JULESBURG IRRIGATION DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2018**

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

|  |                   |
|--|-------------------|
| Net change in fund balances - governmental funds   | \$ 133,003        |
| Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period. | (60,934)          |
| Repayment of principal on note and capital lease obligations are expenditures in the governmental funds, but the repayment reduces the long-term debt liability in the statement of net position.  | 71,144            |
| In the statement of activities, certain expenses are measured by the amount incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount actually paid).   | 1,324             |
| Change in net position of governmental activities  | <u>\$ 144,537</u> |

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

**JULESBURG IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies**

This summary of Julesburg Irrigation District's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District's accounting policies are described below.

**A.1 – Reporting entity**

Julesburg Irrigation District is a special district governed by an elected three-member board. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The District has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the District has no component units.

**A.2 – Fund accounting**

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The District does not have any proprietary or fiduciary funds.

**JULESBURG IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of general long-term debt (debt service fund). The following is the District's major governmental fund:

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes and augmentation fees. Expenditures include all costs associated with the daily operation of the District.

**A.3 – Basis of presentation**

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds, if applicable.

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

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

**JULESBURG IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

Fund financial statements – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

**A.4 – Basis of accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues – exchange and non-exchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end. Augmentation fees, which are billed shortly after year-end, may or may not be received within the sixty day period. These fees are expected to be collected within the sixty day period, and thus are recognized as revenues in the current period, even if receipt is delayed.

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

**JULESBURG IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report 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.

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

**A.5 - Encumbrances**

Encumbrances outstanding at year-end are considered immaterial and thus are not reported as reservations of fund balances.

**A.6 – Short-term interfund receivables/payables**

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

**JULESBURG IRRIGATION DISTRICT**  
**Notes to Financial Statements**

**Note A – Summary of significant accounting policies (Continued)**

**A.7 – Capital assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets with a unit cost greater than \$1,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized along with other capital assets. Improvements to assets are capitalized; the cost 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.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u>         | <u>Governmental<br/>Activities</u> |
|----------------------------|------------------------------------|
| Buildings and improvements | 10 – 50 years                      |
| Irrigation system          | 75 years                           |
| Furniture and fixtures     | 10 years                           |
| Maintenance equipment      | 10 – 15 years                      |
| Transportation equipment   | 10 years                           |

**A.8 – Compensated absences**

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." The District has adopted an employment contract which provides for annual sick and vacation leave.

**Sick leave**

Each employee is granted ten days per year of sick leave, which may be carried into the ensuing year with a maximum of thirty-six days accumulation. At the end of employment, employees with over three years of consecutive service with the District shall be compensated at their daily rate for accumulated sick leave up to thirty days.

**JULESBURG IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**Vacation leave**

Each employee who has completed one full year of employment with the District is granted seven days per year of vacation leave. Employees who have completed three full years of employment with the District are granted fourteen days per year of vacation leave. Vacation days that are not used in a given year are lost; there is no accumulation of vacation days. At the end of employment, employees with over three years of consecutive service with the District shall be compensated at their daily rate for unused vacation days.

No liability is shown on the financial statements due to the immateriality of the amounts involved.

**A.9 – Accrued liabilities and long-term obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due. Bond premiums and discounts, issuance costs and amounts deferred upon refunding are amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**A.10 – Net position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**JULESBURG IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**A.11 – Fund balance**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

*Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

*Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

*Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of directors (the District's highest level of decision-making authority),

*Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

*Unassigned* fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the board of directors through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

**JULESBURG IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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**Note B – Cash and investments**

**Cash and deposits**

Colorado State statutes govern the District's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, the District had total deposits of \$928,606, of which \$253,350 were insured and \$675,256 were collateralized with securities held by the pledging institution's trust department or agent in the District's name.

**Investments**

Authorized investments – Investment policies are governed by Colorado State Statutes and the District's own investment policies and procedures. Investments of the District may include:

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Investments with a maturity of more than five years must be authorized by the board of directors.

At year-end, the District had only investments in certificates of deposit.

