

**RIO GRANDE WATER CONSERVATION DISTRICT
FINANCIAL STATEMENTS**

December 31, 2021



**Wall,
Smith,
Bateman** Inc.
Certified Public Accountants

RIO GRANDE WATER CONSERVATION DISTRICT
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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Board of Directors
Rio Grande Water Conservation District
Alamosa, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund of the Rio Grande Water Conservation District (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund of the District, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is

Certified Public Accountants

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not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

Management has omitted the management's discussion 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 opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Estimated Future Obligations information presented as other information, is the responsibility of management and is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Wall, Smith, Bateman Inc.
Alamosa, Colorado

September 27, 2022

RIO GRANDE WATER CONSERVATION DISTRICT
BASIC FINANCIAL STATEMENTS

RIO GRANDE WATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION
December 31, 2021

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets			
Cash	\$ 2,057,918	\$ 5,639,152	\$ 7,697,070
CD - Estimated Future Obligation	-	3,687,586	3,687,586
Restricted Assets:			
Cash - Bureau of Reclamation	49,557	-	49,557
Cash - Study Account	1,866,377	-	1,866,377
Property Taxes Receivable	1,105,367	-	1,105,367
Assessments Receivable, Net of Allowance for Uncollectible Accounts	-	12,949,954	12,949,954
Interfund Balances	818,441	(818,441)	-
Due From Other Governments	1,147	-	1,147
Interest Receivable	-	1,970	1,970
Prepaid Building Expenses	-	56,801	56,801
Prepaid Other	34,524	-	34,524
Total Current Assets	5,933,331	21,517,022	27,450,353
Capital Assets			
Land	6,294,600	-	6,294,600
Structures	2,331,014	-	2,331,014
Equipment and Vehicles	149,815	-	149,815
Office Furniture	129,045	-	129,045
Accumulated Depreciation	(711,621)	-	(711,621)
Total Capital Assets	8,192,853	-	8,192,853
TOTAL ASSETS	14,126,184	21,517,022	35,643,206
LIABILITIES			
Current Liabilities			
Accounts Payable	24,870	456,604	481,474
Unearned Revenue - Building Expense Reimbursement	56,800	-	56,800
Unearned Revenue - Bureau of Reclamation	26,190	-	26,190
Compensated Absences Due Within One Year	8,075	-	8,075
Note Payable Due Within One Year	-	17,405	17,405
Total Current Liabilities	115,935	474,009	589,944
Long-Term Liabilities			
Note Payable	-	213,154	213,154
Accrued Compensated Absences	26,251	-	26,251
Total Long-Term Liabilities	26,251	213,154	239,405
TOTAL LIABILITIES	142,186	687,163	829,349
DEFERRED INFLOWS OF RESOURCES - CURRENT			
Unavailable Revenue- Property Tax	1,105,367	-	1,105,367
NET POSITION			
Net Investment in Capital Assets	8,192,853	-	8,192,853
Restricted:			
Bureau of Reclamation	49,557	-	49,557
Tabor Reserve	55,000	-	55,000
Unrestricted	4,581,221	20,829,859	25,411,080
TOTAL NET POSITION	\$ 12,878,631	\$ 20,829,859	\$ 33,708,490

The accompanying notes are an integral part of this financial statement.

RIO GRANDE WATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		Total
					Primary Government	Business-Type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 1,123,884	\$ -	\$ -	\$ -	\$ (1,123,884)	\$ -	\$ (1,123,884)
Conservation of Natural Resources	69,496	-	-	-	(69,496)	-	(69,496)
Bureau of Reclamation Contract	80,630	-	75,779	-	(4,851)	-	(4,851)
Total Governmental Activities	<u>1,274,010</u>	<u>-</u>	<u>75,779</u>	<u>-</u>	<u>(1,198,231)</u>	<u>-</u>	<u>(1,198,231)</u>
Business-Type Activities:							
Enterprise Fund	11,661,353	13,056,152	-	34,070	-	1,428,869	1,428,869
Total Business-Type Activities	<u>11,661,353</u>	<u>13,056,152</u>	<u>-</u>	<u>34,070</u>	<u>-</u>	<u>1,428,869</u>	<u>1,428,869</u>
Total Primary Government	<u>\$ 12,935,363</u>	<u>\$ 13,056,152</u>	<u>\$ 75,779</u>	<u>\$ 34,070</u>	<u>(1,198,231)</u>	<u>1,428,869</u>	<u>230,638</u>
General Revenues:							
Taxes:							
General Property Taxes and SOT Taxes					1,433,247	-	1,433,247
District Overhead Reimbursements					3,258	-	3,258
Interest					12,730	85,882	98,612
Proceeds from Sale of Fixed Assets					-	-	-
Building and Administrative Cost Reimbursement					97,378	-	97,378
Total General Revenues					<u>1,546,613</u>	<u>85,882</u>	<u>1,632,495</u>
Transfers					<u>392,500</u>	<u>(392,500)</u>	<u>-</u>
Change in Net Position					740,882	1,122,251	1,863,133
Net Position - Beginning					<u>12,137,749</u>	<u>19,707,608</u>	<u>31,845,357</u>
Net Position - Ending					<u>\$ 12,878,631</u>	<u>\$ 20,829,859</u>	<u>\$ 33,708,490</u>

RIO GRANDE WATER CONSERVATION DISTRICT
GOVERNMENTAL FUND
BALANCE SHEET
For the Year Ended December 31, 2021

	<u>GENERAL FUND</u>
ASSETS	
Cash	\$ 2,057,918
Restricted Assets:	
Cash - Bureau of Reclamation	49,557
Cash- Study Account	1,866,377
Property Taxes Receivable	1,105,367
Due From Other Funds	818,441
Due From Other Governments	1,147
Interest Receivable	-
Prepaid	34,524
TOTAL ASSETS	<u><u>\$ 5,933,331</u></u>
LIABILITIES	
Accounts Payable	\$ 24,870
Unearned Revenue - Building Expense Reimbursement	56,800
Unearned Revenue - Bureau of Reclamation	26,190
TOTAL LIABILITIES	<u>107,860</u>
DEFERRED INFLOWS OF RESOURCES - CURRENT	
Unavailable Revenue- Property Tax	<u>1,105,367</u>
FUND BALANCE	
Nonspendable:	
Prepaid Items	34,524
Restricted:	
Tabor Reserve	55,000
Committed:	
Water Study Account	1,866,377
Assigned:	
Designated for Subsequent Year Expenses	-
Unassigned	2,764,203
TOTAL FUND BALANCE	<u>4,720,104</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE	<u><u>\$ 5,933,331</u></u>

The accompanying notes are an integral part of this financial statement.

