

**THE RIVERSIDE IRRIGATION DISTRICT**  
**AUDITED FINANCIAL STATEMENTS**  
**December 31, 2018**



**LIITTJOHANN, KAUFFMAN, and PEDERSON**  
Certified Public Accountants

THE RIVERSIDE IRRIGATION DISTRICT  
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December 31, 2018

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David A. Kauffman, C.P.A., P.C.

Daniel M. Pederson, C.P.A.'s, P.C.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The Riverside Irrigation District

We have audited the accompanying financial statements of the governmental activities, and each major fund of The Riverside Irrigation 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.

*Auditor's Responsibility*

Our responsibility is to express an opinion 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 opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of The Riverside Irrigation District, as of December 31, 2018, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund and the Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Other Matters*

Required Supplementary Information

Management has omitted the 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, 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

The Schedule of Conservation of Natural Resources Expenditures by Department was derived from and related 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 Schedule of Conservation of Natural Resources Expenditures by Department is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Fort Morgan, Colorado  
September 4, 2019

THE RIVERSIDE IRRIGATION DISTRICT  
STATEMENT OF NET POSITION  
As of December 31, 2018

	Governmental Activities
<b>Assets</b>	
<b>Current Assets</b>	
Cash in bank	\$ 12,116,518
Acreage assessments receivable	89,896
Prepaid insurance	11,914
Related party receivable	1,023,886
<b>Total Current Assets</b>	<u>13,242,214</u>
<b>Capital Assets</b>	
Land	104,715
Wildcat reservoir land	441,487
Wildcat feasibility study	478,380
Construction in progress - pumpback station	75,585
Vancil reservoir	2,323,023
Ditch system	894,882
Company reservoir and siphons	1,061,011
Diversion dike	444,509
Spillway	2,901,074
Weldon Valley pipeline	28,918
Buildings	229,821
Equipment	331,502
Less: Accumulated depreciation	(3,648,311)
<b>Total Capital Assets, net</b>	<u>5,666,596</u>
<b>Other Assets</b>	
Water investments	4,924,267
Retained patronage	40,674
<b>Total Other Assets</b>	<u>4,964,941</u>
<b>Total Assets</b>	<u>23,873,751</u>
<b>Deferred Outflows of Resources</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accrued interest expense	3,120
Accounts payable	419,519
Short term note payable	1,226,746
Unearned revenue	90,472
Related party payable	1,023,886
<b>Total Current Liabilities</b>	<u>2,763,743</u>
<b>Long-term Liabilities</b>	<u>-</u>
<b>Total Liabilities</b>	<u>2,763,743</u>
<b>Deferred Inflows of Resources</b>	
Deferred acreage assessment revenue	<u>89,896</u>
<b>Net Position</b>	
Invested in capital assets, net of related debt	5,666,596
Restricted	56,000
Unrestricted	<u>15,297,516</u>
<b>Total Net Position</b>	<u>\$ 21,020,112</u>

The accompanying notes and independent auditors' report should be read with this financial statement.

THE RIVERSIDE IRRIGATION DISTRICT  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2018

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Net Governmental Activities	
Functions/Programs				
Governmental Activities				
General government	\$ 251,884	\$ -	\$ -	\$ (251,884)
Conservation of natural resources	1,672,517	7,283,297	-	5,610,780
Farming	7,122	19,350	-	12,228
Interest on long-term debt	3,120	-	-	(3,120)
	<u>\$ 1,934,643</u>	<u>\$ 7,302,647</u>	<u>\$ -</u>	<u>5,368,004</u>
General Revenues				
Acreage/stock assessments				555,960
Interest				50,130
Patronage income				7,334
Other				1,587
				<u>615,011</u>
				5,983,015
				<u>15,037,097</u>
				<u>\$ 21,020,112</u>

The accompanying notes and independent auditors' report should be read with this financial statement.

THE RIVERSIDE IRRIGATION DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2018