**JULESBURG IRRIGATION DISTRICT**  
**Notes to Financial Statements**

**Note C – Receivables**

Receivables at year-end consist of the following:

|                           | <u>Governmental<br/>Receivables</u> |
|---------------------------|-------------------------------------|
| Property taxes receivable | \$ 449,655                          |
| Other receivables         | <u>104,860</u>                      |
| Total                     | <u>\$ 554,515</u>                   |

**Note D – Capital assets**

Capital asset activity for the year was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>   | <u>Deletions/<br/>Transfers</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|--------------------|---------------------------------|---------------------------|
| Capital assets, not being depreciated:      |                              |                    |                                 |                           |
| Land and easements                          | \$ 65,899                    | \$ -               | \$ -                            | \$ 65,899                 |
| Total capital assets, not being depreciated | 65,899                       | -                  | -                               | 65,899                    |
| Capital assets, being depreciated:          |                              |                    |                                 |                           |
| Irrigation system                           | 2,523,162                    | -                  | -                               | 2,523,162                 |
| Other equipment                             | <u>687,573</u>               | <u>19,000</u>      | <u>(18,000)</u>                 | <u>688,573</u>            |
| Total capital assets, being depreciated     | <u>3,210,735</u>             | <u>19,000</u>      | <u>(18,000)</u>                 | <u>3,211,735</u>          |
| Total capital assets                        | 3,276,634                    | 19,000             | (18,000)                        | 3,277,634                 |
| Less accumulated depreciation for:          |                              |                    |                                 |                           |
| Irrigation system                           | (1,005,219)                  | (28,137)           | -                               | (1,033,356)               |
| Other equipment                             | <u>(434,766)</u>             | <u>(51,797)</u>    | <u>18,000</u>                   | <u>(468,563)</u>          |
| Total accumulated depreciation              | <u>(1,439,985)</u>           | <u>(79,934)</u>    | <u>18,000</u>                   | <u>(1,501,919)</u>        |
| Governmental activities capital assets, net | <u>\$ 1,836,649</u>          | <u>\$ (60,934)</u> | <u>\$ -</u>                     | <u>\$ 1,775,715</u>       |

**JULESBURG IRRIGATION DISTRICT**  
**Notes to Financial Statements**

**Note E - Long-term debt**

The following is a summary of the changes in long-term debt for the year:

|                                | <u>Beginning<br/>Balances</u> | <u>Additions</u> | <u>Reductions</u>  | <u>Ending<br/>Balances</u> | <u>Due within<br/>one year</u> |
|--------------------------------|-------------------------------|------------------|--------------------|----------------------------|--------------------------------|
| <b>Governmental activities</b> |                               |                  |                    |                            |                                |
| Notes payable                  | \$ 758,507                    | \$ -             | \$ (39,458)        | \$ 719,049                 | \$ 40,789                      |
| Capital leases                 | 64,387                        | -                | (31,686)           | 32,701                     | 32,701                         |
| Total                          | <u>\$ 822,894</u>             | <u>\$ -</u>      | <u>\$ (71,144)</u> | <u>\$ 751,750</u>          | <u>\$ 73,490</u>               |

**Notes payable**

CWCB Note - Outlet Structure - The District has entered into a \$372,951 note agreement with the Colorado Water Conservation Board (CWCB) due in annual installments of \$20,278. The agreement provides for the disbursement of funds at the District's request to facilitate the renovation of the Julesburg Dam No. 4. The note bears interest of 3.50% per annum and is for a period of 30 years. Principal and interest are payable in equal annual payments beginning July 1st, 2001.

\$ 192,031

CWCB Note - Inlet Structure - The District has entered into a \$510,469 note agreement with the Colorado Water Conservation Board (CWCB) due in annual installments of \$28,631. The agreement provides for the disbursement of funds at the District's request to facilitate the construction of a new diversion structure in the South Platte River at the Harmony Ditch No. 1 Diversion. The note bears interest of 3.75% per annum and is for a period of 30 years. Principal and interest are payable in equal annual payments beginning February 1st, 2001.

272,644

CWCB Note - Peterson/Lodgepole Structure - The District has entered into a \$100,000 note agreement with the Colorado Water Conservation Board (CWCB) due in annual installments of \$5,437. The agreement provides for the disbursement of funds at the District's request to facilitate the construction of the Lodgepole/Peterson Structure. The note bears interest of 3.50% per annum and is for a period of 30 years. Principal and interest are payable in equal annual payments beginning December 1st, 2002.

