

THE RIVERSIDE IRRIGATION DISTRICT
AUDITED FINANCIAL STATEMENTS
December 31, 2023



LIITJOHANN, KAUFFMAN, and PEDERSON
Certified Public Accountants

THE RIVERSIDE IRRIGATION DISTRICT
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December 31, 2023

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LIITTJOHANN, KAUFFMAN, and PEDERSON
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Riverside Irrigation District

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Riverside Irrigation District as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund information of the Riverside Irrigation District as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Riverside Irrigation 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 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.

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 Riverside Irrigation District's ability to continue as a going concern for twelve months beyond the financial statement date, including and currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing and audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Riverside Irrigation 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt the Riverside Irrigation 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.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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



Fort Morgan, Colorado
September 29, 2024

THE RIVERSIDE IRRIGATION DISTRICT
STATEMENT OF NET POSITION
As of December 31, 2023

	Primary	Component Unit
	Governmental Activities	Riverside Reservoir and Land Company
Assets		
Current Assets		
Cash in bank	\$ 813,384	\$ 1,012,687
Accrued interest receivable	68,039	115,680
Acreage assessments receivable	44,948	-
Investments	20,505,094	26,502,784
Prepaid insurance	6,652	5,440
Total Current Assets	<u>21,438,117</u>	<u>27,636,591</u>
Capital Assets		
Land	104,715	-
Wildcat reservoir land	441,487	-
Wildcat feasibility study	478,380	-
Construction in progress - pumpback station	75,585	-
Vancil reservoir	2,323,023	-
Ditch system	894,882	-
Company reservoir, siphons and land	-	1,312,011
Diversion dike	-	444,509
Spillway	-	2,901,074
Weldon Valley pipeline	28,918	-
Buildings	201,547	209,187
Equipment	382,504	91,424
Less: Accumulated depreciation	(2,774,857)	(1,666,035)
Total Capital Assets, net	<u>2,156,184</u>	<u>3,292,170</u>
Other Assets		
Construction in process	-	-
Water investments	6,101,767	50,000
Retained patronage	22,370	10,564
Total Other Assets	<u>6,124,137</u>	<u>60,564</u>
Total Assets	<u>29,718,438</u>	<u>30,989,325</u>
Deferred Outflows of Resources		
Liabilities		
Current Liabilities		
Accounts payable	83	-
Unearned revenue	287,364	-
Total Current Liabilities	<u>287,447</u>	<u>-</u>
Long-term Liabilities		
Total Liabilities	<u>-</u>	<u>-</u>
Deferred Inflows of Resources		
Deferred acreage assessment revenue	44,948	-
Net Position		
Net investment in capital assets	2,156,184	3,292,170
With Donor Restrictions		
Restricted - Emergency reserve (TABOR)	36,000	32,000
Without Donor Restrictions	<u>27,193,859</u>	<u>27,665,155</u>
Total Net Position	<u>\$ 29,386,043</u>	<u>\$ 30,989,325</u>

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

THE RIVERSIDE IRRIGATION DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

Functions/Programs	Program Revenues			Net Governmental Activities	Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
General government	\$ 235,309	\$ -	\$ -	\$ (235,309)	
Conservation of natural resources	952,983	2,874,903	-	1,921,920	
Farming	7,971	17,850	-	9,879	
Total Governmental Activities	<u>\$ 1,196,263</u>	<u>\$ 2,892,753</u>	<u>\$ -</u>	<u>1,696,490</u>	
Component Unit:					
General government	\$ 125,914	\$ -	\$ -		\$ (125,914)
Conservation of natural resources	657,299	6,602,540	-		5,945,241
Total Component Unit	<u>\$ 783,213</u>	<u>\$ 6,602,540</u>	<u>\$ -</u>		<u>5,819,327</u>
General Revenues					
				44,918	250,500
				376,728	658,869
				443,538	387,694
				612	803
				603,920	
				150,414	425
Total General Revenues				<u>1,620,130</u>	<u>1,298,291</u>
Change in Net Position				3,316,620	7,117,618
Net Position, Beginning of Year				<u>26,069,423</u>	<u>23,871,707</u>
Net Position, End of Year				<u>\$ 29,386,043</u>	<u>\$ 30,989,325</u>

