

RIO BLANCO WATER CONSERVANCY DISTRICT

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023

FINANCIAL STATEMENTS - 2023

RIO BLANCO WATER CONSERVANCY DISTRICT

2023 BOARD OF DIRECTORS

Tim Winkler, President

Vincent Wilczek, Vice President

Mike Morgan, Secretary/Treasurer

Wade Cox

Rosalyn Coombs

ADMINISTRATIVE STAFF

Alden Vanden Brink, District Manager

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rio Blanco Water Conservancy District

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rio Blanco Water Conservancy District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Rio Blanco Water Conservancy District'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, the business-type activities, each major fund, and the aggregate remaining fund information of the Rio Blanco Water Conservancy District, as of December 31, 2023, 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. 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 Rio Blanco Water Conservancy 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 Rio Blanco Water Conservancy 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.

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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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- 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 Rio Blanco Water Conservancy 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 Rio Blanco Water Conservancy 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – General Fund, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District's Contributions – PERA Pension Plan, Schedule of the District's Proportionate Share of the Net OPEB Liability, Schedule of the District's Contributions – PERA OPEB Plan 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules – Hydroelectric and Wolf Creek Reservoir Project Fund, and graph but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

ColoCPA Services, PC

Rangely, Colorado
June 24, 2024

MANAGEMENT DISCUSSION & ANALYSIS

The discussion and analysis of the Rio Blanco Water Conservancy District's (the "District") financial performance provides readers with an overall review of the financial activities of the District for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$7,729,753 at December 31, 2023.
- Total District's cash and investments decreased by \$1,404,335 or 26 percent from 2022.
- The December 31, 2023 General Fund balance is \$92,163 less than the previous year. The total fund balance is 243 percent of 2023 General Fund operating expenditures.

USING THIS ANNUAL REPORT

This Annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the District as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at the District's specific financial conditions.

The Statement of Net Position and Statement of Activities provides information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those assets. The Statement of Activities shows a net (expense) revenue and changes to net position related to each department of the District. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

OVERVIEW OF THE DISTRICT'S FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances. The Statement of Net Position and Statement of Activities include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the District's net position and the changes in those positions. This change in position is important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or diminished. However, in evaluating the overall position of the District, non-financial information such as changes in the District's tax base and the condition of District capital assets will also need to be evaluated.

In the Statement of Net Position and Statement of Activities, the District's General Fund activities are reported as Governmental Activities and Hydroelectric Fund activities are reported as Business-type Activities.

Fund Financial Statements

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds. Proprietary funds are reported in the fund financial statements and generally report services for which customers are charged a fee. The District uses two enterprise funds which essentially encompasses the same functions reported as business-type activities in the government-wide statements. One fund accounts for the services provided to a customer external to the District organization which is the hydro power sales to Moon Lake Electric Association and the other fund accounts for a water storage project.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for the major enterprise fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 49 of this report.

Budgetary Comparisons. The District adopts an annual appropriated budget for the General Fund, Hydroelectric Fund, and the Wolf Creek Reservoir Project Fund. A budgetary comparison statement has been provided for the General Fund on page 51 through 52, for the Hydroelectric Fund on pages 59 through 60, and for the Wolf Creek Reservoir Project Fund on pages 61 through 62 of this report.

REPORTING THE DISTRICT AS A WHOLE

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following table provides a summary of the District's net position for 2022 and 2023.

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
Assets						
Current and other assets	\$ 1,535,091	\$ 1,442,157	\$4,016,973	\$2,746,337	\$ 5,552,064	\$ 4,188,494
Capital assets	4,695,302	4,526,707	2,211,183	2,078,558	6,906,485	6,605,265
Total assets	<u>6,230,393</u>	<u>5,968,864</u>	<u>6,228,156</u>	<u>4,824,895</u>	<u>12,458,549</u>	<u>10,793,759</u>
Deferred Outflows	<u>40,254</u>	<u>146,502</u>	-	-	<u>40,254</u>	<u>146,502</u>
Liabilities						
Current and other liabilities	47,525	21,854	6,011	130,288	53,536	152,142
Noncurrent liabilities	18,517	281,263	-	-	18,517	281,263
Total Liabilities	<u>66,042</u>	<u>303,117</u>	<u>6,011</u>	<u>130,288</u>	<u>72,053</u>	<u>433,405</u>
Deferred Inflows	<u>379,279</u>	<u>226,848</u>	<u>4,064,904</u>	<u>2,550,255</u>	<u>4,444,183</u>	<u>2,777,103</u>
Net Position						
Net investment						
Capital assets	4,695,302	4,526,707	2,211,183	2,078,558	6,906,485	6,605,265
Restricted	13,333	13,077	-	-	13,333	13,077
Unrestricted	<u>1,116,691</u>	<u>1,045,617</u>	<u>(53,942)</u>	<u>65,794</u>	<u>1,062,749</u>	<u>1,111,411</u>
Total net position	<u>\$ 5,825,326</u>	<u>\$ 5,585,401</u>	<u>\$2,157,241</u>	<u>\$2,144,352</u>	<u>\$ 7,982,567</u>	<u>\$ 7,729,753</u>