56,017

**JULESBURG IRRIGATION DISTRICT**  
**Notes to Financial Statements**

**Note E - Long-term debt (Continued)**

CWCB Note - Harmony #1 measurement structure - The District has entered into a \$203,616 note agreement with the Colorado Water Conservation Board (CWCB) due in annual installments of \$8,721. The agreement provides for the disbursement of funds at the District's request to facilitate the reconstruction of the Harmony #1 measurement structure. The note bears interest of 1.70% per annum and is for a period of 30 years. Principal and interest are payable in equal annual payments beginning March 1st, 2018.

|       |                |
|-------|----------------|
|       | <u>198,357</u> |
| Total | \$ 719,049     |

The following schedule represents the District's debt service requirements to maturity for the outstanding notes payable at year-end:

| <u>Year ended December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|------------------|-----------------|--------------|
| 2019                           | \$ 40,789        | \$ 22,278       | \$ 63,067    |
| 2020                           | 42,166           | 20,901          | 63,067       |
| 2021                           | 43,592           | 19,475          | 63,067       |
| 2022                           | 45,067           | 18,000          | 63,067       |
| 2023                           | 46,595           | 16,472          | 63,067       |
| 2024-2028                      | 257,834          | 57,499          | 315,333      |
| 2029-2033                      | 135,167          | 16,641          | 151,808      |
| 2034-2038                      | 35,628           | 7,975           | 43,603       |
| 2039-2043                      | 38,761           | 4,842           | 43,603       |
| 2044-2047                      | 33,450           | 1,433           | 34,883       |
| Total                          | \$ 719,049       | \$ 185,516      | \$ 904,565   |

**Capital lease obligation**

Caterpillar 323F Series Hydraulic Excavator - The District has entered into an annually renewable lease and purchase option agreement for the acquisition of an excavator. The District has capitalized \$124,841 of assets under this capital lease. This lease, dated October 27, 2015 requires annual payments of \$33,746 and has a fixed rate of 3.2%, with a final payment due May 26, 2019.

**JULESBURG IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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**Note E - Long-term debt (Continued)**

The following is a schedule by years of future minimum lease payments under the capital lease above, together with the present value of the net minimum lease payments at year-end:

| <u>Year ended December 31,</u>                     | <u>Debt service requirement</u> |
|--|---------------------------------|
| 2019   | \$ <u>33,746</u>                |
| Total minimum lease payments                       | 33,746                          |
| Less amount representing interest                  | <u>(1,045)</u>                  |
| Present value of future net minimum lease payments | \$ <u>32,701</u>                |

**Note F - Risk management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

**Note G - Commitments and contingencies**

**TABOR Amendment**

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and local growth. Revenue received in excess of the limitation may be required to be refunded unless the District voters decide to allow the District to retain the revenue. The District may be subject to the provisions of the TABOR Amendment. TABOR is complex and subject to judicial interpretation. The District considers itself to be a water activity enterprise and, in accordance with Colorado Revised Statutes 37-45.1-103, is excluded from the provisions of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance.

**JULESBURG IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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**Note H – Pension plans**

**Defined contribution plan**

The District contributes to the Colorado County Officials and Employees Retirement Plan (the Plan), a defined contribution plan administered by the Colorado County Officials and Employees Retirement Association (CCOERA).

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the District's board of directors. The District's contribution is a minimum of 4 percent of covered salary, but may be increased beyond this amount. All eligible employees are required to contribute an amount equal to the contribution by the District. For the year employee contributions totaled \$7,996, and the District recognized pension expense of \$7,996.

Employees are immediately vested in their own contributions, District contributions, and earnings on those contributions.

**Deferred compensation plan**

The District has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is administered by an independent plan administrator through an administrative services agreement. The plan is available to all District employees working a minimum of twenty hours per week. Employees defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death or financial hardship.

Amendments to the laws governing Section 457 deferred compensation plans substantially became effective January 1, 1997. The District approved plan amendments such that plan assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The assets will not be diverted to any other purpose.

**Note I – Restricted net position**

The note agreements with the Colorado Water Conservation Board described in Note E require the District to establish and maintain a debt service reserve account equal to one annual payment. The District has restricted funds in the amount of \$55,218 in connection with this requirement.

**JULESBURG IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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**Note I - Restricted net position (Continued)**

The landowners of the District approved a \$2.00 per acre assessment at the time the District entered into the loan agreement with the Colorado Water Conservation Board to facilitate the construction of a new diversion structure in the South Platte River at the Harmony Ditch No. 1 Diversion. This assessment was originally to be used for the payment of the principal and interest on the loan, but has since been expanded, upon obtaining landowner approval, to pay for legal and engineering costs associated with various water issues. The District has restricted funds in the amount of \$31,402, representing funds received from this assessment in excess of allowable costs at year-end.

The District has restricted cash and fund balance/net position in the amount of \$86,620 in satisfaction of the above requirements.

