

***The North Sterling Irrigation District***

**Financial Statements**

**For the Year ended December 31, 2020**

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## **Independent Auditors' Report**

Board of Directors  
The North Sterling Irrigation District  
Sterling, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the North Sterling Irrigation District (the District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2020, and the respective changes in financial position 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 relate 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  
July 2, 2021

## MANAGEMENT DISCUSSION AND ANALYSIS

This section of the North Sterling Irrigation District's (District) annual financial report presents the discussion and analysis of the financial performance for the fiscal year that ended December 31, 2020.

### FINANCIAL HIGHLIGHTS

- The District remains in good financial condition.
- The assets of the District exceeded its liabilities and deferred inflows of resources at the close of 2020 by \$2,920,733. Of this amount \$548,585 or 19% is unrestricted and may be used to meet the District's ongoing obligations to landowners and creditors.
- During the year, the District's revenue from assessments and other revenues for governmental programs were greater than the expenditures by \$79,623.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Government-wide financial statements
- Fund financial statements.
- Notes to the financial statements.

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

#### **Government-wide financial statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies.

The **statement of net position** presents information on all of the 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 District is improving or deteriorating.

The **statement of activities** presents information showing how the 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 government-wide financial statements of the District are as follows:

- **Governmental activities.** All of the District's basic services are included here, such as the District's Maintenance and Operation of the Reservoir and Associated Facilities, Recharge/Augmentation program, as well as general administration. Lease of recharge water, well fees, and pumping fees finance the Recharge/Augmentation program.

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

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law, however, the District's Board has established other funds to help control and manage money for particular purposes or to show that it is properly using certain revenue (General Fund and the Capital Reserve Fund). Both of the funds of the District are governmental funds.

**Governmental funds.** All of the District’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statement provides a detailed, short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement is provided, or on the subsequent page, that explains the relationship (or differences) between them.

The basic governmental fund financial statements can be found starting on page 10 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found 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 District, assets exceed liabilities by \$2,920,733 at the close of 2020.

**Net Position**

Combined net position of the District as of December 31, 2020 is shown in Table 1 below.

**Table 1  
NET POSITION**

	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 1,516,067	\$ 1,262,569
Capital assets	<u>2,972,188</u>	<u>3,023,704</u>
<b>Total assets</b>	<b><u>\$ 4,488,255</u></b>	<b><u>\$ 4,286,273</u></b>
Current liabilities	\$ 123,016	\$ 35,298
Long-term liabilities	<u>661,765</u>	<u>714,277</u>
Total liabilities	784,781	749,575
Deferred property assessments	782,741	695,588
Net position		
Net investment in capital assets	2,310,423	2,309,427
Restricted for debt service	61,725	54,866
Unrestricted	<u>548,585</u>	<u>476,817</u>
Total net position	<u>2,920,733</u>	<u>2,841,110</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b><u>\$ 4,488,255</u></b>	<b><u>\$ 4,286,273</u></b>

The largest portion of the Districts net position, 79% reflect its investment in capital assets. This is a result of the District owning a 74,590 acre-foot reservoir with 130 miles of canal and all associated structures and facilities. 2% represents restricted net position, while the remaining balance, 19%, is unrestricted net position which represents resources that may be used to meet the District's ongoing obligations to its landowners and creditors.

At the end of 2020, the District is able to report positive balances in all categories of net position.

**Changes in net position**

The District's total revenue of \$926,169 was more than program expenses of \$846,546 for an increase in net position of \$79,623.

**Table 2  
CHANGES IN NET POSITION**

	<u>2020</u>	<u>2019</u>
Program revenues		
Charges for services	\$ 119,980	\$ 138,184
General revenues		
Property assessments	699,732	700,024
Other revenues	81,802	76,097
Investment earnings	2,783	7,001
Sale of assets	<u>21,872</u>	<u>2,280</u>
 Total revenues	 926,169	 923,586
 Program expenses		
Maintenance and operations	465,800	410,324
General and administrative	197,335	185,137
Depreciation and interest	<u>183,411</u>	<u>191,713</u>
 Total expenses	 <u>846,546</u>	 <u>787,174</u>
 Change in net position	 79,623	 136,412
 Net position at beginning of year	 <u>2,841,110</u>	 <u>2,704,698</u>
 Net position at end of year	 <u>\$ 2,920,733</u>	 <u>\$ 2,841,110</u>

**Governmental Activities**

Revenue for the District's governmental activities totaled \$926,169 for 2020. Property assessments produced 76% of these revenues. Property assessments includes property assessments, both current and delinquent, as well as interest.