RIO GRANDE WATER CONSERVATION DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2021

Total Governmental Fund Balances \$ 4,720,104

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 8,192,853

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (34,326)

Net Position of Governmental Activities \$ 12,878,631

RIO GRANDE WATER CONSERVATION DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Year Ended December 31, 2021

	GENERAL FUND
REVENUES	
Taxes	\$ 1,433,247
Intergovernmental Revenue	
Bureau of Reclamation (BOR)	75,779
Interest Earned on BOR Funds	14
Miscellaneous Revenue	
Interest Revenue	12,716
Other Revenue	100,636
TOTAL REVENUES	1,622,392
EXPENDITURES	
General Government	
Salaries and Fringe	407,144
Travel	18,084
Office Expense	93,337
Professional Services	235,786
Other General Government and Special Projects	301,326
Conservation of Natural Resources	69,496
Bureau of Reclamation Contract	80,630
Capital Outlay	392,500
TOTAL EXPENDITURES	1,598,303
Excess (Deficiency) of Revenues Over Expenditures	24,089
OTHER FINANCING SOURCES (USES)	
Transfer from Special Improvement Districts	392,500
Excess (Deficiency) of Revenues Over Expenditures	416,589
Fund Balance at Beginning of Year	4,303,515
Fund Balance at End of Year	\$ 4,720,104

The accompanying notes are an integral part of this financial statement.

**RIO GRANDE WATER CONSERVATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021**

Net change in fund balances - total governmental funds \$ 416,589

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

Governmental funds report capital outlays as expenditures. However, in the statements of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the activity in capital assets in the current period.

Capital Asset Additions	\$ 392,500	
Depreciation expense	(66,460)	
	326,040	326,040

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in compensated absences	(1,747)
	(1,747)

Change in net position of governmental funds \$ 740,882

RIO GRANDE WATER CONSERVATION DISTRICT
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
December 31, 2021

	ENTERPRISE FUND
ASSETS	
Current Assets	
Cash	\$ 5,639,152
CD - Estimated Future Obligation	3,687,586
Assessments Receivable, Net of Allowance for Uncollectible Accounts	12,949,954
Interest Receivable	1,970
Prepaid Building Expenses	56,801
TOTAL ASSETS	\$ 22,335,463
LIABILITIES AND FUND EQUITY	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 456,604
Due to Rio Grande Water Conservation District	818,441
Note Payable	17,405
Total Current Liabilities	1,292,450
Long-Term Liabilities	
Note Payable	213,154
Total Long-Term Liabilities	213,154
TOTAL LIABILITIES	1,505,604
NET POSITION	
Unrestricted	20,829,859
TOTAL NET POSITION	20,829,859
TOTAL LIABILITIES AND NET POSITION	\$ 22,335,463

The accompanying notes are an integral part of this financial statement.

RIO GRANDE WATER CONSERVATION DISTRICT
ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended December 31, 2021

	ENTERPRISE FUND
OPERATING REVENUE	
Variable Fees	\$ 6,813,141
Administration Fees	964,842
CREP Fees	2,023,626
Pumping Fees	565,676
Groundwater Withdrawal Fees	2,601,298
Sustainability Fees	49,469
Contract Inclusion Fees	38,100
Other Revenues	34,070
Total operating revenue	13,090,222
OPERATING EXPENSES	
Water Management Expenses	
Water Lease and Storage Expense	1,782,228
CREP	1,798,707
CREP - Incentive	-
Forbearance	223,827
Administration	962,234
Professional Fees	481,553
Well Purchase Program	5,429,690
Land Fallow Program	943,990
Special Projects	32,277
Total operating expenses	11,654,506
Operating income (loss)	1,435,716
NONOPERATING REVENUE	
Interest Revenue	85,882
Interest Expense	(6,847)
Income Before Operating Transfers	1,514,751
OPERATING TRANSFERS	
Transfer Out	(392,500)
Change in Net Position	1,122,251
Net Position at Beginning of Year	19,707,608
Net Position at End of Year	\$ 20,829,859

The accompanying notes are an integral part of this financial statement.

RIO GRANDE WATER CONSERVATION DISTRICT
ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Administration, CREP, and Variable Fees	\$ 13,127,625
Cash Received from Miscellaneous Activities	76,849
Cash Payments for Water Management Expenses	(11,338,338)
Cash Payments for Professional Services	(449,531)
Cash Payments for Administration	(706,272)
	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	710,333
	<hr/>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	
Reimbursement to General Fund	(392,500)
	<hr/>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(392,500)
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest Payment	(6,847)
Principal Payment	(6,941)
Loan Proceeds	237,500
	<hr/>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	223,712
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CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	
Interest income	85,882
	<hr/>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	85,882
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	627,427
Cash and Cash Equivalents, Beginning of Year	8,699,311
	<hr/>
Cash and Cash Equivalents, End of Year	\$ 9,326,738
	<hr/> <hr/>
OPERATING INCOME (LOSS)	\$ 1,435,716
Adjustments to Reconcile Operating Income to Net Cash Provided (used) by Operating Activities:	
Change in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	109,573
(Increase) Decrease in Prepaid Building Expenses	51,099
(Increase) Decrease in Due From Other Governments	-
(Increase) Decrease in Interest Receivable	4,679
Increase (Decrease) in Accounts Payable related to Operating Activities	(995,914)
Increase (Decrease) in Due to RGWCD	105,180
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NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 710,333
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The accompanying notes are an integral part of this financial statement.

RIO GRANDE WATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Rio Grande Water Conservation District (the District) reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

REPORTING ENTITY

Primary Government

The District was created by HB No. 1536 during the 1967 legislative assembly. The District is governed by a board of nine directors: two from Alamosa, Conejos, Rio Grande, and Saguache counties, and one from Mineral County. Conserving water of the Rio Grande River Basin for beneficial use is the primary function of the District.

In October 2006, Subdistrict #1 was approved by the board and District Court, Water Division No. 3, State of Colorado. In 2010 the Court approved the Plan of Water Management of which the objective is to cause groundwater levels in the Unconfined Aquifer of the Closed Basin to recover, and then to maintain a sustainable irrigation water supply in the Unconfined Aquifer with due regard for the daily, seasonal, and longer term demands on the aquifer and to protect senior surface water rights and avoid interference with Colorado's obligations under the Rio Grande Compact. To achieve these goals, reducing and managing overall groundwater consumption is essential. Only the administrative fee can be used for reimbursement of formation costs.

In March 2016, Subdistrict #2 was approved by the board and District Court, Water Division No. 3, State of Colorado. In 2018 the Court approved the Plan of Water Management of which the objective is to provide a water management alternative to individual plans for augmentation or state-imposed regulations that limit the use of wells within the Subdistrict; that is a system of self-regulation using economic-based incentives that promotes responsible groundwater use and management and ensures protection of senior surface water rights. To achieve these goals, reducing and managing the overall groundwater consumptions is essential. Only the administrative fee can be used for the reimbursement of formation costs.