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### **Required Supplementary Information**

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

- Budgetary Comparison Schedule – General Fund

**JULESBURG IRRIGATION DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2018**

|   | Budgeted Amounts |            | Actual       | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|------------------|------------|--------------|---|
|   | Original         | Final      |              |   |
| <b>Revenues</b>                                 |                  |            |              |   |
| Taxes   | \$ 449,955       | \$ 449,955 | \$ 451,198   | \$ 1,243  |
| Charges for services                            | 158,543          | 158,543    | 182,505      | 23,962  |
| Miscellaneous                                   | 24,900           | 24,900     | 10,458       | (14,442)  |
| Total revenues                                  | 633,398          | 633,398    | 644,161      | 10,763  |
| <b>Expenditures</b>                             |                  |            |              |   |
| Current   |                  |            |              |   |
| General government                              | 125,564          | 125,564    | 119,612      | 5,952   |
| Conservation                                    | 357,558          | 357,558    | 280,733      | 76,825  |
| Capital outlay                                  | 50,000           | 50,000     | 19,000       | 31,000  |
| Debt service                                    |                  |            |              |   |
| Principal                                       | 71,144           | 71,144     | 71,144       | -   |
| Interest and fiscal charges                     | 25,669           | 25,669     | 25,669       | -   |
| Total expenditures                              | 629,935          | 629,935    | 516,158      | 113,777   |
| Excess of revenues over<br>(under) expenditures | 3,463            | 3,463      | 128,003      | 124,540   |
| Other financing sources                         |                  |            |              |   |
| Sale of assets                                  |                  |            | 5,000        | 5,000   |
| Net change in fund balance                      | \$ 3,463         | \$ 3,463   | 133,003      | \$ 129,540  |
| Fund balance at beginning of year               |                  |            | 871,760      |   |
| Fund balance at end of year                     |                  |            | \$ 1,004,763 |   |

**JULESBURG IRRIGATION DISTRICT**  
**Notes to the Required Supplementary Information**

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**Note A – Budgetary data**

Annual budgets are adopted as required by Colorado Statutes. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Budget amounts included in the financial statements are based on the final amended budget. After initial budget approval, the District's board of directors may approve supplemental appropriations if an occurrence, condition, or need exists which was not known at the time the budget was adopted. No supplemental appropriations were made during the year. Expenditures may not legally exceed appropriations as adopted by resolution at the fund level.

On or before October 15, the executive director submits the proposed budget to the board of directors. A proposed budget is made available for public inspection, and public hearings are conducted to obtain taxpayer comments. Prior to December 15, the District must adopt the budget by formal resolution and certify the mill levies to the County Commissioners. On or before December 31, the District must enact a resolution making appropriations for the following calendar year.

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### **Other Supplementary Information**

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – General Fund Revenues and Expenditures

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## **General Fund**

General Fund – The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting of the District's ordinary operations financed primarily from property taxes and augmentation fees. It is the most significant fund in relation to the District's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements. It is adopted for the specified time period of January 1 to December 31, and all revenues and expenditures for the General Fund must be completed within the budget year.

**JULESBURG IRRIGATION DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule - Revenues**  
**For the Year Ended December 31, 2018**

|                               | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|-------------------------------|------------------|------------|------------|---|
|                               | Original         | Final      |            |   |
| Revenues                      |                  |            |            |   |
| Taxes                         |                  |            |            |   |
| Property taxes                | \$ 449,655       | \$ 449,655 | \$ 449,527 | \$ (128)  |
| Delinquent taxes and interest | 300              | 300        | 1,671      | 1,371   |
| Total taxes                   | 449,955          | 449,955    | 451,198    | 1,243   |
| Charges for services          |                  |            |            |   |
| Water assessments             | 12,500           | 12,500     | 11,934     | (566)   |
| Jumbo lease                   | 56,043           | 56,043     | 58,116     | 2,073   |
| Contract labor                |                  |            | 7,785      | 7,785   |
| Augmentation                  | 90,000           | 90,000     | 104,670    | 14,670  |
| Total charges for services    | 158,543          | 158,543    | 182,505    | 23,962  |
| Miscellaneous                 |                  |            |            |   |
| Interest on investments       | 500              | 500        | 973        | 473   |
| Miscellaneous                 | 24,400           | 24,400     | 9,485      | (14,915)  |
| Total miscellaneous           | 24,900           | 24,900     | 10,458     | (14,442)  |
| Sale of assets                |                  |            | 5,000      | 5,000   |
| Total revenues                | \$ 633,398       | \$ 633,398 | \$ 649,161 | \$ 15,763   |