**THE DISTRICT'S FUNDS**

As the District completed the year, its governmental funds (as presented in the balance sheet on page 10) reported a combined fund balance of \$591,507. The general fund and the capital reserve fund reported fund balances of \$291,507 and \$300,000 respectively.

## General Fund Budgetary Highlights

The actual charges to appropriations (expenditures) were \$255,416 below the final budget.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** The District's investment in capital assets for its governmental activities as of December 31, 2020, amounts to \$2,972,188 (net of accumulated depreciation). This amount includes a broad range of capital assets, including land, dam, canals, buildings and improvements, equipment, furniture and fixtures, and transportation equipment.

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

**Table 3**  
**CAPITAL ASSETS ON DECEMBER 31, 2020**

Land	\$ 50,711
Buildings and improvements	169,170
Irrigation system	2,226,123
Maintenance equipment	366,442
Other equipment	2
Transportation equipment	<u>159,740</u>
Total	<u>\$ 2,972,188</u>

**Long-term debt.** The District's long-term debt consists of a note agreement with the Colorado Water Conservation Board in the amount of \$661,765 to provide funds for the renovation of the North Sterling Dam and Spillway.

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

The District is in a good financial position. The year 2020 was not unusual as for as income and expense except that the board made a decision to begin investing in infrastructure repairs and improvements. The first of which was to initiate Phase I of the North Sterling Outlet Automation Project. Near the end of 2020, it was decided that 25 of the Outlet Canal headgates would be automated. The purchase of supplies and small improvements to these headgates began in the fall of 2020. It was also decided that if a loan for just under \$400,000 could be secured with the Colorado Water Conservation Board (CWCB), Phase II, automation of an additional 42 headgates, would follow in 2021. The total cost of the Automation Project (Phase I and Phase II combined) was projected to be approximately \$550,000. The goal of the project is to save labor costs to the farmer and to more efficiently use our water resource. The second large scale project is the replacement of the North Sterling's River Diversion and Measurement Structure. This project would also require a loan from the CWCB in the amount of approximately \$3.5 million. The existing structure is over 100 years old and requires extensive maintenance and operation costs from time to time. The structure also limits flow in the river during flood events. The board felt that with current the interest rates and the need to update the District's infrastructure, now was a good time to undertake these projects. In order to complete these improvements, the Board voted to increase the District's Levy from \$17/acre to \$22/acre. Discussions also began near the end of 2020 on an amendment to the 2017 agreement between the voluntary subset of District landowners called Point of Rocks Water Company II LLC and BNN Energy (now Tallgrass Water Western). This amendment resulted in some unbudgeted income coming to the District, in early 2021. This, along with the District's 2005 deal with Public Service Company, will help to keep the District financially strong.

### REQUESTS FOR INFORMATION

This financial report is designed to provide our landowners, 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 the North Sterling Irrigation District, 112 North 8<sup>th</sup> Avenue, Sterling, Colorado 80751.

## **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.

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

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Statement of Net Position**  
**December 31, 2020**

	<u>Governmental Activities</u>
Assets	
Cash	\$ 351,499
Investments	262,352
Receivables	813,002
Prepaid item	27,489
Restricted investments	61,725
Capital assets, net of depreciation	<u>2,972,188</u>
Total assets	<u>\$ 4,488,255</u>
Liabilities	
Accounts payable	\$ 114,330
Accrued interest payable	8,686
Noncurrent liabilities	
Due within one year	53,693
Due in more than one year	<u>608,072</u>
Total liabilities	784,781
Deferred inflows of resources	
Deferred property assessments	<u>782,741</u>
Total deferred inflows of resources	782,741
Net position	
Net investment in capital assets	2,310,423
Restricted for debt service	61,725
Unrestricted	<u>548,585</u>
Total net position	<u>2,920,733</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 4,488,255</u>

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

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Statement of Activities**  
**December 31, 2020**