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

THE RIVERSIDE IRRIGATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2023

	<u>General Fund</u>
Assets	
Cash	\$ 813,384
Acreage assessments receivable	44,948
Investments	21,141,124
Water investments	6,101,767
Total Assets	28,101,223
Deferred Outflows of Resources	-
Liabilities	
Accounts payable	83
Unearned revenues	287,364
Total Liabilities	287,447
Deferred Inflows of Resources	
Deferred acreage assetssment revenue	44,948
Fund Equity	
Restricted for:	
Emergency (TABOR)	36,000
Without Donor Restrictions	
Unassigned	27,732,828
Total Fund Equity	27,768,828
Total Liabilities and Fund Equity	\$28,101,223
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, retained patronage and prepaid insurance used in governmental activities are not financial resources and, therefore, are not reported in the fund	2,185,206
Investments are reported at market value and are reported at cost in the fund.	(636,030)
Interest is accrued on investment income and is not due and payable in the current period and, therefore, is not reported in the fund.	68,039
Net Position of Governmental Activities	\$29,386,043

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

THE RIVERSIDE IRRIGATION DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	<u>General Fund</u>
Revenue	
Acreage/stock assessments	\$ 44,918
Running fees	36,291
Interest	339,911
Farm	17,850
Water leases	2,527,632
Pasture rent	31,397
Water, easements, land and pump rentals	13,078
Water well pump fees	266,507
Royalties	603,920
Miscellaneous	153,216
Total Revenue	4,034,720
Expenditures	
General government	235,448
Conservation of natural resources	859,851
Capital outlay	94,448
Farm operations	7,971
Total Expenditures	1,197,718
Revenues in Excess (Deficiency) of Expenditures	2,837,002
Other Financing Uses	
Debt service	
Principal	-
Interest	-
Total Other Financing Uses	-
Changes in Fund Balance	2,837,002
Fund Balance - Beginning of Year	24,931,826
Fund Balance - End of Year	\$ 27,768,828

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

THE RIVERSIDE IRRIGATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

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

Net change in fund balance of governmental fund \$ 2,837,002

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation expense in the period.

Depreciation expense	\$ (93,056)	
Asset Disposal	-	
Capital outlays	<u>94,371</u>	1,315

Prepaid expenses (assets) consumed in governmental activities do not use current financial resources and are not reported as expenditures in the governmental funds. This amount represents the increase in prepaid insurance during the year. 139

In the statement of activities, certain operating revenues such as interest are measured by the amounts earned during the year. In the governmental fund, however, revenue for these items are measured by the amount of financial resources provided. This amount represents the net effect of interest receivable and unrealized market adjustments. 480,356

Change in net position of governmental activities	<u>\$ 3,316,620</u>
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The accompanying notes and independent auditors' report should be read with this financial statement.

THE RIVERSIDE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The District is a political subdivision of the State of Colorado governed by a five-member board of directors. As required by generally accepted accounting principles, these financial statements present the District (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based upon the forgoing criteria, the Riverside Reservoir and Land Company has been included as a component unit in the accompanying financial statements.

Discretely Presented Component Unit

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

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

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

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

B. Nature of Operations

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

C. Basic Financial Statements

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

THE RIVERSIDE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statements (Continued)

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

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

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

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

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

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

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end except for federal and state grants for which a ninety-day period is used.

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

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

THE RIVERSIDE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The District reports the following major governmental funds:

General Fund

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

E. Budgets

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

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

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

F. Cash in bank

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

G. Investments

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

H. Prepaid Items

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

THE RIVERSIDE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows and Inflows of Resources

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

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

J. Capital Assets

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

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

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

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

K. Retained Patronage

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

L. Encumbrances

The District does not utilize encumbrance accounting.

M. Long-Term Obligations

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

THE RIVERSIDE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Net Position

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

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

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

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

O. Use of Estimates

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

P. Fund Balance

As of December 31, 2023, fund equity balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned – all other spendable amounts.