In March 2017, Subdistrict #3 was approved by the board and District Court, Water Division No. 3, State of Colorado. In 2018 the Court approved the Plan of Water Management of which the objective is to provide a water management alternative to individual plans for augmentation or state-imposed regulations that limit the use of wells within the Subdistrict; that is a system of self-regulation using economic-based incentives that promote responsible groundwater use and management that ensures protection of senior surface water rights. To achieve these goals, reducing and managing the overall groundwater consumptions is essential. Only the administrative fee can be used for the reimbursement of formation costs.

In July 2017, Subdistrict #4 was approved by the board and District Court, Water Division No. 3, State of Colorado. In 2020 the Court approved the Plan of Water Management of which the objective is to provide a water management alternative to individual plans for augmentation or state-imposed regulations that limit the use of wells within the Subdistrict; that is a system of self-regulation using economic-based incentives that promote responsible groundwater use and management and ensures protection of senior water rights.

In December of 2017, Subdistrict #5 was approved by the board and District Court, Water Division No. 3, State of Colorado. In 2020, the court approved the Plan of Water Management of which the objective is to provide a water management alternative to individual plans for augmentation or state-imposed regulations that limit the use of wells within the Subdistrict; that is a system of self-regulation using economic-based incentives that promote responsible groundwater use and management and ensures protection of senior surface water rights.

RIO GRANDE WATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

In October 2018, Subdistrict #6 was approved by the board and District Court, Water Division No. 3, State of Colorado. In 2019 the Court approved the Plan of Water Management of which the objective is to provide a water management alternative to individual plans for augmentation or state-imposed regulations that limit the use of wells within the Subdistrict; that is a system of self-regulation using economic-based incentives that promote responsible groundwater use and management and ensures protection of senior surface water rights. To achieve these goals, reducing and managing the overall groundwater consumption is essential. Only the administrative fee can be used for the reimbursement of formation costs.

As the Subdistricts are formed and administrative fees are collected the District will formulate a plan to reimburse the General Fund.

Component Units

The District's combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District
- The organization is financially accountable to the District
- The organization receives or holds funds that are for the benefit of the District; and the District has access to a majority of the funds held; and the funds that are accessible are also significant to the District

Based on the aforementioned criteria, the District has no component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the District. Mainly taxes and intergovernmental revenues support governmental activities and fees paid by water users support business type activities.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include:

- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds and proprietary funds. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column.

RIO GRANDE WATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

The District reports the following major governmental fund:

- The **General Fund** is the general operating fund of the District. It accounts for all financial resources of the general government.

The District reports the following major enterprise fund:

- The **Enterprise Fund** accounts for fees and expenses for operating, financing, and maintaining the Subdistricts.

Certain eliminations have been made as prescribed by the GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated.

Proprietary fund financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and cash flows. The District's proprietary funds include the Special Improvement District's 1 through 6 (Subdistricts), used to account for the activities of the Subdistricts. Sources of revenue consist of administration fees, Conservation Reserve Enhancement Program (CREP) fees, variable fees, pumping fees, and groundwater withdrawal fees assessed on landowners within the Subdistricts.

The proprietary fund is accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
- Current year contributions, administrative expenses, and premium payments, which are not received or paid until the subsequent year, are accrued.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities subject to this same limitation.

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Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash

The District’s cash and cash equivalents are considered to be cash in bank, certificates of deposit, and liquid investments with an initial maturity of three months or less.

Restricted Cash

The District keeps a bank account for money received from the Bureau of Reclamation. The money in this account is to be used only for expenses approved by the Bureau of Reclamation. The District also keeps a bank account for money received for studies of water resources. See Note 4 for more information regarding the Study Account.

Receivables/Payables To/From Other Funds

Balances that originate from current lending/borrowing arrangements between funds are referred to as “Due To/From Other Funds.”

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital Assets, which include land, buildings, and vehicles, are reported in the applicable governmental activities columns in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and a life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Structures	30-50
Equipment & Vehicles	5-10

Compensated Absences

Employees of the District are entitled to paid vacation depending on the length of service and other factors. The employees are also entitled to sick leave. Sick leave will vest according to a formula based on the sick leave hours

RIO GRANDE WATER CONSERVATION DISTRICT
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that have been accumulated and the terms of termination. Accrued vacation and the vested portion of sick leave have been accrued in the amount of \$34,326 at December 31, 2021.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The District's property taxes are collected by each of the five counties that comprise the District: Alamosa, Conejos, Mineral, Rio Grande, and Saguache. The respective County Treasurers remit monthly receipts to the District; property tax revenue is recognized when received by the County Treasurer. The 2021 property tax levy due January 1, 2022, has been recorded as a receivable and a corresponding deferred inflow of resources in the financial statements.

Assessments – Special Improvement Districts

Assessments attach as an enforceable lien on property as of January 1 each year. The assessments are payable in two installments on February 28 and June 15 or in full on April 30. Subdistrict #1 assesses fees on lands irrigated by groundwater and the pumping and use of groundwater. Subdistricts #2 through #6 assess fees based on individual wells within the boundaries of the respective Subdistrict. Fees are as follows:

- Subdistrict #1
 - Administrative Fee of \$3.00 per irrigable acre
 - Conservation Reserve Enhancement Program (CREP) Fee of \$12.00 per irrigable acre
 - Variable Fee of \$150 per acre foot on the surface water owned and groundwater pumped
- Subdistrict #2
 - Administrative Fee of \$350.00 per active well and \$175.00 per inactive well
 - Pumping Fee of \$45.00 per acre foot sprinkler application, \$33.00 per acre foot flood application, and between \$4.34 and \$15.47 per acre foot other application
- Subdistrict #3
 - Administrative Fee of \$500.00 per active well and \$250.00 per inactive well
 - Groundwater Withdrawal Fee of \$21.45 per acre foot sprinkler application, \$15.65 per acre foot flood application, between \$0.08 and \$25.45 per acre foot for other application, and \$5.75 per acre foot of groundwater withdrawn
- Subdistrict #4
 - Administrative Fee of \$395.35 per active well and inactive well
 - Groundwater Withdrawal Fee of \$9.94 per acre foot stream impact fee and \$5.19 per acre foot sustainability fee
- Subdistrict #5
 - Administrative Fee of \$568.74 per active well and \$284.37 per inactive well
 - Pumping Fee of \$17.26 per acre foot sprinkler, \$12.48 per acre foot flood application, and between \$2.70 and \$20.80 per acre foot other application
- Subdistrict #6
 - Administrative Fee of \$217.50 per active well and \$108.75 per inactive well
 - Groundwater Withdrawal Fee of \$17.25 per acre foot sprinkler application, \$12.60 per acre foot flood application, between \$0.62 and \$20.78 per acre foot for other application

RIO GRANDE WATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The aforementioned fees are based on several variables and are subject to an appeals process by the landowner. The appeal can cause an adjustment to revenue.