	<u>Governmental Activities</u>
Expenses	
Water conservancy	
Maintenance and operations	\$ 465,800
General and administrative	197,335
Depreciation and amortization	168,029
Interest and fiscal charges	<u>15,382</u>
Total program expenses	846,546
Revenues	
Program revenues	
Charges for services	119,980
General revenues	
Property assessments	699,732
Investment earnings	2,783
Miscellaneous	81,802
Sale of assets	<u>21,872</u>
Total general revenues	<u>806,189</u>
Total revenues	<u>926,169</u>
Change in net position	79,623
Net position at beginning of year	<u>2,841,110</u>
Net position at end of year	<u><u>\$ 2,920,733</u></u>

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

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2020**

	General Fund	Capital Reserve Fund	Total Governmental Funds
<b>Assets</b>			
Cash	\$ 351,499		\$ 351,499
Investments	24,077	\$ 238,275	262,352
Other receivables	30,261		30,261
Property assessments receivable	782,741		782,741
Restricted investments		61,725	61,725
<b>Total assets</b>	<b>\$ 1,188,578</b>	<b>\$ 300,000</b>	<b>\$ 1,488,578</b>
<b>Liabilities</b>			
Accounts payable	\$ 114,330		\$ 114,330
<b>Total liabilities</b>	114,330	\$ -	114,330
<b>Deferred inflows of resources</b>			
Deferred property assessments	782,741		782,741
<b>Total deferred inflows of resources</b>	782,741	-	782,741
<b>Fund balance</b>			
Restricted for debt service		61,725	61,725
Committed to capital needs		238,275	238,275
Unassigned	291,507		291,507
<b>Total fund balance</b>	<b>291,507</b>	<b>300,000</b>	<b>591,507</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 1,188,578</b>	<b>\$ 300,000</b>	<b>\$ 1,488,578</b>

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

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**December 31, 2020**

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

Total fund balance - governmental funds	\$ 591,507
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	2,972,188
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(661,765)
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.	(8,686)
In the statement of activities, insurance (an operating expense) is measured by the amount incurred during the year. In the governmental funds, however, expenditures for this item are measured by the amount of financial resources used (essentially, the amount actually paid).	<u>27,489</u>
Net position of the governmental activities	<u><u>\$ 2,920,733</u></u>

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

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

	General Fund	Capital Reserve Fund	Total Governmental Funds
Revenues			
Taxes	\$ 699,732		\$ 699,732
Miscellaneous	201,782		201,782
Earnings on investments	2,654	\$ 129	2,783
Total revenues	904,168	129	904,297
Expenditures			
Current			
Maintenance and operations	465,800		465,800
General and administrative	200,500		200,500
Capital outlay	219,900		219,900
Debt service			
Principal	52,512		52,512
Interest and fiscal charges	16,071		16,071
Total expenditures	954,783	-	954,783
Excess of revenues over (under) expenditures	(50,615)	129	(50,486)
Other financing sources (uses)			
Sale of assets	125,259		125,259
Transfers in	129		129
Transfers out		(129)	(129)
Total other financing sources (uses)	125,388	(129)	125,259
Net change in fund balances	74,773	-	74,773
Fund balance at beginning of year	216,734	300,000	516,734
Fund balance at end of year	<u>\$ 291,507</u>	<u>\$ 300,000</u>	<u>\$ 591,507</u>

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

**THE NORTH STERLING 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, 2020**

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

Net change in fund balances - governmental funds	\$ 74,773
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 capital outlays exceeded depreciation in the current period.	51,871
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.	52,512
In the statement of activities, the net gain or loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the disposal increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed of.	(103,387)
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).	<u>3,854</u>
Change in net position of governmental activities	<u><u>\$ 79,623</u></u>

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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

This summary of The North Sterling 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**

The North Sterling 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.

**THE NORTH STERLING 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 are the District's major governmental funds:

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.

Capital Reserve Fund – This fund is a special revenue fund used to account for the earnings on investments that the governing body has set aside for future capital needs.

**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.

**THE NORTH STERLING 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.

**THE NORTH STERLING 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 – Receivables**

No allowance for doubtful accounts has been provided in the accompanying financial statements since substantially all accounts are deemed by management to be collectible.