	General Fund	Special Revenue Fund	Total Governmenta l Funds
<b>Assets</b>			
Cash	\$ 7,578,268	\$ 4,538,250	\$12,116,518
Acreage assessments receivable	89,896	-	89,896
Water investments	4,874,267	50,000	4,924,267
Related party receivable	-	1,023,886	1,023,886
	<u>12,542,431</u>	<u>5,612,136</u>	<u>18,154,567</u>
Total Assets			
Deferred Outflows of Resources	-	-	-
<b>Liabilities</b>			
Accounts payable	168	419,351	419,519
Related party payable	1,023,886		1,023,886
Unearned revenues	90,472	-	90,472
	<u>1,114,526</u>	<u>419,351</u>	<u>1,533,877</u>
Total Liabilities			
Deferred Inflows of Resources			
Deferred acreage assetssment revenue	89,896	-	89,896
	<u>89,896</u>	<u>-</u>	<u>89,896</u>
<b>Fund Equity</b>			
Restricted for:			
Emergency	30,000	26,000	56,000
Unassigned - Special Revenue Fund		5,166,785	5,166,785
Unassigned - General Fund	11,308,009		11,308,009
	<u>11,338,009</u>	<u>5,192,785</u>	<u>16,530,794</u>
Total Fund Equity			
Total Liabilities and Fund Equity	<u>\$ 12,542,431</u>	<u>\$ 5,612,136</u>	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets, retained patronage and prepaid insurance used in governmental activities are not financial resources and, therefore, are not reported in the fund			5,719,184
Long-term liabilities, including notes payable are not due and payable in the current period and, therefore, are not reported in the fund.			(1,226,746)
Interest is accrued on outstanding long-term debt and is not due and payable in the current period and, therefore, is not reported in the fund.			(3,120)
Net Position of Governmental Activities			<u>\$21,020,112</u>

The accompanying notes and independent auditors' report should be read with this financial statement.

THE RIVERSIDE IRRIGATION DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>Revenue</b>			
Acreage/stock assessments	\$ 180,210	\$ 375,750	\$ 555,960
Running fees	39,866	11,116	50,982
Interest	28,080	22,049	50,129
Farm	19,350	-	19,350
Water leases	3,720,291	3,171,195	6,891,486
Recreation lease	-	51,371	51,371
Pasture rent	24,751	-	24,751
Water, easements, land and pump rentals	2,410	25,962	28,372
Water well pump fees	124,952	-	124,952
Loan proceeds	-	1,226,746	1,226,746
Royalties	2,939	-	2,939
Miscellaneous	120,488	6,106	126,594
	<u>4,263,337</u>	<u>4,890,295</u>	<u>9,153,632</u>
<b>Total Revenue</b>			
<b>Expenditures</b>			
General government	161,819	95,229	257,048
Conservation of natural resources	806,469	724,016	1,530,485
Capital outlay	21,807	2,035,245	2,057,052
Farm operations	7,122	-	7,122
	<u>997,217</u>	<u>2,854,490</u>	<u>3,851,707</u>
<b>Total Expenditures</b>			
Revenues in Excess (Deficiency) of Expenditures	3,266,120	2,035,805	5,301,925
<b>Other Financing Uses</b>			
Debt service			
Principal	-	-	-
Interest	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Uses</b>			
Changes in Fund Balance	3,266,120	2,035,805	5,301,925
Fund Balance - Beginning of Year	8,071,889	3,156,980	11,228,869
Fund Balance - End of Year	<u>\$ 11,338,009</u>	<u>\$ 5,192,785</u>	<u>\$ 16,530,794</u>

The accompanying notes and independent auditors' report should be read with this financial statement.

THE RIVERSIDE IRRIGATION DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE,  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2018

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net change in fund balance of governmental fund	\$ 5,301,925
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Capital outlays to purchase or build capital assets are reported in 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 capital outlays exceeded depreciation expense in the period.

Depreciation expense	\$(139,929)	
Capital outlays	<u>2,061,180</u>	1,921,251

Prepaid expenses (assets) consumed in governmental activities do not use current financial resources and are not reported as expenditures in the governmental funds. This amount represents the increase in prepaid insurance during the year.

485

Net book value of assets sold are not reflected in governmental activities as they are consumed when purchased. This amount represents assets sold during the year that were not fully depreciated and had a remaining book basis.

1,301

Retained patronage amounts are not available to pay current-period expenditures. This amount represents the increase in retained patronage during the year.

(12,081)

Loan advances provide resources in the governmental fund, but create a liability in the statement of net position.

(1,226,746)

In the statement of activities, certain operating expenses such as interest are measured by the amounts incurred during the year. In the governmental fund, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount represents the net effect of interest payable on the statement of activities.

(3,120)

Change in net position of governmental activities

\$ 5,983,015

The accompanying notes and independent auditors' report should be read with this financial statement.

THE RIVERSIDE IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Riverside Irrigation District (the District) have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

A. Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on, the District.

Based upon the application of these criteria, The Riverside Reservoir and Land Company has been included as a component unit in the accompanying financial statements.

Blended Component Unit

The District owns a controlling interest of The Riverside Reservoir and Land Company, a Colorado non-profit corporation. The Company owns and maintains the Riverside Reservoir facilities, which are an integral part of the District's ditch operations.

The entities are homogeneous in operation of the total water supply and irrigation system and have several common board directors as well as arrangements for sharing office space, personnel and expenses.

The Riverside Reservoir and Land Company is organized as a not-for-profit corporation in which the Riverside Irrigation District is the sole corporate member, as identified in the Company's articles of incorporation, and the Company is included in the financial reporting entity pursuant to the provisions in paragraphs .120-.136 of Section 2100.