NOTE 2. CASH AND INVESTMENTS

A. Cash and Certificates of Deposit

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

THE RIVERSIDE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

At December 31, 2023, the carrying amount of the District's deposits of the Governmental activities totaled \$813,385 of which \$563,385 falls under the provisions of the Colorado Public Deposit Protection Act. The remaining funds totaling \$250,000 are insured by the Federal Deposit Insurance Corporation (FDIC).

Cash held by Riverside Reservoir and Land Company includes amounts in checking, savings, and certificates of deposit. Cash deposits of the non-governmental activities totaled \$1,012,687 at year-end, on deposit with one financial institution Federal Deposit Insurance Corporation (FDIC) coverage is \$250,000 per institution, and as of December 31, 2023, there were deposits that exceeded the coverage limit by \$762,687. The Company has not experienced, nor does it anticipate, any losses due to this excess.

Interest Rate Risk. Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. All deposits are reported at cost plus accrued interest. The Colorado revised statute 24-75-601 limits investments for local governments to U.S. Treasury issues, other federally backed notes and credits, and other agency offerings. Other investment instruments, including bank obligations, general obligation bonds, and commercial paper are limited to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices. As of December 31, 2023, the District's investments where applicable were rated either Aaa or AAA.

Maturities: The Investment bonds carried by the District on December 31, 2023 will have maturities as follows:

Maturities within one year	\$	5,830,840
Maturities within two years		4,632,703
Maturities within three to five years		10,041,551

NOTE 3. CAPITAL ASSETS

Capital asset activity of the primary government for the year ended December 31, 2023, was as follows:

	Balance December 31, 2022	Additions	Deletions and Adjustments	Balance December 31, 2023
Governmental Activities				
Non-depreciable Assets:				
Land	\$ 104,715	\$ -	\$ -	\$ 104,715
Wildcat Reservoir Land	441,487	-	-	441,487
Wildcat Feasibility Study	478,380	-	-	478,380
Construction in Progress – Pumpback station	75,585	-	-	75,585
Total Non-depreciable Assets	<u>1,100,167</u>	<u>-</u>	<u>-</u>	<u>1,100,167</u>
Depreciable Assets				
Buildings	201,547	-	-	201,547
Ditch System	894,882	-	-	894,882
Equipment	318,065	94,371	(29,932)	382,504
Pipeline	28,918	-	-	28,918
Vancil Reservoir	2,323,023	-	-	2,323,023
Less: Accumulated Depreciation	<u>(2,711,734)</u>	<u>(93,056)</u>	<u>29,932</u>	<u>(2,774,858)</u>
Net Depreciable Capital Assets	<u>1,054,701</u>	<u>1,315</u>	<u>-</u>	<u>1,056,016</u>
Total Assets - Governmental Activities	<u>\$ 2,154,868</u>	<u>\$ 1,315</u>	<u>\$ -</u>	<u>\$ 2,156,183</u>

THE RIVERSIDE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3. CAPITAL ASSETS (continued)

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

Conservation of Natural Resources \$93,056

Component Unit capital asset activity for the year ended December 31, 2023 was as follows:

	Balance December 31, 2022	Additions	Deletions and Adjustments	Balance December 31, 2023
<u>Governmental Activities</u>				
Non-depreciable Assets:	\$ 251,000	\$ -0-	\$ -0-	\$ 251,000
Depreciable Assets:				
Equipment	76,905	14,519	-0-	91,424
Buildings	28,274	180,913	-0-	209,187
Reservoir and Siphons	1,061,011	-0-	-0-	1,061,011
Diversion Dike	444,509	-0-	-0-	444,509
Spillway	2,901,074	-0-	-0-	2,901,074
Less: Accumulated Depreciation	(1,587,755)	(78,280)	-0-	(1,666,035)
Net Depreciable Capital Assets	2,924,018	117,152	-0-	3,041,170
Total Assets – Governmental Activities	\$ 3,175,018	\$ 117,152	\$ -0-	\$ 3,292,170

Depreciation expense was charged to functions/programs of the component unit as follows:

Conservation of Natural Resources \$ 78,280

NOTE 4. LEASES/DEFERRED REVENUE

Water Association of the Rockies, Inc.