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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**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 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**

**Annual leave**

The District has adopted personnel policies that provide for annual leave for permanent employees based on the following schedule:

1 <sup>st</sup> year of employment	5 days
2 <sup>nd</sup> through 4 <sup>th</sup> year of employment	10 days
5 <sup>th</sup> year of employment and beyond	12 days

Upon termination of employment with the District, any unused annual leave up to twelve days will be paid to the employee. No liability is shown on the financial statements due to the immateriality of the amounts involved.

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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

**Sick leave**

Sick leave is earned only by permanent employees at a rate of six days annually. There is no limit as to the number of days an employee may accumulate, but no benefits will be payable to the employee upon termination of employment with the District.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide 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 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 consists 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.

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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

**A.11 – Interfund transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

**A.12 – 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.

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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

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.

**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 \$365,185, of which \$250,000 were insured and \$115,185 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:

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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**Note B – Cash and investments (Continued)**

- Obligations of the U.S. 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.

During the year, the District invested in Colotrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. As of December 31, 2020, the District had invested \$324,077 in COLOTRUST PLUS+, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

At year-end, the District had the following investments:

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-10</u>	<u>11-20</u>
Investment in Colotrust	<u>\$ 324,077</u>	<u>\$ 324,077</u>	<u>\$ -</u>	<u>\$ -</u>

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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**Note B – Cash and investments (Continued)**

Credit risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The District has no investment policy that would further limit its investment choices. At year-end, the District’s investment in Colotrust was rated AAAM by Standard and Poor’s.

**Note C – Receivables**

Receivables at year-end consist of the following:

	<u>Governmental Receivables</u>
Property assessments	\$ 782,741
Other receivables	<u>30,261</u>
Total	<u>\$ 813,002</u>

**Note D – Interfund transactions**

The following is a summary of interfund transfers for the year as presented in the fund financial statements:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental funds</u>		
General Fund	\$ 129	\$ -
Capital Reserve Fund	<u>-</u>	<u>129</u>
Total	<u>\$ 129</u>	<u>\$ 129</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District annually transfers investment earnings from the Capital Reserve Fund to the General Fund to provide support for maintenance and operations, and to meet capital asset needs.

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Notes to Financial Statements**

**Note E – Capital assets**

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 50,711	\$ -	\$ -	\$ 50,711
Total capital assets, not being depreciated	50,711	-	-	50,711
Capital assets, being depreciated:				
Buildings and improvements	310,182	-	-	310,182
Irrigation system	4,421,393	133,965	-	4,555,358
Furniture and fixtures	9,025	-	-	9,025
Maintenance equipment	1,007,816	-	-	1,007,816
Other equipment	8,853	-	-	8,853
Transportation equipment	<u>288,577</u>	<u>85,935</u>	<u>(149,091)</u>	<u>225,421</u>
Total capital assets, being depreciated	<u>6,045,846</u>	<u>219,900</u>	<u>(149,091)</u>	<u>6,116,655</u>
Total capital assets	6,096,557	219,900	(149,091)	6,167,366
Less accumulated depreciation for:				
Buildings and improvements	(131,044)	(9,968)	-	(141,012)
Irrigation system	(2,270,283)	(58,952)	-	(2,329,235)
Furniture and fixtures	(9,025)	-	-	(9,025)
Maintenance equipment	(562,920)	(78,454)	-	(641,374)
Other equipment	(8,851)	-	-	(8,851)
Transportation equipment	<u>(90,730)</u>	<u>(20,655)</u>	<u>45,704</u>	<u>(65,681)</u>
Total accumulated depreciation	<u>(3,072,853)</u>	<u>(168,029)</u>	<u>45,704</u>	<u>(3,195,178)</u>
Governmental activities capital assets, net	<u>\$ 3,023,704</u>	<u>\$ 51,871</u>	<u>\$ (103,387)</u>	<u>\$ 2,972,188</u>

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Notes to Financial Statements**

**Note F - Long-term debt**

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

	Beginning Balances	Additions	Reductions	Ending Balances	Due within one year
<b>Governmental activities</b>					
Notes from direct borrowings	\$ 714,277	\$ -	\$ (52,512)	\$ 661,765	\$ 53,693

**Note payable**

CWCB Note – The District has entered into a \$1,094,840 note agreement with the Colorado Water Conservation Board (CWCB) dated September 3, 2009, due in annual installments of \$68,583 through 2031. The interest rate for the agreement is 2.25% per annum and is for a period of 20 years. The agreement provides for the disbursement of funds at the District’s request to facilitate the renovation of the North Sterling Dam and Spillway.