The component unit issues separately audited financial statements. Copies of the component unit report can be obtained from Riverside Reservoir and Land Company, 215 East Kiowa Avenue, Fort Morgan, Colorado 80701.

B. Nature of Operations

The District is a Political subdivision of the State of Colorado governed by an elected board of Directors. The basic operations of the District are financed primarily by assessments of water acres and leases of water units.

C. Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

THE RIVERSIDE IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statements (Continued)

Government-wide financial statements report information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

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

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental, proprietary, and fiduciary. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in fund balance (i.e. revenues and other financing sources and expenditures and other financing uses).

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 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 except for federal and state grants for which a ninety day period is used.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements and donations. On an accrual basis, revenues from assessments are recognized in the fiscal year for which the assessments are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when 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.

THE RIVERSIDE IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: assessments, fees, lease revenue, reimbursements, and interest income collected within sixty days after year-end.

The District reports the following major governmental funds:

General Fund

This fund accounts for the financial resources of the District, which are not accounted for in any other fund. Principal sources of revenue are member/acreage assessments. Primary expenditures are for general administration and conservation of natural resources.

Special Revenue Fund – The Riverside Reservoir and Land Company (Component Unit)

The Riverside Reservoir and Land Company owns and operates the Riverside Reservoir. This fund consists of all the activities of The Riverside Reservoir and Land Company, a non-profit corporation during the period from January 1, 2018 to December 31, 2018.

E. Budgets

The District adopts annual budgets for all funds, prepared on the modified accrual basis of accounting. The District may authorize supplemental appropriations during the budget year. All budgetary appropriations lapse at year-end. There is no mill levy assessed by the District. All assessments are on a per acre basis.

Colorado statutes provide the following timetable, which is followed in the adoption of budgets:

- 1) Submission of the proposed budget to the local governing body by October 15<sup>th</sup> of each year.
- 2) Certification of acreage assessments to the Board of County Commissioners by December 15<sup>th</sup>.
- 3) Final adoption of budget and appropriations by December 31<sup>st</sup> of each year.
- 4) Acreage assessments are due by April 30<sup>th</sup> of each year if paid in full, or in two installments due February 28<sup>th</sup> and June 15<sup>th</sup> of each year.
- 5) Liens are placed on property for which taxes are delinquent in November of each year.

F. Cash in bank

Cash in bank consists of demand and time deposits with financial institutions and are carried at cost. All cash deposits and highly liquid investments (including restricted cash) with an original maturity of three months or less from date of acquisition are considered to be cash equivalents.

G. Investments

Investments are reported at fair value, which approximates cost. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

THE RIVERSIDE IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items (Note 8),

I. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District does not have any transactions that qualify as a deferred outflow.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category: Deferred acreage assessment revenue which is based on current year land values but will not be recognized as revenue until the following year.

J. Capital Assets

Capital assets, which include land and machinery and equipment (furniture, vehicles, computers, etc.) are reported in Governmental Activities column of the Government-Wide Financial Statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed, Donated or annexed capital assets are recorded at estimated market value at the date of donation or annexation,

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statements of Net Position. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

Equipment	5-20 years
Buildings	25-50 years
Pipeline	50 years
Reservoirs	50 years

K. Retained Patronage

Retained patronage includes the District's portion of undistributed earnings in an electrical cooperative in Colorado. The amount is recorded at cost.

L. Encumbrances

The District does not utilize encumbrance accounting.

THE RIVERSIDE IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Long-Term Obligations

In the government-wide financial statement, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. In the fund financial statements, governmental fund types recognize the face of debt issued as other financing sources.

N. Net Position

Net position comprises the various net earnings from operating income, non-operating revenues and expenses, and capital contributions. Net position is classified in the following three components:

*Invested in capital assets, net of related debt* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, note or other borrowing that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

*Restricted* - This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the District's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

*Unrestricted net position* - This component of net position consists of net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

O. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

P. Fund Balance

As of December 31, 2018, fund equity balances of the governmental funds are classified as follows:

*Non-spendable* – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

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

*Committed* – amounts that can only be used for the specific purposes determined by a formal action of the Board of Directors.

*Assigned* – amounts intended to be used for specific purposes that are neither restricted nor committed.

Unassigned – all other spendable amounts.

THE RIVERSIDE IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

NOTE 2. DEPOSITS AND INVESTMENTS

*Custodial Credit Risk.* Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. However, the Colorado Public Deposit Protection Act (PDPA) requires that deposits of all units of local governments be held at eligible public depositories, whose 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. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

At December 31, 2018, the carrying amount of the District's deposits of the Governmental activities totaled \$7,578,268 of which \$6,508,959 falls under the provisions of the Colorado Public Deposit Protection Act. The remaining funds totaling \$1,069,309 are on deposit with several financial institutions and are all insured by the Federal Deposit Insurance Corporation (FDIC).