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

City of Fort Morgan

The District entered into a contract to lease the 2,837 units of Colorado Big Thompson water to the city of Fort Morgan on November 1, 2019. The lease set the rental rate at \$500 per unit per year. The City of Fort Morgan agreed to make three payments per year of \$472,833.34.

Lease Summary

The future net minimum lease receipts for this lease is as follows:

Year Ending December 31,	Amount
2023	\$1,431,959
2024	1,431,959
2025	1,431,959
2026	1,418,500
Total	\$5,714,377

THE RIVERSIDE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 5. WATER INVESTMENTS

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

		Cost or Estimated Cost	
		General Fund	Component Unit
The Riverside Reservoir & Land Co.	1944 Rights	\$1,027,743	
The Riverside Reservoir & Land Co.	62.75 Rights	1,888,021	
The Riverside Reservoir & Land Co.	2 Rights	85,000	
The Riverside Reservoir & Land Co.	5 Rights	212,500	
The Riverside Reservoir & Land Co.	7 Rights		\$ 50,000
The Riverside Reservoir & Land Co.	4 Rights	170,000	
The Riverside Reservoir & Land Co.	4.5 Rights	256,500	
The Riverside Reservoir & Land Co.	2 Rights	230,000	
The Riverside Reservoir & Land Co.	2 Rights	230,000	
The Riverside Reservoir & Land Co.	2 Rights	230,000	
The Riverside Reservoir & Land Co.	1 Right	115,000	
The Riverside Reservoir & Land Co.	1 Right	145,000	
The Weldon Valley Ditch Company	54.85 Shares	132,100	
Morgan-Prewitt Reservoir Company	60 Shares	11,538	
Morgan-Prewitt Reservoir Company	10 Shares	69,246	
Morgan-Prewitt Reservoir Company	2 Shares	75,000	
Morgan-Prewitt Reservoir Company	1 Share	65,000	
Morgan-Prewitt Reservoir Company	10 Shares	750,000	
Morgan-Prewitt Reservoir Company	.5 Shares	37,500	
Morgan-Prewitt Reservoir Company	1 Share	100,000	
Morgan-Prewitt Reservoir Company	1 Share	140,000	
Jackson Lake Reservoir and Irrigation Company	14 Shares	6,650	
Jackson Lake Reservoir and Irrigation Company	7 Shares	39,046	
Jackson Lake Reservoir and Irrigation Company	1 Share	25,817	
Jackson Lake Reservoir and Irrigation Company	.75 Share	60,000	
Northern Colorado Water Conservancy District	2,895 Units	106	
Total		\$ 6,101,767	\$ 50,000

NOTE 7. RESTRICTED FUND BALANCE

Emergency Reserve

The Boards of Directors of the District and Company have restricted \$36,000 and \$32,000, respectively, of the ending Fund Balance for emergencies at December 31, 2023 as required by Section 20 to Article X of the Colorado Constitution, also known as the Taxpayer's Bill of Rights (TABOR). The restricted amounts are equal to three percent of nonexempt revenues.

THE RIVERSIDE IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 8: INSURANCE AND RISK MANAGEMENT

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

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

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

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

Prepaid insurance on District policies at December 31, 2023 was \$6,652. Prepaid insurance on Company policies at December 31, 2023 was \$5,440.

The District has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the District has not recorded a liability for unpaid claims at December 31, 2023. Settled claims have not exceeded this coverage in any of the past three years.