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**JULESBURG IRRIGATION DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended December 31, 2018**

|                                 | Budgeted Amounts |                | Actual         | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---------------------------------|------------------|----------------|----------------|---|
|                                 | Original         | Final          |                |   |
| <b>Expenditures</b>             |                  |                |                |   |
| <b>General government</b>       |                  |                |                |   |
| Superintendent's salary         | \$ 51,516        | \$ 51,516      | \$ 51,516      | \$ -  |
| Director's fees                 | 1,600            | 1,600          | 1,320          | 280   |
| Attorney and consulting fees    | 10,000           | 10,000         | 10,438         | (438)   |
| Office supplies                 | 4,000            | 4,000          | 3,395          | 605   |
| Utilities and phone             | 12,000           | 12,000         | 11,896         | 104   |
| Rentals                         | 3,000            | 3,000          | 1,560          | 1,440   |
| Payroll taxes                   | 6,210            | 6,210          | 5,949          | 261   |
| Secretary's salary              | 23,728           | 23,728         | 23,728         | -   |
| Workers' comp insurance         | 5,500            | 5,500          | 1,911          | 3,589   |
| Audit and budget                | 5,000            | 5,000          | 4,850          | 150   |
| Retirement plan                 | 3,010            | 3,010          | 3,049          | (39)  |
| <b>Total general government</b> | <b>125,564</b>   | <b>125,564</b> | <b>119,612</b> | <b>5,952</b>  |
| <b>Conservation</b>             |                  |                |                |   |
| <b>System maintenance</b>       |                  |                |                |   |
| Ditch rider salary              | 132,458          | 132,458        | 122,065        | 10,393  |
| Other salary                    |                  |                | 2,799          | (2,799)   |
| Workers' comp insurance         | 10,500           | 10,500         | 3,099          | 7,401   |
| Payroll taxes                   | 11,500           | 11,500         | 9,651          | 1,849   |
| Retirement plan                 | 5,500            | 5,500          | 4,947          | 553   |
| Expense allowance               | 2,600            | 2,600          | 2,830          | (230)   |
| <b>Total system maintenance</b> | <b>162,558</b>   | <b>162,558</b> | <b>145,391</b> | <b>17,167</b>   |
| <b>Maintenance</b>              |                  |                |                |   |
| Reservoir                       | 20,000           | 20,000         | 10             | 19,990  |
| Intake                          | 3,000            | 3,000          | 60             | 2,940   |
| Highline                        | 25,000           | 25,000         | 21,757         | 3,243   |
| Settlers                        | 5,000            | 5,000          | 3,003          | 1,997   |
| Peterson                        | 8,000            | 8,000          | 3,773          | 4,227   |
| Harmony                         | 3,000            | 3,000          | 2,952          | 48  |
| Other                           |                  |                | 93             | (93)  |
| <b>Total maintenance</b>        | <b>64,000</b>    | <b>64,000</b>  | <b>31,648</b>  | <b>32,352</b>   |

|   | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|-------------------|-------------------|-------------------|---|
|   | Original          | Final             |                   |   |
| Other operating expenditures                        |                   |                   |                   |   |
| Fuel and oil  | 40,000            | 40,000            | 32,962            | 7,038   |
| Equipment repairs, supplies<br>and vehicle expenses | 60,000            | 60,000            | 39,817            | 20,183  |
| Insurance and bonds                                 | 28,000            | 28,000            | 27,672            | 328   |
| Miscellaneous                                       | 3,000             | 3,000             | 3,243             | (243)   |
| Total other operating<br>expenditures               | <u>131,000</u>    | <u>131,000</u>    | <u>103,694</u>    | <u>27,306</u>   |
| Total conservation                                  | 357,558           | 357,558           | 280,733           | 76,825  |
| Capital outlay                                      | 50,000            | 50,000            | 19,000            | 31,000  |
| Debt service  |                   |                   |                   |   |
| Principal   | 71,144            | 71,144            | 71,144            | -   |
| Interest and fiscal charges                         | <u>25,669</u>     | <u>25,669</u>     | <u>25,669</u>     | <u>-</u>  |
| Total debt service                                  | <u>96,813</u>     | <u>96,813</u>     | <u>96,813</u>     | <u>-</u>  |
| Total expenditures                                  | <u>\$ 629,935</u> | <u>\$ 629,935</u> | <u>\$ 516,158</u> | <u>\$ 113,777</u>   |