Cash held by Riverside Reservoir and Land Company includes amounts in checking, savings, and certificates of deposit. Cash deposits of the non-governmental activities totaled \$4,538,250 at year-end, on deposit with several financial institutions Federal Deposit Insurance Corporation (FDIC) coverage is \$250,000 per institution, and as of December 31, 2018, there were deposits that exceeded the coverage limit in five institutions by \$2,913,359. The Company has not experienced, nor does it anticipate, any losses due to this excess.

*Interest Rate Risk.* Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. All deposits are reported at cost plus accrued interest. The Colorado revised statute 24-75-601 limits investment maturities to five years or less. All of the District's certificates of deposit and the component unit's certificates of deposit are in compliance with the Colorado statute with respect to maturities.

The District has not formally adopted policies regarding credit risk and interest rate risk.

NOTE 3. CAPITAL ASSETS

	Balance December 31, 2017	Additions	Deletions and Adjustments	Balance December 31, 2018
<b>Governmental Activities</b>				
<b>Non-depreciable Assets:</b>				
Land	\$ 104,715	\$ -	\$ -	\$ 104,715
Wildcat Reservoir Land	441,487	-	-	441,487
Wildcat Feasibility Study	478,380	-	-	478,380
Construction in Progress - Spillway	870,958	-	(870,958)	-
Construction in Progress – Pumpback station	75,585	-	-	75,585
<b>Total Non-depreciable Assets</b>	<b>1,971,125</b>	<b>-</b>	<b>(870,958)</b>	<b>1,100,167</b>
<b>Depreciable Assets</b>				
Buildings	229,821	-	-	229,821
Ditch System	894,882	-	-	894,882
Diversion Dike	444,509	-	-	444,509
Spillway	-	2,901,074	-	2,901,074
Equipment	314,835	48,063	(31,396)	314,835
Pipeline	28,918	-	-	28,918
Reservoir, Ditch	1,061,011	-	-	1,061,011
Vancil Reservoir	2,323,023	-	-	2,323,023
Less: Accumulated Depreciation	(3,524,079)	(139,929)	15,697	(3,648,311)
<b>Net Depreciable Capital Assets</b>	<b>1,772,920</b>	<b>2,809,208</b>	<b>(15,699)</b>	<b>4,566,429</b>
<b>Total Assets - Governmental Activities</b>	<b>\$ 3,744,045</b>	<b>\$ 2,809,208</b>	<b>\$ (886,657)</b>	<b>\$ 5,666,596</b>

THE RIVERSIDE IRRIGATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2018

NOTE 3. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions/ programs of the primary government as follows:

Conservation of Natural Resources	\$139,929
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NOTE 4. LEASES/DEFERRED REVENUE

Water Association of the Rockies, Inc.

The District has entered into a 25-year lease with the Water Association of the Rockies, Inc. dated August 27, 1998. The Association has agreed to pay an annual lease payment of \$13,459 due August 27 of each year preceding the year of delivery. Final payment will be due on August 27, 2023. The Association shall reimburse the District for the annual assessment of the Colorado Big Thompson units as levied by the Northern Colorado Water Conservancy District. The estimated annual assessment is \$86 per unit.

*Lease Summary*

The future net minimum lease receipts for these leases are as follows:

Year Ending December 31,	Amount
2019	\$ 13,459
2020	13,459
2021	13,459
2022	13,459
2023	<u>13,459</u>
Total	<u>\$ 67,295</u>

City of Fort Morgan

The District entered into a 10-year lease of 2,962 units of Colorado Big Thompson water administered by the Northern Colorado Water Conservancy District, with the City of Fort Morgan and the Morgan County Quality Water District ("Quality Water") beginning November 1, 1999. The initial term was for a ten year period beginning on November 1, 1999 and ending on October 31, 2009 for 2,212 units at a minimum price of \$82.50 per unit. The other 750 units were also leased from November 1, 1999 through October 31, 2004 at a minimum price of \$72.50 per unit as a result of Quality Water's option to purchase these units (Note 6). During 2009, the renewal lease price was determined based on the percent increase in market price of CBT units between November 1, 2004 and November 1, 2009. The District set the lease price on the Colorado Big Thompson units and the water rents due on and after November 1, 2009 to not be less than \$115.01 per unit of C-BT water per year. In 2014, the lease rate was once again determined and renewed at a rate of \$190.00 per unit per year, based on the price increase in CBT units between November 1, 2009 and November 1, 2014.