NOTE 19: SUBSEQUENT EVENTS

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

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

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

For the Year Ended December 31, 2023
(With comparative amounts for the year ended December 31, 2022)

	2023				2022			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance - Favorable (Unfavorable)	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance - Favorable (Unfavorable)
Revenue								
Acreage assessments								
Morgan County	\$ 44,308	\$ 44,308	\$ 44,278	\$ (30)	\$ 44,308	\$ 44,308	\$ 44,138	\$ (170)
Weld County	640	640	640	-	640	640	1,281	641
Total Acreage Assessments	44,948	44,948	44,918	(30)	44,948	44,948	45,419	471
Running fees/Expanded acres	27,000	27,000	36,291	9,291	27,000	27,000	77,573	50,573
Interest	180,000	180,000	339,911	159,911	180,000	180,000	154,397	(25,603)
Other								
Farm - Land cash lease	15,800	15,800	17,850	2,050	15,800	15,800	16,850	1,050
Water leases	1,655,718	1,655,718	2,527,632	871,914	1,655,718	1,655,718	1,594,246	(61,472)
Pasture rent	31,000	31,000	31,397	397	31,000	31,000	31,240	240
Water, easements, land, and pump rentals	42,333	42,333	13,077	(29,256)	27,333	27,333	27,333	-
Water well pump fees	190,000	190,000	266,507	76,507	190,000	190,000	199,922	9,922
Royalties	550,000	550,000	603,920	53,920	550,000	550,000	1,104,082	554,082
Miscellaneous	159,000	159,000	153,217	(5,783)	74,000	74,000	157,784	83,784
Total Other Revenue	2,643,851	2,643,851	3,613,600	969,749	2,543,851	2,543,851	3,131,457	587,606
Total Revenue	2,895,799	2,895,799	4,034,720	1,138,921	2,795,799	2,795,799	3,408,846	613,047
Expenditures								
General Government								
Salaries	116,315	116,315	116,149	166	116,315	116,315	109,105	7,210
Payroll taxes	8,898	8,898	10,869	(1,971)	8,898	8,898	9,587	(689)
Mileage	4,000	4,000	3,795	205	4,000	4,000	4,658	(658)
Office/telephone	6,000	6,000	7,617	(1,617)	6,000	6,000	2,248	3,752
Legal	25,000	25,000	2,250	22,750	25,000	25,000	5,726	19,274
Insurance	74,000	74,000	73,339	661	74,000	74,000	70,204	3,796
Audit and accounting	4,000	4,000	4,000	-	4,000	4,000	4,000	-
Miscellaneous	6,300	6,300	14,729	(8,429)	6,300	6,300	10,689	(4,389)
Directors and judges	4,000	4,000	2,700	1,300	4,000	4,000	2,750	1,250
Capital outlay - small equipment	-	-	-	-	-	-	-	-
Total General Government	248,513	248,513	235,448	13,065	248,513	248,513	218,967	29,546

THE RIVERSIDE IRRIGATION DISTRICT
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES
BUDGET AND ACTUAL (CONTINUED)
For the Year Ended December 31, 2023
(With comparative amounts for the year ended December 31, 2022)