A significant portion of the District's net position represents unrestricted net position of \$1,111,411 which may be used to meet the ongoing obligations to patrons and creditors.

Another significant portion of the District's net position reflects its net investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

An additional \$13,077 of the District's net position represents resources that are subject to external restrictions on how they may be used. This is the TABOR emergency reserve.

The following table indicates the changes in net position.

	Governmental Activities		Business-type Activities		Total	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
Revenues:						
Program revenues:						
Charge for services	\$ 190,000	\$ 150,000	\$ 211,469	\$ 509,040	\$ 401,469	\$ 659,040
Capital grants and contributions	-	-	-	-	-	-
Operating grants and contributions	94,355	20,161	316,031	1,640,827	410,386	1,660,988
General revenues:						
General property taxes	140,797	169,640	-	-	140,797	169,640
Specific ownership tax	5,722	6,225	-	-	5,722	6,225
Investment earnings	6,673	34,157	33,849	92,989	40,522	127,146
Other	6,876	67,294	1,393	-	8,269	67,294
Total revenues	<u>444,423</u>	<u>447,477</u>	<u>562,742</u>	<u>2,242,856</u>	<u>1,007,165</u>	<u>2,690,333</u>
Expenses:						
General						
Government	609,326	635,805	-	-	609,326	635,805
Repairs and Maintenance	28,421	28,621	-	-	28,421	28,621
Building	21,167	22,976	-	-	21,167	22,976
Hydroelectric	-	-	602,312	521,982	602,312	521,982
Wolf Creek	-	-	-	-	-	-
Reservoir Project	-	-	349,696	1,733,763	349,696	1,733,763
Total expenses	<u>658,914</u>	<u>687,402</u>	<u>952,008</u>	<u>2,255,745</u>	<u>1,610,922</u>	<u>2,943,147</u>
Increase (decrease) in net position	<u>\$(214,491)</u>	<u>\$(239,925)</u>	<u>\$(389,266)</u>	<u>\$(12,889)</u>	<u>\$(603,757)</u>	<u>\$(252,814)</u>

Governmental Activities. Governmental activities decreased the District's net position by \$239,925 in 2023. Key elements of this decrease are as follows:

General governmental expenses increased by \$26,479 from 2022.

Business-type Activities. Business-type activities decreased the District's net position by \$12,889 in 2022. Key elements of this decrease are as follows:

Expenses exceeded revenues for the year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Fund. Information about the District's governmental fund begins on page 15. This fund is accounted for using the modified accrual basis of accounting.

As of December 31, 2023, the total fund balance of the District's governmental fund was \$1,200,898. Approximately 99% of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the District. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is committed for the following purposes: (1) nonspendable deposit (\$1,991) and (2) a state-Constitution mandated emergency reserve (\$13,077). The District had Governmental revenues of \$435,910, expenditures of \$539,641, and other financing sources of \$11,568.

Proprietary Fund. Information about the District's proprietary fund begins on page 19. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2023, the total net position of the District's proprietary funds was \$2,144,352. Approximately 3% of this consists of unrestricted net position, which is available as working capital and for current spending in accordance with the purposes of the District. The remainder of net position is reserved to indicate that it is not available for new spending because it is committed for the following purposes: (1) net investment in capital assets (\$2,078,558). The District had Proprietary revenues of \$509,040, expenses of \$2,255,745, investment income of \$92,989, and grants of \$1,640,827.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Colorado statutes.

2023 General Fund Budget

	<u>Original Budget</u>	<u>Amend- ments</u>	<u>Final Budget</u>	<u>Actual</u>
Beginning Fund Balance	\$ 420,997	\$ -	\$ 420,997	\$ 1,293,061
Revenue and other financing sources	798,498	-	798,498	447,478
Expenditures and other financing uses	(570,048)	-	(570,048)	(539,641)
Ending Fund Balance	<u>\$ 649,447</u>	<u>\$ -</u>	<u>\$ 649,447</u>	<u>\$ 1,200,898</u>

Actual revenues and other financing sources were less than the budget by \$447,478. Transfers in were budgeted to be \$471,726 but no transfers occurred.