The changes were determined by calculating the percent change in the market value of C-BT units. The calculation was average sales price per unit of the last five sales of C-BT units of water prior to November 1, 2014, less average sales price per unit of the last five sales of C-BT units of water prior to November 1, 2009; divided by the average sales price per unit of the last five sales of C-BT units of water prior to November 1, 2009. The new rate is the percent change multiplied by \$115.01 plus \$115.01. The new rate is applied to 2,212 units and 625 units remaining (Quality Water receives payment on 125 units they own.)

In 2018, the City of Fort Morgan paid three installments of \$179,677 for a total of \$539,030. The current year lease revenue is \$539,030 with \$90,472 remaining as unearned revenue as of December 31, 2018. The District's agreement with the City constitutes a significant revenue source for the District. The total revenue of this lease represents approximately 18% of District revenues in 2018.

THE RIVERSIDE IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

NOTE 5. SHORT TERM NOTE PAYABLE

The Company advanced on a short term note payable from the Colorado Water Conservancy Board in the amount of \$1,226,746 during 2018. The note had an interest rate of 2.5%. The Company recognized \$3,120 in accrued interest at December 31, 2018. The note was advanced during the construction of the Spillway project. The Company paid the note in full on April 25, 2019.

NOTE 6. WATER INVESTMENTS

These are water industry related investments of the General Fund and Special Revenue Fund and are recorded at cost or estimated cost. Details are as follows:

		Cost or Estimated Cost	
		General Fund	Special Revenue Fund (Component Unit)
The Riverside Reservoir & Land Co.	1944 Rights	\$1,027,743	
The Riverside Reservoir & Land Co.	62.75 Rights	1,888,021	
The Riverside Reservoir & Land Co.	2 Rights	85,000	
The Riverside Reservoir & Land Co.	5 Rights	212,500	
The Riverside Reservoir & Land Co.	7 Rights		\$50,000
The Riverside Reservoir & Land Co.	4 Rights	170,000	
The Riverside Reservoir & Land Co.	4.5 Rights	256,500	
The Weldon Valley Ditch Company	54.85 Shares	132,100	
Morgan-Prewitt Reservoir Company	60 Shares	11,538	
Morgan-Prewitt Reservoir Company	10 Shares	69,246	
Morgan-Prewitt Reservoir Company	2 Shares	75,000	
Morgan-Prewitt Reservoir Company	1 Share	65,000	
Morgan-Prewitt Reservoir Company	10 Shares	750,000	
Jackson Lake Reservoir and Irrigation Company	14 Shares	6,650	
Jackson Lake Reservoir and Irrigation Company	7 Shares	39,046	
Jackson Lake Reservoir and Irrigation Company	1 Share	25,817	
Jackson Lake Reservoir and Irrigation Company	.75 Share	60,000	
Northern Colorado Water Conservancy District	2,895 Units	106	
Total		<u>\$ 4,874,267</u>	<u>\$ 50,000</u>

THE RIVERSIDE IRRIGATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

NOTE 7. RESTRICTED FUND BALANCE

The Boards of Directors of the District and Company have restricted \$30,000 and \$26,000, respectively, of the ending Fund Balance for emergencies at December 31, 2018 as required by Section 20 to Article X of the Colorado Constitution, also known as the Taxpayer's Bill of Rights (TABOR). The restricted amounts are equal to three percent of nonexempt revenues.

NOTE 8: INSURANCE AND RISK MANAGEMENT

Riverside Irrigation District carries insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to worker's compensation, property and liability, and bond coverage.

The District carries worker's compensation coverage through Pinnacol Assurance. Premiums are based on prior claims, as adjusted through various worker classifications. Risk of loss is transferred to Pinnacol Assurance.

The District carries liability and bond coverage through commercial insurance carriers. Risk of loss transfers to those carriers.

The District's property coverage consists of commercial carrier coverage. The District's equipment is covered under a commercial carrier with risk of loss transferred to the carrier.

Prepaid insurance on District policies at December 31, 2018 was \$7,147. Prepaid insurance on Company policies at December 31, 2018 was \$4,767.

The District has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the District has not recorded a liability for unpaid claims at December 31, 2018. Settled claims have not exceeded this coverage in any of the past three years.

NOTE 9: RELATED PARTY TRANSACTIONS

During the year, the Riverside Reservoir and Land Company leased certain water rights to Riverside Irrigation District for \$2,100.

Related party receivable and payable: The Company advanced \$1,000,000 to the District. The investment has earned \$23,886 in interest and will be paid when the principle is returned. Total amount outstanding to between the Company and the District is \$1,023,886.

NOTE 10: SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

No events were noted that would require adjustment to or disclosure in the financial statements.