	2023				2022			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance - Favorable (Unfavorable)	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance - Favorable (Unfavorable)
Expenditures (cont.)								
Conservation of Natural Resources								
Assessments	325,175	325,175	323,572	1,603	325,175	325,175	322,036	3,139
Engineering	75,000	75,000	14,349	60,651	75,000	75,000	8,017	66,983
Mileage	12,000	12,000	8,907	3,093	12,000	12,000	12,695	(695)
Materials, repairs and machine hire	329,000	329,000	345,868	(16,868)	329,000	329,000	223,506	105,494
Expense reimbursement	-	-	13,666	(13,666)	-	-	-	-
Salaries	107,419	107,419	87,853	19,566	107,419	107,419	83,256	24,163
Pump station - utilities	35,000	35,000	19,631	15,369	35,000	35,000	35,838	(838)
Payroll taxes	8,218	8,218	6,530	1,688	8,218	8,218	6,530	1,688
Telephone	-	-	4,531	(4,531)	-	-	3,583	(3,583)
Water rights rental	15,000	15,000	8,437	6,563	15,000	15,000	12,166	2,834
Land leases	17,500	17,500	17,198	302	17,500	17,500	16,392	1,108
Water taxes	800	800	708	92	800	800	733	67
Legal	9,000	9,000	8,263	737	9,000	9,000	7,992	1,008
Capital outlay	640,000	640,000	94,448	545,552	640,000	640,000	54,993	585,007
Purchase of water investments	1,400,000	1,400,000	-	1,400,000	1,400,000	1,659,351	-	1,659,351
Miscellaneous	1,000	1,000	338	662	1,000	1,000	65	935
Total Conservation of Natural Resources	<u>2,975,112</u>	<u>2,975,112</u>	<u>954,299</u>	<u>2,020,813</u>	<u>2,975,112</u>	<u>3,234,463</u>	<u>787,802</u>	<u>2,446,661</u>
Miscellaneous								
Farm operations	<u>500</u>	<u>500</u>	<u>7,971</u>	<u>7,471</u>	<u>500</u>	<u>500</u>	<u>7,917</u>	<u>7,417</u>
Total Miscellaneous	<u>500</u>	<u>500</u>	<u>7,971</u>	<u>7,471</u>	<u>500</u>	<u>500</u>	<u>7,917</u>	<u>7,417</u>
Total Expenditures	<u>3,224,125</u>	<u>3,224,125</u>	<u>1,197,718</u>	<u>2,041,349</u>	<u>3,224,125</u>	<u>3,483,476</u>	<u>1,014,686</u>	<u>2,483,624</u>
Revenues in Excess (Deficiency) of Expenditures - Budget Basis	<u>(328,326)</u>	<u>(328,326)</u>	<u>2,837,002</u>	<u>(902,428)</u>	<u>(428,326)</u>	<u>(687,677)</u>	<u>2,394,160</u>	<u>(1,870,577)</u>
Other Financing Uses								
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources in Excess (Deficiency) of Expenditures - Budget Basis	<u>\$(328,326)</u>	<u>\$(328,326)</u>	<u>\$2,837,002</u>	<u>\$(902,428)</u>	<u>\$(428,326)</u>	<u>\$(687,677)</u>	<u>\$2,394,160</u>	<u>\$(1,870,577)</u>

THE RIVERSIDE IRRIGATION DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF REVENUE AND EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2023

(With comparative information for the year ended December 31, 2022)

	2023				2022			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance - Favorable (Unfavorable)	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance - Favorable (Unfavorable)
Revenue								
Stock assessments	\$ 250,500	\$ 250,500	\$ 250,500	\$ -	\$ 250,500	250,500	\$ 250,500	\$ -
Pump/rights rental	32,000	32,000	35,951	3,951	20,000	20,000	25,793	5,793
Running fees	7,600	7,600	-	(7,600)	400	400	1,254	854
Diversion fees	-	-	-	-	-	-	-	-
Recreation lease	59,575	59,575	58,122	(1,453)	58,122	58,122	58,122	-
Other	13,500	13,500	6,510,924	6,497,424	173,000	173,000	4,203,582	4,030,582
Interest	170,000	170,000	570,282	400,282	170,000	170,000	172,442	2,442
Total Revenue	533,175	533,175	7,425,779	6,892,604	672,022	672,022	4,711,693	4,039,671
Expenditures								
General Government								
Salaries	57,199	57,199	58,210	(1,011)	55,140	55,140	54,475	665
Payroll taxes	4,376	4,376	6,747	(2,371)	4,218	4,218	4,717	(499)
Insurance	37,000	37,000	33,034	3,966	29,000	29,000	40,107	(11,107)
Audit and budget	4,000	4,000	4,000	-	4,000	4,000	4,000	-
Director fees	4,500	4,500	3,200	1,300	4,500	4,500	3,300	1,200
Telephone and office utilities	7,300	7,300	5,127	2,173	6,400	6,400	4,880	1,520
Office supplies	3,000	3,000	2,498	502	3,500	3,500	2,392	1,108
Water lease and fees	-	-	1,440	(1,440)	30,000	30,000	16,159	13,841
Legal	15,000	15,000	1,414	13,586	15,000	15,000	2,870	12,130
Dues and meetings	2,800	2,800	3,201	(401)	2,700	2,700	2,361	339
Mileage	1,700	1,700	2,380	(680)	1,200	1,200	2,861	(1,661)
Miscellaneous	500	500	4,912	(4,412)	500	500	21	479
Capital outlay	2,000	2,000	14,519	(12,519)	2,000	2,000	7,998	(5,998)
Total General Government	139,375	139,375	140,682	(1,307)	158,158	158,158	146,141	12,017
Conservation of Natural Resources								
Assessments	3,500	3,500	550	2,950	6,000	6,000	550	5,450
Augmentation	-	-	-	-	600	600	-	600
Engineering	15,000	15,000	5,870	9,130	15,000	15,000	2,966	12,034
Mileage	6,000	6,000	7,352	(1,352)	6,000	6,000	5,412	588
Repairs and maintenance	605,000	605,000	481,238	123,762	355,000	355,000	786,419	(431,419)
Repairs and maintenance - wells	20,000	20,000	-	20,000	20,000	20,000	6,939	13,061
Salaries	71,500	71,500	64,933	6,567	69,304	69,304	60,408	8,896
Payroll taxes	5,470	5,470	4,096	1,374	5,302	5,302	4,096	1,206
Utilities - wells	11,000	11,000	3,905	7,095	10,000	10,000	9,264	736
Telephone and utilities	9,500	9,500	11,076	(1,576)	9,500	9,500	9,367	133
Miscellaneous	500	500	-	500	500	500	-	500
Capital outlay	37,000	37,000	154,074	(117,074)	20,000	20,000	26,839	(6,839)
Total Conservation of Natural Resources	784,470	784,470	733,094	51,376	517,206	517,206	912,260	(395,054)
Total Expenditures	923,845	923,845	873,776	50,069	675,364	675,364	1,058,401	(383,037)
Revenues in Excess (Deficiency) of Expenditures	(390,670)	(390,670)	6,552,003	6,942,673	(3,342)	(3,342)	3,653,292	3,656,634
Other Financing Uses								
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Other Financing Uses	-	-	-	-	-	-	-	-
Change in Fund Balance	\$ (390,670)	\$ (390,670)	\$ 6,552,003	\$ 6,942,673	\$ (3,342)	\$ (3,342)	\$ 3,653,292	\$ 3,656,634