The loan agreement contains various covenants including the establishment and maintenance of a debt service reserve fund, in which the District is required to deposit an amount equal to one-tenth of an annual payment on the due date of its first annual loan payment and annually thereafter for the first ten years of repayment of this loan. The District has restricted funds in the amount of \$61,725 in satisfaction of the debt service fund. The District must also take all necessary actions consistent therewith during the term of this contract to establish, levy and collect rates, charges and fees in amounts sufficient to pay this loan, to cover all expenditures for operation and maintenance and emergency repair services, and to maintain adequate debt service reserves. The District believes it is in compliance with the covenants as set forth in the loan agreement.

The District’s outstanding note with the CWCB in the amount of \$661,765 is secured with collateral of the pledged revenues as defined in the loan agreement and an undivided one-hundred percent interest in the water rights described in an attachment to the agreement. The outstanding note contains (1) a provision that in an event of default as defined in the loan agreement, the CWCB shall have the right to suspend the contract and withhold further loan disbursements pending corrective action by the District, and if the District does not cure the default as provided for in the contract, to permanently cease loan disbursements and deem the project substantially complete, (2) exercise its right under any appendices to the contract, including, but not limited to, the promissory note and security agreement, and (3) take any other appropriate action.

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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

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

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 53,693	\$ 14,890
2022	54,901	13,682
2023	56,137	12,446
2024	57,400	11,183
2025	58,691	9,892
2026-2030	313,869	29,046
2031	<u>67,074</u>	<u>1,509</u>
Total	<u>\$ 661,765</u>	<u>\$ 92,648</u>

**Note G - 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 H - 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.

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Notes to Financial Statements**

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**Note I – Subsequent Events**

On February 24, 2021, the District entered into a loan agreement with the Colorado Water Conservation Board in the amount of \$395,920 to automate 42 of the District's headgates to provide a more efficient water delivery at a lower cost. At year-end, the District had incurred \$133,965 in costs related to this project. The loan bears interest at a rate of .90% and has an annual loan payment of \$21,720 for 20 years.

On April 8, 2021, the District entered into a loan agreement with the Colorado Water Conservation Board in the amount of \$3,532,980 to improve the safety and functionality of the District's diversion structure and headgate. The loan bears interest at .85% and has an annual loan payment of \$192,837 for 20 years.

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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
- Budgetary Comparison Schedule – Capital Reserve Fund

**THE NORTH STERLING IRRIGATION DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 697,088	\$ 697,088	\$ 699,732	\$ 2,644
Miscellaneous	214,900	214,900	204,436	(10,464)
Total revenues	911,988	911,988	904,168	(7,820)
Expenditures				
Current				
Maintenance and operations	814,814	814,814	465,800	349,014
General and administrative	164,856	164,856	200,500	(35,644)
Capital outlay	67,000	67,000	219,900	(152,900)
Debt service				
Principal	52,512	52,512	52,512	-
Interest and fiscal charges	16,071	16,071	16,071	-
Total expenditures	1,115,253	1,115,253	954,783	160,470
Excess of revenues over (under) expenditures	(203,265)	(203,265)	(50,615)	152,650
Other financing sources (uses)				
Sale of assets	60,000	60,000	125,259	65,259
Transfers in	12,000	12,000	129	(11,871)
Transfers out	(50,000)	(50,000)		50,000
Total other financing sources (uses)	22,000	22,000	125,388	103,388
Net change in fund balance	\$ (181,265)	\$ (181,265)	74,773	\$ 256,038
Fund balance at beginning of year			216,734	
Fund balance at end of year			\$ 291,507	

**THE NORTH STERLING IRRIGATION DISTRICT**  
**Capital Reserve Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 12,000	\$ 12,000	\$ 129	\$ (11,871)
Expenditures				
Contingency reserve				-
Excess of revenues over expenditures	12,000	12,000	129	(11,871)
Other financing sources (uses)				
Transfers in	50,000	50,000		(50,000)
Transfers out	(12,000)	(12,000)	(129)	11,871
Total other financing sources (uses)	38,000	38,000	(129)	(38,129)
Net change in fund balance	\$ 50,000	\$ 50,000	-	\$ (50,000)
Fund balance at beginning of year			300,000	
Fund balance at end of year			\$ 300,000	

**THE NORTH STERLING 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. 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.