Expenditures – Plan of Water Management

Special Improvement District #1 expends funds to implement the following:

- A program of temporary fallowing to remove sufficient acreage from production to achieve reduction of water consumption.
- Economic incentives for the permanent removal of lands from irrigation.
- Replacement of stream depletions and/or increases in groundwater recharge.
- Infrastructure improvements to maximize the diversion and recharge of water.
- Purchase and retirement of irrigated lands and/or water rights.
- Education and research into water conservation, water use efficiency, improved water management and public education.
- Improvement and operation of ditches, headgates, and recharge facilities to make the best use of available water and to improve groundwater recharge.

Special Improvement Districts #2, #3, #4, #5, and #6 expend funds to implement the following:

- Calculation and replacement or remedy of injurious stream depletions.
- Purchase, rent, lease and/or retire irrigated lands and/or purchase, rent and/or lease water rights and/or reservoir storage, either inside or outside the exterior boundaries of the Subdistrict.
- A program of temporary or permanent fallowing, including economic incentives, to remove acreage from production to achieve reduction in groundwater consumption.
- Economic incentives for the permanent removal of lands from irrigation.
- Economic incentives for Subdistrict members or non-Subdistrict members to provide replacement water, land, or facilities.
- Education and research into water conservation, water use efficiency, improved water management, and agricultural water use.
- Improvement and operation of ditches and headgates, to make the best use of available water.
- Data collection and analysis programs to improve RGDSS predictions, further refine the calculation of stream depletions caused by groundwater withdrawals.
- In cooperation with the USDA-NRCS and others to develop annual water supply forecasts based on SNOTEL and snow course data to include development of new improved technologies.
- Determine historical stream flow volumes based on paleo dendrochronology or other methods to correlate precipitation to rim inflows.

Deferred Inflows

In addition to liabilities, the statement of net position reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Encumbrances

The District does not record purchase orders in the accounting system. Unfulfilled purchase commitments outstanding at the end of the budget year are re-budgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

RIO GRANDE WATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the five categories:

- *Nonspendable Fund Balance*- are amounts that cannot be spent because they are not in spendable form- such as inventory and prepaid insurance.
- *Restricted Fund Balance*- are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance*- are amounts that can only be used for specific purposes as a result of constraints imposed by the Board of Directors, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removed those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance*- are amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Directors or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance*- are amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment actions.

RIO GRANDE WATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Rio Grande Water Conservation District follows the procedures set forth in the Colorado Local Budget Law when preparing annual budgets for each fund. Budget procedures include:

- 1) Preparation of budget documents by administrative staff shall be submitted to the Board.
- 2) Publication of a notice stating that the budget is available for public inspection.
- 3) Discussion of the budget in a meeting open to the public.
- 4) Adoption of the budget in a public meeting by appropriate resolution.

Formal budgetary integration is employed as a management control device for all funds of the District. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The District did not adopt supplemental appropriations during 2021. All budget amounts presented reflect the original budget and the final amended budget if applicable.

NOTE 3 CASH AND DEPOSITS

Cash and Deposits

Colorado State Statutes govern the District's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held. The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds 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 102% of the aggregate uninsured deposits. All deposits in 2021 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Custodial Credit Risk

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 December 31, 2021, \$13,473,533 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

RIO GRANDE WATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 STUDY ACCOUNT

During 1995 the District was awarded a refund of certain costs and fees arising from its defense of water interests of the San Luis Valley. The amount awarded was \$1,802,133 from which \$136,906 was used to repay the remaining balance of money borrowed to finance its defense. The Board of Directors, by resolution, established the Rio Grande Water Conservation District Water Study Fund. Moneys from principal and future earnings can only be used for certain purposes. These purposes include the following:

- 1.) Studies of the water resources of the San Luis Valley.
- 2.) Technical services to assist in the defense of the use of water resources of the San Luis Valley.
- 3.) Legal services required in the defense of the water resources of the San Luis Valley.

The District has determined that the refund constitutes a damage award under Article X Section 20 of the Colorado Constitution and is exempt from revenue limitations.

At December 31, 2021, the remaining balances of the award are as follows:

Cash in Bank	\$	211,683
Certificate of Deposit		1,654,694
		\$ 1,866,377

During the year total interest earned on the account was \$8,628. There were no disbursements for the year ended December 31, 2021.

NOTE 5 ASSESSMENTS RECEIVABLE, NET

Subdistrict #1 assessed fees upon approximately 166,118 irrigable acres within its boundaries in Alamosa, Rio Grande, Saguache Counties, and on the Colorado State Land Board on December 1, 2021. Subdistrict #1 is still refining the assessment computation and has estimated an uncollectible amount of \$0. Assessments receivable consist of the following fees:

Variable Fees	\$	6,819,196
Administrative Fees		498,355
CREP Fees		1,982,897
		\$ 9,300,448

Subdistrict #2 assessed fees upon approximately 265 wells within its boundaries in Alamosa and Rio Grande Counties on November 22, 2021. Subdistrict #2 is still refining the assessment computation and has estimated an uncollectible amount of \$0. Assessments receivable consist of the following fees:

Pumping Fees	\$	541,713
Administrative Fees		76,196
		\$ 617,909

RIO GRANDE WATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Subdistrict #3 assessed fees upon approximately 166 wells within its boundaries in Conejos County on November 19, 2021. Subdistrict #3 is still refining the assessment computation and has estimated an uncollectible amount of \$0. Assessments receivable consist of the following fees:

Ground Water Withdrawal Fees	\$ 492,512
Administrative Fees	83,518
Sustainability Fees	162,645
	<u>\$ 738,675</u>

Subdistrict #4 assessed fees upon approximately 158 wells within its boundaries in Saguache County on November 29, 2021. Subdistrict #4 is still refining the assessment computation and has estimated an uncollectible amount of \$0. Assessments receivable consist of the following fees:

Stream Impact Fees	\$ 86,744
Sustainability Fees	47,009
Administrative Fees	56,535
	<u>\$ 190,288</u>

Subdistrict #5 assessed fees upon approximately 232 wells within its boundaries in Saguache County on November 29, 2021. Subdistrict #5 is still refining the assessment computation and has estimated an uncollectible amount of \$0. Assessments receivable consist of the following fees:

Pumping Fee	\$ 627,641
Administrative Fees	128,129
	<u>\$ 755,770</u>

Subdistrict #6 assessed fees upon approximately 532 wells within its boundaries in Alamosa and Rio Grande Counties on November 23, 2021. Subdistrict #6 is still refining the assessment computation and has estimated an uncollectible amount of \$0. Assessments receivable consist of the following fees:

Ground Water Withdrawal Fees	\$ 1,226,574
Administrative Fees	120,290
	<u>\$ 1,346,864</u>

The total assessment receivable net of allowance for uncollectible accounts for all Subdistrict's totaled \$12,949,954.