Actual expenditures and other financing uses were under budget by \$30,407. The difference includes professional fees being under budget by \$26,132 and repairs and maintenance being under budget by \$15,219.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's net investment in capital assets for its governmental and business-type activities as of December 31, 2023 totaled \$4,526,707 and \$2,078,558, respectively (net of accumulated depreciation). This investment includes all land, buildings, and equipment.

The major capital asset events during the current fiscal year included an expenditure of \$41,349 for purchase of a new vehicle.

The District uses the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated.

Long-term Debt. During the year ended December 31, 2023, the District had no long-term debt.

ECONOMIC FACTORS AND OTHER MATTERS

Other Matters. The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2024 budget:

- Continued research of the possibility of another water storage facility.
- Anticipated increase in power sales.
- Anticipated increase in property tax revenue.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, 2252 E. Main St., Rangely, Colorado 81648.

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FINANCIAL STATEMENTS

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RIO BLANCO WATER CONSERVANCY DISTRICT

STATEMENT OF NET POSITION
December 31, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents, Note 2	\$ 62,903	\$ 168,287	\$ 231,190
Investments, Note 2	1,063,965	2,604,439	3,668,404
Accounts receivable	-	36,098	36,098
Interest receivable	24,426	-	24,426
Property taxes receivable, Note 3	219,405	-	219,405
Internal balances, Note 11	69,467	(69,467)	-
Inventory	-	6,980	6,980
Deposits	1,991	-	1,991
Capital assets, nondepreciable, Note 4	2,441,450	-	2,441,450
Capital assets, net of accumulated depreciation, Note 4	2,085,257	2,078,558	4,163,815
TOTAL ASSETS	5,968,864	4,824,895	10,793,759
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows related to pensions	142,760	-	142,760
Deferred outflows related to OPEB	3,742	-	3,742
TOTAL DEFERRED OUTFLOWS OF RESOURCES	146,502	-	146,502
LIABILITIES			
Accounts payable	8,893	122,922	131,815
Accrued liabilities	117	-	117
Employees compensated absences	12,844	7,366	20,210
Noncurrent liabilities			
Net pension liability	263,916	-	263,916
Net OPEB liability	17,347	-	17,347
TOTAL LIABILITIES	303,117	130,288	433,405
DEFERRED INFLOWS OF RESOURCES			
Unearned tax revenue, Note 3	219,405	-	219,405
Deferred grant revenue	-	2,550,255	2,550,255
Deferred inflows related to pensions	1,316	-	1,316
Deferred inflows related to OPEB	6,127	-	6,127
TOTAL DEFERRED INFLOWS OF RESOURCES	226,848	2,550,255	2,777,103
NET POSITION			
Net investment in capital assets	4,526,707	2,078,558	6,605,265
Restricted for:			
Labor emergencies, Note 8	13,077	-	13,077
Unrestricted	1,045,617	65,794	1,111,411
TOTAL NET POSITION	\$ 5,585,401	\$ 2,144,352	\$ 7,729,753

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO WATER CONSERVANCY DISTRICT

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
FUNCTIONS/PROGRAMS			
Primary government			
Governmental activities			
General government	\$ 635,805	\$ 150,000	\$ 20,161
Repairs and maintenance	28,621	-	-
Building	22,976	-	-
TOTAL GOVERNMENTAL ACTIVITIES	687,402	150,000	20,161
Business-type activities			
Hydroelectric	521,982	509,040	-
Wolf Creek Reservoir Project	1,733,763	-	1,640,827
TOTAL BUSINESS-TYPE ACTIVITIES	2,255,745	509,040	1,640,827
TOTAL PRIMARY GOVERNMENT	\$ 2,943,147	\$ 659,040	\$ 1,660,988

General revenues:

Taxes:

 Property taxes

 Specific ownership tax

 Other taxes

Unrestricted investment earnings

Recreation user fees

Miscellaneous

Gain on disposal of asset

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (465,644)	\$ -	\$ (465,644)
-	(28,621)	-	(28,621)
-	(22,976)	-	(22,976)
-	(517,241)	-	(517,241)
-	-	(12,942)	(12,942)
-	-	(92,936)	(92,936)
-	-	(105,878)	(105,878)
<u>\$ -</u>	<u>(517,241)</u>	<u>(105,878)</u>	<u>(623,119)</u>
	169,640	-	169,640
	6,225	-	6,225
	2	-	2
	34,157	92,989	127,146
	3,814	-	3,814
	51,910	-	51,910
	11,568	-	11,568
	<u>277,316</u>	<u>92,989</u>	<u>370,305</u>
	(239,925)	(12,889)	(252,814)
	<u>5,825,326</u>	<u>2,157,241</u>	<u>7,982,567</u>
	<u>\$ 5,585,401</u>	<u>\$ 2,144,352</u>	<u>\$ 7,729,753</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO WATER CONSERVANCY DISTRICT

BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2023

	<u>General</u>
ASSETS	
Cash and cash equivalents, Note 2	\$ 62,903
Investments, Note 2	1,063,965
Interest receivable	24,426
Due from other fund, Note 11	69,467
Property taxes receivable, Note 3	219,405
Deposits	<u>1,991</u>
TOTAL ASSETS	<u>\$ 1,442,157</u>
LIABILITIES AND FUND EQUITY	
LIABILITIES	
Accounts payable	8,893
Accrued liabilities	117
Employees compensated absences	<u>12,844</u>
TOTAL LIABILITIES	<u>21,854</u>
DEFERRED INFLOWS	
Unearned tax revenue, Note 3	<u>219,405</u>
TOTAL DEFERRED INFLOWS	<u>219,405</u>
FUND EQUITY	
Fund balance	
Nonspendable:	
Deposits	1,991
Restricted:	
Labor emergencies, Note 8	13,077
Unassigned	<u>1,185,830</u>
TOTAL FUND EQUITY	<u>1,200,898</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,442,157</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO WATER CONSERVANCY DISTRICT

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2023

Balance sheet - total fund balances		\$ 1,200,898
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds.		4,526,707
Long-term assets and liabilities, including net pension liabilities and OPEB liabilities, are not due and payable, or receivable in the current period and, therefore, are not reported in the funds.		(281,263)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	142,760	
Deferred outflows of resources related to OPEB	3,742	
Deferred inflows of resources related to pensions	(1,316)	
Deferred inflows of resources related to OPEB	<u>(6,127)</u>	
Net deferred outflows (inflows)		<u>139,059</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 5,585,401</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO WATER CONSERVANCY DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUND
For the Year Ended December 31, 2023

	General
REVENUES	
Taxes	\$ 175,868
Interest	34,157
Grant	17,311
Miscellaneous	208,574
TOTAL REVENUES	435,910
EXPENDITURES	
Personnel services	159,544
Directors fees	3,600
Professional fees	280,968
Treasurer's fees	8,481
Publications and dues	1,716
Insurance	6,291
Miscellaneous	5,581
Repairs and maintenance	4,081
Supplies	10,446
Travel	1,849
Utilities	12,254
Capital outlay	44,830
TOTAL EXPENDITURES	539,641
EXCESS OF REVENUES OVER (UNDER) OPERATING EXPENDITURES	(103,731)
OTHER FINANCING SOURCES (USES)	
Disposal of asset	11,568
TOTAL OTHER FINANCING SOURCES (USES)	11,568
EXCESS OF REVENUES OVER (UNDER) EXPNEDITURES AND OTHER FINANINGS SOURCES (USES)	(92,163)
FUND BALANCE, BEGINNING OF YEAR	1,293,061
FUND BALANCE, END OF YEAR	\$ 1,200,898

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO WATER CONSERVANCY DISTRICT

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

Net change in fund balances - total governmental funds	\$ (92,163)
Amounts reported for governmental activities in the statement of net activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$213,425) is more than capital outlays (\$44,830) in the current period.	(168,595)
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension income.	17,843
Governmental funds recognize District OPEB contributions as expenditures at the time of payment whereas the statement of activities factors in items related to OPEB on a full accrual perspective.	<u>2,990</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (239,925)</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO WATER CONSERVANCY DISTRICT

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2023

	Enterprise Funds		
	Hydroelectric	Wolf Creek Reservoir Project	Total
ASSETS			
Cash and equivalents	\$ 100,815	\$ 67,472	\$ 168,287
Investments	-	2,604,439	2,604,439
Accounts receivable	36,098	-	36,098
Grants receivable	-	-	-
Inventory	6,980	-	6,980
Property, plant and equipment (net)	2,078,558	-	2,078,558
TOTAL ASSETS	2,222,451	2,671,911	4,894,362
LIABILITIES			
Accounts payable	1,266	121,656	122,922
Employees compensated absences	7,366	-	7,366
Deferred revenue	-	2,550,255	2,550,255
Due to other fund	69,467	-	69,467
TOTAL LIABILITIES	78,099	2,671,911	2,750,010
NET POSITION			
Net investment in capital assets	2,078,558	-	2,078,558
Unrestricted	65,794	-	65,794
TOTAL NET POSITION	\$ 2,144,352	\$ -	\$ 2,144,352