THE RIVERSIDE IRRIGATION DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES  
BUDGET AND ACTUAL

For the Year Ended December 31, 2017  
(With comparative amounts for the year ended December 31, 2016)

	2018				2017			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance - Favorable (Unfavorable)	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance - Favorable (Unfavorable)
<b>Revenue</b>								
Acreage assessments								
Morgan County	\$ 177,232	\$ 177,232	\$ 177,474	\$ 242	\$ 332,310	\$ 332,310	\$ 334,095	\$ 1,785
Weld County	2,560	2,560	2,736	176	4,800	4,800	4,725	(75)
Total Acreage Assessments	<u>179,792</u>	<u>179,792</u>	<u>180,210</u>	<u>418</u>	<u>337,110</u>	<u>337,110</u>	<u>338,820</u>	<u>1,710</u>
Running fees/Expanded acres	53,640	53,640	39,866	(13,774)	53,640	53,640	42,507	(11,133)
Interest	20,000	20,000	28,080	8,080	11,000	11,000	15,804	4,804
Other								
Farm - Land cash lease	12,800	12,800	14,850	2,050	12,800	12,800	12,800	-
Farm - House rentals	6,000	6,000	4,500	(1,500)	6,000	6,000	5,000	(1,000)
Water leases	566,230	566,230	3,720,291	3,154,061	571,230	571,230	1,677,516	1,106,286
Pasture rent	25,000	25,000	24,752	(248)	24,150	24,150	24,769	619
Water, easements, land, and pump rentals	7,000	7,000	2,410	(4,590)	27,400	27,400	2,100	(25,300)
Water well pump fees	40,000	40,000	124,952	84,952	40,000	40,000	87,997	47,997
Royalties	2,000	2,000	2,939	939	2,000	2,000	1,748	(252)
Grant Revenues	-	-	-	-	-	-	-	-
Miscellaneous	104,050	104,050	120,488	16,438	59,500	59,500	80,643	21,143
Total Other Revenue	<u>763,080</u>	<u>763,080</u>	<u>4,015,182</u>	<u>3,252,102</u>	<u>743,080</u>	<u>743,080</u>	<u>1,892,573</u>	<u>1,149,493</u>
Total Revenue	<u>1,016,512</u>	<u>1,016,512</u>	<u>4,263,338</u>	<u>3,246,826</u>	<u>1,144,830</u>	<u>1,144,830</u>	<u>2,289,704</u>	<u>1,144,874</u>
<b>Expenditures</b>								
General Government								
Salaries	93,120	93,120	93,337	(217)	91,294	91,294	91,525	231
Payroll taxes	6,984	6,984	8,392	(1,408)	6,984	6,984	8,359	1,375
Mileage	5,000	5,000	3,390	1,610	5,000	5,000	3,223	(1,777)
Office/telephone	6,500	6,500	2,227	4,273	6,500	6,500	2,507	(3,993)
Legal	25,000	25,000	6,029	18,971	25,000	25,000	11,623	(13,377)
Insurance	28,000	28,000	29,787	(1,787)	28,000	28,000	25,941	(2,059)
Audit and accounting	3,750	3,750	3,750	-	3,750	3,750	3,750	-
Miscellaneous	7,700	7,700	7,376	324	7,700	7,700	3,619	(4,081)
Directors and judges	5,000	5,000	2,850	2,150	5,000	5,000	3,574	(1,426)
Capital outlay - small equipment	1,500	1,500	4,680	(3,180)	1,500	1,500	-	(1,500)
Total General Government	<u>182,554</u>	<u>182,554</u>	<u>161,818</u>	<u>20,736</u>	<u>180,728</u>	<u>180,728</u>	<u>154,121</u>	<u>(26,607)</u>

THE RIVERSIDE IRRIGATION DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUE, EXPENDITURES  
BUDGET AND ACTUAL (CONTINUED)  
For the Year Ended December 31, 2018

(With comparative amounts for the year ended December 31, 2017)