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables/Payables

The District reports interfund balances between the District and Subdistrict. The balances result from time lags between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

RIO GRANDE WATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Interfund receivable and payable balances at December 31, 2021 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Improvement District #1	\$ 60,965
General Fund	Special Improvement District #2	156,336
General Fund	Special Improvement District #3	81,951
General Fund	Special Improvement District #4	125,505
General Fund	Special Improvement District #5	285,289
General Fund	Special Improvement District #6	108,395
		<u>\$ 818,441</u>

NOTE 7 CAPITAL ASSETS

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

	<u>Balance 12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2021</u>
GOVERNMENTAL ACTIVITIES				
Land	\$ 5,902,100	\$ 392,500	\$ -	\$ 6,294,600
Total capital assets not being depreciated	<u>5,902,100</u>	<u>392,500</u>	<u>-</u>	<u>6,294,600</u>
Capital assets being depreciated				
Structures	2,331,014	-	-	2,331,014
Equipment and Vehicles	149,815	-	-	149,815
Office Furniture	129,045	-	-	129,045
Total capital assets being depreciated	<u>2,609,874</u>	<u>-</u>	<u>-</u>	<u>2,609,874</u>
Less accumulated depreciation for:				
Structures	424,819	42,333	-	467,152
Equipment and Vehicles	129,045	13,212	-	142,257
Office Furniture	91,297	10,915	-	102,212
Total accumulated depreciation	<u>645,161</u>	<u>66,460</u>	<u>-</u>	<u>711,621</u>
Total capital assets being depreciated, net	<u>1,964,713</u>	<u>(66,460)</u>	<u>-</u>	<u>1,898,253</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 7,866,813</u>	<u>\$ 326,040</u>	<u>\$ -</u>	<u>\$ 8,192,853</u>

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

Governmental activities:	
General Government	<u>\$ 66,460</u>
Total depreciation expense – governmental activities	<u>\$ 66,460</u>

RIO GRANDE WATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

NOTE 8 LONG-TERM DEBT

Changes in Long-Term Debt

GOVERNMENTAL ACTIVITIES:	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021	Due Within One Year
Compensated Absences	\$ 32,579	\$ 1,747	\$ -	\$ 34,326	\$ 8,075
GOVERNMENTAL ACTIVITIES LONG-TERM DEBT	\$ 32,579	\$ 1,747	\$ -	\$ 34,326	\$ 8,075

During the year ending December 31, 2021, SubDistrict #3 purchased a piece of land for \$392,500 on July 30, 2021. The land was transferred to the General Fund, but SubDistrict #3 holds the obligation of the related note. The agreement is between SubDistrict #3 and the seller of the land. A down payment of \$154,900 was made for the land bringing the total principal balance of the loan to \$237,500 with an interest rate of 7%. Payments are to be made monthly in the amount of \$2,758. Interest expense relating to the loan was \$6,847. Final payment is due in August 2031.

The following summarizes the SubDistrict's long-term liability for the year ended December 31, 2021:

BUSINESS-TYPE ACTIVITIES:	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021	Due Within One Year
Note Payable	\$ -	\$ 237,500	\$ (6,941)	\$ 230,559	\$ 17,405
BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT	\$ -	\$ 237,500	\$ (6,941)	\$ 230,559	\$ 17,405

The annual debt service for the loan is as follows:

	Principal	Interest	Total
2022	\$ 17,405	\$ 15,686	\$ 33,091
2023	18,663	14,428	33,091
2024	20,012	13,079	33,091
2025	21,459	11,632	33,091
2026	23,010	10,081	33,091
2027-2031	130,010	23,010	153,020
Total	\$ 230,559	\$ 87,916	\$ 318,475

NOTE 9 COOPERATIVE AGREEMENT WITH BUREAU OF RECLAMATION

Rio Grande Water Conservation District entered into a cooperative agreement with the United States Department of the Interior's Bureau of Reclamation on February 6, 1989. The agreement stipulates that the District is to assist the

RIO GRANDE WATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Bureau in the operation and maintenance of Closed Basin Division facilities and to participate with the Bureau in the planning, scheduling, and decision-making associated with the Closed Basin Division.

Under the provisions of the agreement, the Bureau will reimburse the District for costs incurred in the performance of the agreement. The Bureau advances moneys to the District based on pre-approved quarterly work schedules. As the District incurs Bureau approved costs, earned revenue is recognized. The portion of the moneys advanced by the Bureau that have not been recognized as earned are classified as unearned revenue.

Bureau of Reclamation Agreement Revenues as of December 31, 2021, are as follows:

(Receivable)/Unearned Revenue, beginning of year	\$ 52,631
Reimbursement and Advances	49,339
Interest Revenue	13
Earned Revenue	<u>(75,793)</u>
(Receivable)/Unearned Revenue, end of year	<u><u>\$ 26,190</u></u>

NOTE 10 PENSION

Defined Contribution Plan

All eligible District employees, participate in the Nationwide Governmental 401(a) Plan, a defined contribution plan, authorized by state statute. The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Employees are eligible to participate after one year of full-time permanent employment, and participation is mandatory. Employees are 100% vested after one year of service.

The District contributed the required 6% of the compensation of each employee for 2021. Employees are not allowed to make contributions to the plan. For the year ended December 31, 2021, the District's contributions were calculated using the base salary amount of \$702,276 and the District and the Special Improvement Districts recorded expenditures amounting to \$46,478 of which \$19,229 is recorded in the District, \$8,991, \$1,779, \$1,697, \$2,384, \$3,017, and \$1,767 are recorded in Special Improvements Districts #1, #2, #3, #4, #5, and #6, respectively, and the balance to the Bureau of Reclamation Contract.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. The Plan may be amended by resolution of the Board of Directors but it may not be amended beyond the limits established by state statute.

Section 457 Plan Defined Contribution Plan

The District also offers its employees an additional voluntary deferred compensation plan created in accordance with Internal Revenue Code 457, administered by Nationwide Retirement Solutions.

RIO GRANDE WATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergencies. The District has no other liability other than to make the required monthly contributions.