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO WATER CONSERVANCY DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUND
 For the Year Ended December 31, 2023

	Enterprise Funds		
	Hydroelectric	Wolf Creek Reservoir Project	Total
POWER SALES	\$ 509,040	\$ -	\$ 509,040
TOTAL OPERATING REVENUES	<u>509,040</u>	<u>-</u>	<u>509,040</u>
OPERATING EXPENSES			
Administrative fee	120,000	17,500	137,500
Depreciation	132,625	-	132,625
Insurance	18,415	-	18,415
Professional fees	16,222	1,716,222	1,732,444
Memberships, fees and licenses	4,496	-	4,496
Telephone	2,524	-	2,524
Travel	81	-	81
Repair and maintenance	46,817	-	46,817
Salaries and benefits	171,840	-	171,840
Utilities	6,553	-	6,553
Miscellaneous	2,409	41	2,450
TOTAL OPERATING EXPENSES	<u>521,982</u>	<u>1,733,763</u>	<u>2,255,745</u>
OPERATING INCOME (LOSS)	<u>(12,942)</u>	<u>(1,733,763)</u>	<u>(1,746,705)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income			
Interest revenue	53	92,936	92,989
Grants	-	1,640,827	1,640,827
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>53</u>	<u>1,733,763</u>	<u>1,733,816</u>
CHANGE IN NET POSITION	<u>(12,889)</u>	<u>-</u>	<u>(12,889)</u>
NET POSITION, BEGINNING OF YEAR	<u>2,157,241</u>	<u>-</u>	<u>2,157,241</u>
NET POSITION, END OF YEAR	<u>\$ 2,144,352</u>	<u>\$ -</u>	<u>\$ 2,144,352</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO WATER CONSERVANCY DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 For the Year Ended December 31, 2023

	Hydroelectric
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 501,402
Cash payments for goods and services	(216,251)
Cash payments for employees and benefits	(170,485)
NET CASH PROVIDED BY OPERATING ACTIVITIES	114,666
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Grants	-
Amounts received from General fund	(18,227)
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	(18,227)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
None	-
NET CASH USED BY CAPITAL & RELATED FINANCING ACTIVITIES	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	-
Investment income	52
NET CASH PROVIDED BY INVESTING ACTIVITIES	52
NET INCREASE IN CASH AND CASH EQUIVALENTS	96,491
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,324
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 100,815
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (12,942)
Adjustments to reconcile operating income (loss) to Net cash provided (used) by operating activities:	
Depreciation	132,625
Changes in assets and liabilities:	
Decrease (increase) in accounts receivable	(7,638)
Increase (decrease) in accounts payable	1,266
Increase (decrease) in employee compensated absences	1,355
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 114,666

Enterprise Funds	
Wolf Creek Reservoir Project	Total
\$ -	\$ 501,402
(1,612,107)	(1,828,358)
-	(170,485)
<u>(1,612,107)</u>	<u>(1,497,441)</u>
142,113	142,113
-	(18,227)
<u>142,113</u>	<u>123,886</u>
-	-
-	-
1,227,952	1,227,952
92,936	92,988
<u>1,320,888</u>	<u>1,320,940</u>
(149,106)	(52,615)
<u>216,578</u>	<u>220,902</u>
<u>\$ 67,472</u>	<u>\$ 168,287</u>
\$ (1,733,763)	\$ (1,746,705)
-	132,625
-	(7,638)
121,656	122,922
-	1,355
<u>\$ (1,612,107)</u>	<u>\$ (1,497,441)</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

RIO BLANCO WATER CONSERVANCY DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Rio Blanco Water Conservancy District was created on November 9, 1990, to replace the Water Users Association No. 1, a subdistrict of the Colorado River Water Conservation District.

A quasi-municipal corporation and a political subdivision of the State of Colorado, the District was created pursuant to state law, for the purpose of obtaining and holding water rights and developing, stabilizing and conserving supplies of water for domestic irrigation, flood control, aesthetics, recreation, municipal, industrial and other beneficial uses.

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

A. Financial Reporting Entity

The District is governed by an appointed five member Board of Directors. The members are appointed by the District Court. No additional separate government units, agencies, or nonprofit corporations are included in the financial statements of the District since the District was not found to be financially accountable based upon the application of the following criteria: financial accountability, appointment of a voting majority of the organizations' governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately for business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) 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 among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. 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, as are the proprietary fund financial statements. 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 and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