	2018				2017			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance - Favorable (Unfavorable)	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance - Favorable (Unfavorable)
Expenditures (cont.)								
Conservation of Natural Resources								
Assessments	388,488	388,488	410,787	(22,299)	388,488	388,488	408,237	19,749
Augmentation	-	-	-	-	7,000	7,000	-	(7,000)
Engineering	20,000	20,000	19,127	873	20,000	20,000	24,121	4,121
Mileage	16,000	16,000	9,179	6,821	16,000	16,000	11,592	(4,408)
Materials, repairs and machine hire	260,000	286,000	238,528	47,472	257,000	257,000	248,153	(8,847)
Expense reimbursement	-	-	2,111	(2,111)	-	-	-	-
Salaries	93,418	93,418	73,549	19,869	91,979	91,979	72,217	(19,762)
Pump station - utilities	30,000	30,000	27,782	2,218	30,000	30,000	30,890	890
Payroll taxes	7,184	7,184	5,457	1,727	7,184	7,184	5,457	(1,727)
Telephone	-	-	5,251	(5,251)	-	-	3,424	3,424
Water rights rental	10,000	10,000	5,720	4,280	10,000	10,000	20,404	10,404
Land leases	5,300	5,300	5,205	95	5,300	5,300	-	(5,300)
Water taxes	6,500	6,500	2,632	3,868	6,500	6,500	4,685	(1,815)
Legal	-	-	951	(951)	-	-	2,197	2,197
Capital outlay	289,000	539,000	21,807	517,193	285,000	285,000	35,398	(249,602)
Purchase of water investments	250,000	250,000	-	250,000	250,000	750,000	750,000	-
Miscellaneous	1,000	1,000	191	809	1,000	1,000	-	(1,000)
Total Conservation of Natural Resources	<u>1,376,890</u>	<u>1,652,890</u>	<u>828,277</u>	<u>824,613</u>	<u>1,375,451</u>	<u>1,875,451</u>	<u>1,616,775</u>	<u>(258,676)</u>
Miscellaneous								
Farm operations	3,932	3,932	7,122	3,190	6,060	6,060	6,391	331
Total Miscellaneous	<u>3,932</u>	<u>3,932</u>	<u>7,122</u>	<u>3,190</u>	<u>6,060</u>	<u>6,060</u>	<u>6,391</u>	<u>331</u>
Total Expenditures	<u>1,563,376</u>	<u>1,839,376</u>	<u>997,217</u>	<u>848,539</u>	<u>1,562,239</u>	<u>2,062,239</u>	<u>1,777,287</u>	<u>(284,952)</u>
Revenues in Excess (Deficiency) of Expenditures - Budget Basis	<u>(546,864)</u>	<u>(822,864)</u>	<u>3,266,121</u>	<u>2,398,287</u>	<u>(417,409)</u>	<u>(917,409)</u>	<u>512,417</u>	<u>1,429,826</u>
Other Financing Uses								
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources in Excess (Deficiency) of Expenditures - Budget Basis	<u>\$(546,864)</u>	<u>\$(822,864)</u>	<u>\$3,266,121</u>	<u>\$2,398,287</u>	<u>\$(417,409)</u>	<u>\$(917,409)</u>	<u>\$512,417</u>	<u>\$1,429,826</u>

THE RIVERSIDE IRRIGATION DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUE AND EXPENDITURES  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2018

(With comparative information for the year ended December 31, 2017)