NOTE 11 RELATED PARTY TRANSACTIONS

The SubDistricts responsibilities include the creation of a plan of water management and to work in conjunction with the Rio Grande Conservation District. The SubDistricts board of managers are made up of landowners or legal representatives of the landowners within their individual boundaries. As part of the plan of water management for SubDistrict #1, they have implemented various voluntary conservation programs to incentivize the reduction of irrigation water use and restore the critical balance between supply and demand. In the ordinary course of business, SubDistrict #1 has and expects to continue to have transactions with its elected officials. In the opinion of management, such transactions were on substantially the same terms as those prevailing at the time of comparable transactions with other persons and did not present any unfavorable features to SubDistrict #1. There were approximately \$1,409,775 in conservation program payments made to elected officials as of December 31, 2021.

NOTE 12 TABOR EMERGENCY RESERVE

Colorado voters passed an amendment to the State constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The amendment also requires that Emergency Reserves be established. These reserves must be at least 3% of fiscal year spending. This Emergency Reserve has been presented as a reservation of fund balance in the General Fund where applicable. The entity is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 13 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. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact net income. Other financial impact could occur though such potential impact is unknown at this time.

RIO GRANDE WATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

NOTE 14 SUBSEQUENT EVENTS

SubDistrict #5 purchased property on May 12, 2022 for \$2,800,000. Of the total purchase price, \$2,550,000 was financed with long-term debt.

RIO GRANDE WATER CONSERVATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements,
A budgetary comparison schedule is required
for the General Fund.

RIO GRANDE WATER CONSERVATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2021

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Taxes	\$ 1,409,917	1,409,917	\$ 1,433,247	\$ 23,330
Intergovernmental Revenue				
Bureau of Reclamation (BOR)	75,212	75,212	75,779	567
Interest Earned on BOR Funds	-	-	14	14
Miscellaneous Revenue				
Interest Revenue	-	-	12,716	12,716
Other Revenue	175,589	175,589	100,636	(74,953)
TOTAL REVENUES	<u>1,660,718</u>	<u>1,660,718</u>	<u>1,622,392</u>	<u>(38,326)</u>
EXPENDITURES				
General Government				
Salaries and Fringe	481,217	481,217	407,144	74,073
Travel	16,500	16,500	18,084	(1,584)
Supplies	105,108	105,108	93,337	11,771
Professional Services	985,000	985,000	235,786	749,214
Other General Government and Special Projects	101,000	101,000	301,326	(200,326)
Conservation of Natural Resources	166,686	166,686	69,496	97,190
Bureau of Reclamation Contract	75,192	75,192	80,630	(5,438)
Capital Outlay	1,055,000	1,055,000	392,500	662,500
TABOR Reserve	-	-	-	-
TOTAL EXPENDITURES	<u>2,985,703</u>	<u>2,985,703</u>	<u>1,598,303</u>	<u>1,387,400</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,324,985)</u>	<u>(1,324,985)</u>	<u>24,089</u>	<u>1,349,074</u>
OTHER FINANCING SOURCES (USES)				
Transfer From Special Improvement District #3	500,000	500,000	392,500	(107,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>500,000</u>	<u>500,000</u>	<u>392,500</u>	<u>(107,500)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(824,985)</u>	<u>(824,985)</u>	<u>416,589</u>	<u>1,241,574</u>
Fund Balance at Beginning of Year	<u>3,856,176</u>	<u>3,856,176</u>	<u>4,303,515</u>	<u>447,339</u>
Fund Balance at End of Year	<u>\$ 3,031,191</u>	<u>\$ 3,031,191</u>	<u>\$ 4,720,104</u>	<u>\$ 1,688,913</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is measured on the GAAP basis.

RIO GRANDE WATER CONSERVATION DISTRICT
SUPPLEMENTARY INFORMATION

RIO GRANDE WATER CONSERVATION DISTRICT
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
December 31, 2021

	SPECIAL IMPROVEMENT DISTRICT #1 FUND	SPECIAL IMPROVEMENT DISTRICT #2 FUND	SPECIAL IMPROVEMENT DISTRICT #3 FUND	SPECIAL IMPROVEMENT DISTRICT #4 FUND	SPECIAL IMPROVEMENT DISTRICT #5 FUND	SPECIAL IMPROVEMENT DISTRICT #6 FUND	TOTAL ENTERPRISE FUND
ASSETS							
Current Assets							
Cash	\$ 1,530,253	\$ 606,227	\$ 1,232,343	\$ 161,449	\$ 170,898	\$ 1,937,982	\$ 5,639,152
CD - Estimated Future Obligation	3,687,586	-	-	-	-	-	3,687,586
Assessments Receivable, Net of Allowance Uncollectible Accounts	9,300,448	617,909	738,675	190,288	755,770	1,346,864	12,949,954
Interest Receivable	1,970	-	-	-	-	-	1,970
Prepaid Building Expenses	56,801	-	-	-	-	-	56,801
TOTAL ASSETS	\$ 14,577,058	\$ 1,224,136	\$ 1,971,018	\$ 351,737	\$ 926,668	\$ 3,284,846	\$ 22,335,463
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Current Liabilities							
Accounts Payable	\$ 192,527	\$ 93,810	\$ 18,859	\$ -	\$ 70,669	\$ 80,739	\$ 456,604
Due to Rio Grande Conservation District	60,965	156,336	81,951	125,505	285,289	108,395	818,441
Note Payable	-	-	17,405	-	-	-	17,405
Total Current Liabilities	253,492	250,146	118,215	125,505	355,958	189,134	1,292,450
Long-Term Liabilities							
Note Payable	-	-	213,154	-	-	-	213,154
Total Long-Term Liabilities	-	-	213,154	-	-	-	213,154
TOTAL LIABILITIES	253,492	250,146	331,369	125,505	355,958	189,134	1,505,604
NET POSITION							
Unrestricted	14,323,566	973,990	1,639,649	226,232	570,710	3,095,712	20,829,859
TOTAL NET POSITION	14,323,566	973,990	1,639,649	226,232	570,710	3,095,712	20,829,859
TOTAL LIABILITIES AND NET POSITION	\$ 14,577,058	\$ 1,224,136	\$ 1,971,018	\$ 351,737	\$ 926,668	\$ 3,284,846	\$ 22,335,463

29 The accompanying notes are an integral part of this financial statement.

RIO GRANDE WATER CONSERVATION DISTRICT
ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended December 31, 2021