### **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:

- General Fund – Budgetary Comparison Schedules of 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.

**THE NORTH STERLING IRRIGATION DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule - Revenues**  
**For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
Property assessments	\$ 695,588	\$ 695,588	\$ 695,589	\$ 1
Delinquent taxes and interest	1,500	1,500	4,143	2,643
Total taxes	697,088	697,088	699,732	2,644
Miscellaneous				
Earnings on investments	150	150	2,654	2,504
Pasture and house leases	12,500	12,500	13,640	1,140
Sale of recharge water	20,000	20,000	13,055	(6,945)
Augmentation fees	15,000	15,000	17,223	2,223
Point of rocks payment	67,000	67,000	67,638	638
Point of rocks II payment	100,000	100,000	8,424	(91,576)
Insurance proceeds			2,632	2,632
Reimbursements			48,712	48,712
Right of way crossing			24,000	24,000
Miscellaneous	250	250	6,458	6,208
Total miscellaneous	214,900	214,900	204,436	(10,464)
Sale of assets	60,000	60,000	125,259	65,259
Total revenues	\$ 971,988	\$ 971,988	\$ 1,029,427	\$ 57,439

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**THE NORTH STERLING IRRIGATION DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>Expenditures</b>				
Maintenance and operations				
Salaries	\$ 255,890	\$ 255,890	\$ 230,639	\$ 25,251
Mileage	600	600		600
Telephone	5,460	5,460	3,937	1,523
Utilities	5,400	5,400	5,110	290
Petroleum products	50,934	50,934	28,893	22,041
Equipment repairs	22,200	22,200	25,617	(3,417)
Building materials	22,732	22,732	6,319	16,413
Construction supplies	15,000	15,000	20,201	(5,201)
Weed and moss chemicals	128,650	128,650	122,745	5,905
Water control devices	3,080	3,080	7,591	(4,511)
Hardware and tools	2,500	2,500	2,548	(48)
Equipment hire	3,800	3,800	235	3,565
Miscellaneous	2,400	2,400	10,729	(8,329)
Recharge activities			1,236	(1,236)
Contingency reserve	296,168	296,168		296,168
<b>Total maintenance and operations</b>	<b>814,814</b>	<b>814,814</b>	<b>465,800</b>	<b>349,014</b>
<b>General and administrative</b>				
Director's salary and expenses	6,015	6,015	4,460	1,555
County treasurer's fees	100	100	100	-
Bond of secretary	100	100	100	-
Supplies			3,515	(3,515)
Salary of secretary	4,944	4,944	4,800	144
Salary of office help	19,776	19,776	19,200	576
Office expense	8,540	8,540	3,089	5,451
Food and lodging	1,200	1,200	951	249
Election expense	450	450	35	415
Audit fees	3,500	3,500	3,500	-
Attorney fees	5,000	5,000	15,486	(10,486)
Engineering fees			78	(78)
Lobbyist	4,000	4,000	35,920	(31,920)
Compensation insurance	18,078	18,078	13,440	4,638
Building and content insurance	3,654	3,654	4,562	(908)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Maintenance equipment insurance	5,420	5,420	6,308	(888)
Vehicle insurance	9,562	9,562	9,764	(202)
General liability insurance	19,579	19,579	20,600	(1,021)
Director's liability insurance	1,742	1,742	1,825	(83)
Health insurance	23,474	23,474	27,460	(3,986)
Payroll taxes	22,150	22,150	20,214	1,936
Employee benefits	5,572	5,572	5,093	479
Miscellaneous	2,000	2,000		2,000
Total general and administrative	164,856	164,856	200,500	(35,644)
Capital outlay	67,000	67,000	219,900	(152,900)
Debt service				
Principal	52,512	52,512	52,512	-
Interest and fiscal charges	16,071	16,071	16,071	-
Total debt service	68,583	68,583	68,583	-
Total expenditures	\$ 1,115,253	\$ 1,115,253	\$ 954,783	\$ 160,470