	2018				2017			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance - Favorable (Unfavorable)	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance - Favorable (Unfavorable)
<b>Revenue</b>								
Stock assessments	\$ 375,750	\$ 375,750	\$ 375,750	\$ -	\$ 375,750	375,750	\$ 375,750	\$ -
Pump/rights rental	27,500	27,500	25,962	(1,538)	27,500	27,500	34,108	6,608
Running fees	9,000	9,000	11,116	2,116	9,000	9,000	11,116	2,116
Diversion fees	7,500	7,500	-	(7,500)	6,000	6,000	-	(6,000)
Recreation lease	53,421	53,421	51,371	(2,050)	50,118	50,118	52,168	2,050
Loan proceeds	-	-	1,226,746	1,226,746	-	-	-	-
Other	2,047,500	2,047,500	3,177,301	1,129,801	47,000	47,000	315,808	268,808
Interest	6,500	6,500	22,049	15,549	6,500	6,500	15,086	8,586
<b>Total Revenue</b>	<b>2,527,171</b>	<b>2,527,171</b>	<b>4,890,295</b>	<b>2,363,124</b>	<b>521,868</b>	<b>521,868</b>	<b>804,036</b>	<b>282,168</b>
<b>Expenditures</b>								
<b>General Government</b>								
Salaries	46,819	46,819	46,813	6	45,676	45,676	45,901	(225)
Payroll taxes	3,582	3,582	1,427	2,155	3,494	3,494	1,655	1,839
Insurance	27,000	27,000	25,238	1,762	29,000	29,000	25,369	3,631
Audit and budget	3,750	3,750	3,750	-	3,750	3,750	3,750	-
Director fees	5,000	5,000	3,500	1,500	3,000	3,000	2,750	250
Telephone and office utilities	5,400	5,400	4,454	946	5,400	5,400	3,991	1,409
Office supplies	3,000	3,000	1,725	1,275	3,000	3,000	3,176	(176)
Water lease and fees	4,100	4,100	1,440	2,660	-	-	27,866	(27,866)
Legal	15,000	15,000	3,019	11,981	15,000	15,000	12,995	2,005
Dues and meetings	2,900	2,900	1,178	1,722	2,900	2,900	1,291	1,609
Mileage	1,200	1,200	2,075	(875)	3,800	3,800	2,289	1,511
Miscellaneous	500	500	148	352	500	500	313	187
Capital outlay	2,000	2,000	462	1,538	2,000	2,000	20,601	(18,601)
<b>Total General Government</b>	<b>120,251</b>	<b>120,251</b>	<b>95,229</b>	<b>25,022</b>	<b>117,520</b>	<b>117,520</b>	<b>151,947</b>	<b>(34,427)</b>
<b>Conservation of Natural Resources</b>								
Assessments	6,000	6,000	5,050	950	6,000	6,000	6,100	(100)
Augmentation	5,000	5,000	600	4,400	7,000	7,000	3,859	3,141
Engineering	1,000	1,000	129	871	1,000	1,000	2,335	(1,335)
Mileage	10,000	10,000	5,855	4,145	10,000	10,000	6,891	3,109
Repairs and maintenance	151,000	696,058	640,972	55,086	195,000	195,000	196,278	(1,278)
Repairs and maintenance - wells	10,000	10,000	-	10,000	10,000	10,000	199	9,801
Salaries	73,084	73,084	49,570	23,514	73,351	73,351	53,466	19,885
Payroll taxes	5,591	5,591	5,947	(356)	5,611	5,611	5,947	(336)
Utilities - wells	19,000	19,000	6,963	12,037	19,000	19,000	1,358	17,642
Telephone and utilities	8,000	8,000	8,930	(930)	10,000	10,000	6,588	3,412
Miscellaneous	500	500	-	500	500	500	-	500
Capital outlay	2,113,750	2,690,750	2,035,245	655,505	2,058,750	2,058,750	32,314	2,026,436
<b>Total Conservation of Natural Resources</b>	<b>2,402,925</b>	<b>3,524,983</b>	<b>2,759,261</b>	<b>765,722</b>	<b>2,396,212</b>	<b>2,396,212</b>	<b>315,335</b>	<b>2,080,877</b>
<b>Total Expenditures</b>	<b>2,523,176</b>	<b>3,645,234</b>	<b>2,854,490</b>	<b>790,744</b>	<b>2,513,732</b>	<b>2,513,732</b>	<b>467,282</b>	<b>2,046,450</b>
<b>Revenues in Excess (Deficiency) of Expenditures</b>	<b>3,995</b>	<b>(1,118,063)</b>	<b>2,035,805</b>	<b>3,153,868</b>	<b>(1,991,864)</b>	<b>(1,991,864)</b>	<b>336,754</b>	<b>2,328,618</b>
<b>Other Financing Uses</b>								
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
<b>Total Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>\$ 3,995</b>	<b>\$(1,118,063)</b>	<b>\$2,035,805</b>	<b>\$ 3,153,868</b>	<b>\$(1,991,864)</b>	<b>\$(1,991,864)</b>	<b>\$ 336,754</b>	<b>\$ 2,328,618</b>

THE RIVERSIDE IRRIGATION DISTRICT  
GENERAL FUND  
SCHEDULE OF CONSERVATION OF NATURAL RESOURCES  
EXPENDITURES BY DEPARTMENT  
For the Year Ended December 31, 2018  
(With comparative amounts for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
Assessments		
Riverside	\$ 303,488	\$ 303,488
Weldon Valley	10,970	10,970
Jackson Lake	3,534	3,354
Morgan-Prewitt	11,340	10,500
Northern Colorado Water Conservancy	74,402	72,085
South Platte Water Related Activities Program	381	-
Irrigationist	<u>6,672</u>	<u>7,840</u>
Total Inlet	<u>410,787</u>	<u>408,237</u>
Division # 1		
Mileage	3,779	5,850
Materials, repairs and machine hire	38,921	43,304
Salaries	20,533	20,137
Payroll taxes	<u>1,528</u>	<u>1,503</u>
Total Division #1	<u>64,761</u>	<u>70,794</u>
Division # 2		
Mileage	2,321	3,167
Materials, repairs and machine hire	87,283	83,881
Salaries	27,408	26,868
Payroll taxes	<u>2,074</u>	<u>2,044</u>
Total Division #2	<u>119,086</u>	<u>115,960</u>
Division # 3		
Mileage	3,079	2,575
Materials, repairs and machine hire	45,707	48,327
Salaries	25,608	25,212
Payroll taxes	<u>1,855</u>	<u>1,910</u>
Total Division #3	<u>76,249</u>	<u>78,024</u>
Other		
Materials, repairs and machine hire	68,919	72,641
Water rights rental	5,720	20,404
Pump station - utilities	27,782	30,890
Engineering	19,127	24,121
Water taxes	2,632	4,685
Land leases	5,205	-
Legal	951	2,197
Telephone	5,251	3,424
Capital outlay	<u>21,807</u>	<u>35,398</u>
Total Other	<u>157,394</u>	<u>943,760</u>
Total Conservation of Natural Resources	<u>\$ 828,277</u>	<u>\$ 1,616,775</u>