	SPECIAL IMPROVEMENT DISTRICT #1 FUND	SPECIAL IMPROVEMENT DISTRICT #2 FUND	SPECIAL IMPROVEMENT DISTRICT #3 FUND	SPECIAL IMPROVEMENT DISTRICT #4 FUND	SPECIAL IMPROVEMENT DISTRICT #5 FUND	SPECIAL IMPROVEMENT DISTRICT #6 FUND	TOTAL ENTERPRISE FUND
OPERATING REVENUE							
Variable Fees	\$ 6,813,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,813,141
Administration Fees	507,401	78,695	83,518	59,110	128,129	107,989	964,842
CREP Fees	2,023,626	-	-	-	-	-	2,023,626
Pumping Fees	-	565,676	-	-	-	-	565,676
Groundwater Withdrawal Fees	-	-	654,662	94,744	645,457	1,206,435	2,601,298
Sustainability Fees	-	-	-	49,469	-	-	49,469
Contract Inclusion Fees	22,500	1,000	900	7,000	5,500	1,200	38,100
Other Revenue	15,093	-	-	-	-	18,977	34,070
Total operating revenue	9,381,761	645,371	739,080	210,323	779,086	1,334,601	13,090,222
OPERATING EXPENSES							
Water Management Expenses							
Water Lease and Storage Expense	1,151,225	191,167	75,415	-	85,536	278,885	1,782,228
CREP	1,798,707	-	-	-	-	-	1,798,707
CREP - Incentive	-	-	-	-	-	-	-
Forbearance	-	90,034	35,971	-	-	97,822	223,827
Administration	565,378	49,498	49,644	82,327	148,536	66,851	962,234
Professional Fees	134,717	42,663	56,565	27,457	112,502	107,649	481,553
Well Purchase Program	5,429,690	-	-	-	-	-	5,429,690
Land Fallow Program	943,990	-	-	-	-	-	943,990
Special Projects	13,250	-	8,027	8,000	3,000	-	32,277
Total operating expenses	10,036,957	373,362	225,622	117,784	349,574	551,207	11,654,506
Operating income (loss)	(655,196)	272,009	513,458	92,539	429,512	783,394	1,435,716
NONOPERATING REVENUE							
Interest Revenue	82,131	470	3,281	-	-	-	85,882
Interest Expense	-	-	(6,847)	-	-	-	(6,847)
TOTAL NONOPERATING REVENUE	82,131	470	(3,566)	-	-	-	79,035
OPERATING TRANSFERS							
Transfer to General Fund	-	-	(392,500)	-	-	-	(392,500)
Change in Net Position	(573,065)	272,479	117,392	92,539	429,512	783,394	1,122,251
Net Position at Beginning of Year	14,896,631	701,511	1,522,257	133,693	141,198	2,312,318	19,707,608
Net Position at End of Year	\$ 14,323,566	\$ 973,990	\$ 1,639,649	\$ 226,232	\$ 570,710	\$ 3,095,712	\$ 20,829,859

30 The accompanying notes are an integral part of this financial statement.

RIO GRANDE WATER CONSERVATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
SPECIAL IMPROVEMENT DISTRICT #1
For the Year Ended December 31, 2021

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
OPERATING REVENUE				
Variable Fees	\$ 7,432,200	\$ 7,432,200	\$ 6,813,141	\$ (619,059)
Administration Fees	541,547	541,547	507,401	(34,146)
CREP Fees	2,022,673	2,022,673	2,023,626	953
Inclusion Contract Fees	2,000	2,000	22,500	20,500
Other Revenue	-	-	15,093	15,093
Total operating revenue	<u>9,998,420</u>	<u>9,998,420</u>	<u>9,381,761</u>	<u>(616,659)</u>
OPERATING EXPENSES				
Water Management Expenses				
Water Lease	8,085,000	8,085,000	1,151,225	6,933,775
CREP	2,285,000	2,285,000	1,798,707	486,293
CREP - Incentive Fees	-	-	-	-
Administration	522,200	522,200	565,378	(43,178)
Professional Fees	-	-	134,717	(134,717)
Well Purchase Program	-	-	5,429,690	(5,429,690)
Land Fallow Program	-	-	943,990	(943,990)
Special Projects	-	-	13,250	(13,250)
Total operating expenses	<u>10,892,200</u>	<u>10,892,200</u>	<u>10,036,957</u>	<u>855,243</u>
Operating income (loss)	<u>(893,780)</u>	<u>(893,780)</u>	<u>(655,196)</u>	<u>238,584</u>
NONOPERATING REVENUE				
Interest Revenue	41,000	41,000	82,131	41,131
Total nonoperating revenues	<u>41,000</u>	<u>41,000</u>	<u>82,131</u>	<u>41,131</u>
OPERATING TRANSFERS				
Transfer From General Fund	-	-	-	-
Transfer to General Fund	-	-	-	-
Change in Net Position - Budget Basis	<u>(852,780)</u>	<u>(852,780)</u>	<u>(573,065)</u>	<u>279,715</u>
Net Position at Beginning of Year	<u>5,184,263</u>	<u>5,184,263</u>	<u>14,896,631</u>	<u>9,712,368</u>
Net Position at End of Year	<u>\$ 4,331,483</u>	<u>\$ 4,331,483</u>	<u>\$ 14,323,566</u>	<u>\$ 9,992,083</u>

The accompanying notes are an integral part of this financial statement.

RIO GRANDE WATER CONSERVATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
SPECIAL IMPROVEMENT DISTRICT #2
For the Year Ended December 31, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
OPERATING REVENUE				
Administration Fees	\$ 75,900	\$ 75,900	\$ 78,695	\$ 2,795
Pumping Fees	362,000	362,000	565,676	203,676
Contract Inclusion Fees	500	500	1,000	500
Other Revenue	-	-	-	-
Total operating revenue	438,400	438,400	645,371	206,971
OPERATING EXPENSES				
Water Management Expenses				
Water Lease and Storage	655,000	655,000	191,167	463,833
Forbearance	-	-	90,034	(90,034)
Administration	60,404	60,404	49,498	10,906
Professional Fees	50,000	50,000	42,663	7,337
Special Projects	-	-	-	-
Total operating expenses	765,404	765,404	373,362	392,042
Operating income (loss)	(327,004)	(327,004)	272,009	599,013
NONOPERATING REVENUE				
Interest Revenue	600	600	470	(130)
Total nonoperating revenues	600	600	470	(130)
OPERATING TRANSFERS				
Transfer From General Fund	-	-	-	-
Transfer To General Fund	(12,500)	(12,500)	-	12,500
Change in Net Position - Budget Basis	(338,904)	(338,904)	272,479	611,383
Net Position at Beginning of Year	342,691	342,691	701,511	358,820
Net Position at End of Year	\$ 3,787	\$ 3,787	\$ 973,990	\$ 970,203

The accompanying notes are an integral part of this financial statement.