THE RIVERSIDE IRRIGATION DISTRICT
GENERAL FUND
SCHEDULE OF CONSERVATION OF NATURAL RESOURCES
EXPENDITURES BY DEPARTMENT

For the Year Ended December 31, 2023

(With comparative amounts for the year ended December 31, 2022)

	<u>2023</u>	<u>2022</u>
Assessments		
Riverside	\$ 203,275	\$ 203,175
Weldon Valley	8,227	10,970
Jackson Lake	2,620	2,620
Morgan-Prewitt	20,400	20,400
Northern Colorado Water Conservancy	88,578	83,955
South Platte Water Related Activities Program	472	916
Irrigationist	-	-
Total Inlet	<u>323,572</u>	<u>322,036</u>
Division # 1		
Mileage	3,654	5,388
Materials, repairs and machine hire	103,720	119,773
Salaries	24,469	23,100
Payroll taxes	1,763	1,828
Total Division #1	<u>133,606</u>	<u>150,089</u>
Division # 2		
Mileage	2,965	3,076
Materials, repairs and machine hire	58,793	74,438
Salaries	32,724	31,164
Payroll taxes	2,481	2,481
Total Division #2	<u>96,963</u>	<u>111,159</u>
Division # 3		
Mileage	2,287	4,231
Materials, repairs and machine hire	98,643	22,591
Salaries	30,660	28,992
Payroll taxes	2,286	2,221
Total Division #3	<u>133,876</u>	<u>58,035</u>
Other		
Materials, repairs and machine hire	85,050	6,769
Water rights rental	8,438	12,166
Pump station - utilities	19,631	35,838
Expense reimbursement	13,666	
Engineering	14,349	8,017
Water taxes	708	733
Land leases	17,198	16,392
Legal	8,263	7,992
Telephone	4,531	3,583
Capital outlay	94,448	54,993
Total Other	<u>266,282</u>	<u>146,483</u>
Total Conservation of Natural Resources	<u>\$ 954,299</u>	<u>\$ 787,802</u>