RIO GRANDE WATER CONSERVATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
SPECIAL IMPROVEMENT DISTRICT #3
For the Year Ended December 31, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
OPERATING REVENUE				
Administration Fees	\$ 74,360	\$ 74,360	\$ 83,518	\$ 9,158
Groundwater Withdrawal Fees	551,500	551,500	654,662	103,162
Contract Inclusion Fees	600	600	900	300
Total operating revenue	626,460	626,460	739,080	112,620
OPERATING EXPENSES				
Water Management Expenses				
Water Lease and Storage	1,415,500	1,415,500	75,415	1,340,085
Forbearance	-	-	35,971	(35,971)
Administration	60,260	60,260	49,644	10,616
Professional Fees	70,000	70,000	56,565	13,435
Special Projects	-	-	8,027	(8,027)
Total operating expenses	1,545,760	1,545,760	225,622	1,320,138
Operating income (loss)	(919,300)	(919,300)	513,458	1,432,758
NONOPERATING REVENUE				
Interest Revenue	2,000	2,000	3,281	1,281
Interest Expense	-	-	(6,847)	(6,847)
Total nonoperating revenues	2,000	2,000	(3,566)	(5,566)
OPERATING TRANSFERS				
Transfer From General Fund	-	-	-	-
Transfer To General Fund	(5,000)	(5,000)	(392,500)	(387,500)
Change in Net Position - Budget Basis	(922,300)	(922,300)	117,392	1,039,692
Net Position at Beginning of Year	922,344	922,344	1,522,257	599,913
Net Position at End of Year	\$ 44	\$ 44	\$ 1,639,649	\$ 1,639,605

The accompanying notes are an integral part of this financial statement.

RIO GRANDE WATER CONSERVATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
SPECIAL IMPROVEMENT DISTRICT #4
For the Year Ended December 31, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
OPERATING REVENUE				
Administration Fees	\$ 66,938	\$ 66,938	\$ 59,110	\$ (7,828)
Groundwater Withdrawal Fees	105,959	105,959	94,744	(11,215)
Contract Inclusion Fees	2,000	2,000	7,000	5,000
Sustainability Fee	-	-	49,469	49,469
Total operating revenue	174,897	174,897	210,323	35,426
OPERATING EXPENSES				
Water Management Expenses				
Water Lease and Storage	85,959	85,959	-	85,959
Forbearance	-	-	-	-
Administration	47,400	47,400	82,327	(34,927)
Professional Fees	30,000	30,000	27,457	2,543
Special Projects	-	-	8,000	(8,000)
Total operating expenses	163,359	163,359	117,784	45,575
Operating income (loss)	11,538	11,538	92,539	81,001
NONOPERATING REVENUE				
Interest Revenue	-	-	-	-
Total nonoperating revenues	-	-	-	-
OPERATING TRANSFERS				
Transfer From General Fund	-	-	-	-
Transfer To General Fund	(11,538)	(11,538)	-	11,538
Change in Net Position - Budget Basis	-	-	92,539	92,539
Net Position at Beginning of Year	-	-	133,693	133,693
Net Position at End of Year	\$ -	\$ -	\$ 226,232	\$ 226,232

The accompanying notes are an integral part of this financial statement.

RIO GRANDE WATER CONSERVATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
SPECIAL IMPROVEMENT DISTRICT #5
For the Year Ended December 31, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
OPERATING REVENUE				
Administration Fees	\$ 87,741	\$ 87,741	\$ 128,129	\$ 40,388
Groundwater Withdrawal Fees	355,000	355,000	645,457	290,457
Contract Inclusion Fees	1,500	1,500	5,500	4,000
Total operating revenue	444,241	444,241	779,086	334,845
OPERATING EXPENSES				
Water Management Expenses				
Water Lease and Storage	325,000	325,000	85,536	239,464
Forbearance	-	-	-	-
Administration	58,189	58,189	148,536	(90,347)
Professional Fees	40,000	40,000	112,502	(72,502)
Special Projects	-	-	3,000	(3,000)
Total operating expenses	423,189	423,189	349,574	73,615
Operating income (loss)	21,052	21,052	429,512	408,460
NONOPERATING REVENUE				
Interest Revenue	-	-	-	-
Total nonoperating revenues	-	-	-	-
OPERATING TRANSFERS				
Transfer From General Fund	-	-	-	-
Transfer To General Fund	(19,552)	(19,552)	-	19,552
Change in Net Position - Budget Basis	1,500	1,500	429,512	428,012
Net Position at Beginning of Year	-	-	141,198	141,198
Net Position at End of Year	\$ 1,500	\$ 1,500	\$ 570,710	\$ 569,210

The accompanying notes are an integral part of this financial statement.

RIO GRANDE WATER CONSERVATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
SPECIAL IMPROVEMENT DISTRICT #6
For the Year Ended December 31, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
OPERATING REVENUE				
Administration Fees	\$ 100,500	\$ 100,500	\$ 107,989	\$ 7,489
Groundwater Withdrawal Fees	1,355,000	1,355,000	1,206,435	(148,565)
Contract Inclusion Fees	900	900	1,200	300
Other Revenue	-	-	18,977	18,977
Total operating revenue	1,456,400	1,456,400	1,334,601	(121,799)
OPERATING EXPENSES				
Water Management Expenses				
Water Lease and Storage	2,263,500	2,263,500	278,885	1,984,615
Forbearance	-	-	97,822	(97,822)
Administration	78,900	78,900	66,851	12,049
Professional Fees	90,000	90,000	107,649	(17,649)
Special Projects	-	-	-	-
Total operating expenses	2,432,400	2,432,400	551,207	1,881,193
Operating income (loss)	(976,000)	(976,000)	783,394	1,759,394
NONOPERATING REVENUE				
Interest Revenue	3,000	3,000	-	(3,000)
Total nonoperating revenues	3,000	3,000	-	(3,000)
OPERATING TRANSFERS				
Transfer From General Fund	-	-	-	-
Transfer To General Fund	(10,000)	(10,000)	-	10,000
Change in Net Position - Budget Basis	(983,000)	(983,000)	783,394	1,766,394
Net Position at Beginning of Year	984,499	984,499	2,312,318	1,327,819
Net Position at End of Year	\$ 1,499	\$ 1,499	\$ 3,095,712	\$ 3,094,213

The accompanying notes are an integral part of this financial statement.

RIO GRANDE WATER CONSERVATION DISTRICT
ESTIMATED FUTURE OBLIGATIONS - UNAUDITED
SPECIAL IMPROVEMENT DISTRICT #1
For the Year Ended December 31, 2021

Year	Estimated Future Obligation
2022	550,000
2023	550,000
2024	550,000
2025	550,000
2026	550,000
2027	550,000
2028	550,000
2029	550,000
2030	393,000
2031	267,070
2032	231,830
2033	46,255
Total	\$ 5,338,155

Notes to the Supplementary Information

SubDistrict #1 implemented a conservation program which was available from 2014 through 2019. The program incentivized producers to recharge their surface water for \$50 per acre foot over 15 years. Each year the producer must recharge the water in order to satisfy the requirements of the contract. SubDistrict #1 will annually calculate the amount due to the producers based on the surface water that was actually recharged. The above estimated future obligations are estimates and are subject to change based on actual events.