

PINE RIVER IRRIGATION DISTRICT
FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT

December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

February 26, 2022

To the Board of Directors
Pine River Irrigation District

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the Pine River Irrigation District, which comprise the statements of net position, revenues, expenses, and changes in net position, and cash flows as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Pine River Irrigation District, as of December 31, 2021 and 2020, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility 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.

Auditor's Responsibility 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 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.

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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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 audits 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 audits 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Pine River Irrigation District

STATEMENTS OF NET POSITION

December 31,

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 272,426	\$ 184,519
Investments	2,629,472	2,382,054
Accounts receivable, net of allowance for bad debts of \$37,543 and \$35,570	79,489	72,422
Contractual reimbursements receivable	180,825	184,103
Current portion of note receivable	29,647	28,506
Prepaid expenses	2,763	2,983
Total current assets	<u>3,194,622</u>	<u>2,854,587</u>
Note Receivable, net of current portion	41,693	71,340
Capital Assets	438,332	475,862
Total assets	<u>3,674,647</u>	<u>3,401,789</u>
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 32,025	\$ 31,567
Accrued payroll and related liabilities	12,668	10,275
Total current liabilities	<u>44,693</u>	<u>41,842</u>
NET POSITION		
Net Position		
Net investment in capital assets	438,332	475,862
Unrestricted	3,191,622	2,884,085
Total net position	<u>\$ 3,629,954</u>	<u>\$3,359,947</u>

The accompanying notes are an integral part of these statements.

Pine River Irrigation District

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the years ended,

	2021	2020
Operating Revenues		
Water assessments and exchanges	\$ 397,441	\$ 382,713
Recreation income	294,932	233,487
Hydro-electric plant fees and other revenues	91,343	72,281
Recreation grant revenue	-	61,207
Operations and maintenance reimbursements from other entities	42,103	47,588
Other operating income	9,150	4,775
Total revenues	<u>834,969</u>	<u>802,051</u>
Operating Expenses		
Compensation and benefits	195,258	209,090
Recreation expenses, including compensation of \$95,594 and \$88,786	139,595	127,735
Repairs and maintenance	51,129	48,589
Depreciation expense	50,030	39,936
Hydro-electric plant expenses	38,422	24,152
Professional fees	22,417	29,124
Dues	16,553	13,161
Office supplies	12,278	11,687
Insurance	11,995	11,816
Utilities	10,183	14,912
Equipment and related expenses	9,596	13,491
Bad debt expense	1,973	1,219
Miscellaneous	2,881	1,307
Operating Expenses	<u>562,310</u>	<u>546,219</u>
Operating Income (Loss)	272,659	255,832
Nonoperating Revenues (Expenses)		
Investment earnings	(2,652)	83,454
Nonoperating Revenues (Expenses)	<u>(2,652)</u>	<u>83,454</u>
Change in Net Position	270,007	339,286
Net position at beginning of year	<u>3,359,947</u>	<u>3,020,661</u>
Net position at end of year	<u><u>\$3,629,954</u></u>	<u><u>\$3,359,947</u></u>

The accompanying notes are an integral part of these statements.

Pine River Irrigation District

STATEMENTS OF CASH FLOWS

For the years ended,

	2021	2020
Cash Flows from Operating Activities		
Cash received from customers and contractual reimbursements	\$ 831,180	\$ 787,024
Cash paid to employees	(192,865)	(206,041)
Cash paid to suppliers	(316,344)	(296,827)
Net Cash Provided (Used) by Operating Activities	<u>321,971</u>	<u>284,156</u>
Cash Flows from Investing Activities		
Purchase of investments	(296,725)	(167,275)
Sale of investments	-	229,828
Loan made in exchange for note receivable	-	(129,828)
Principal payments received on note receivable	28,506	29,982
Purchase of fixed assets	(12,500)	(205,613)
Interest income	46,655	69,905
Net Cash Provided (Used) by Investing Activities	<u>(234,064)</u>	<u>(173,001)</u>
Net Increase (Decrease) in Cash	87,907	111,155
Cash at beginning of year	<u>184,519</u>	<u>73,364</u>
Cash at end of year	<u><u>\$ 272,426</u></u>	<u><u>\$ 184,519</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	\$ 272,659	\$ 255,832
Depreciation expense	50,030	39,936
Change in accounts receivable	(7,067)	(11,582)
Change in contractual reimbursements receivable	3,278	(3,445)
Change in prepaid expenses	220	143
Change in accounts payable	458	223
Change in accrued payroll and related liabilities	2,393	3,049
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 321,971</u></u>	<u><u>\$ 284,156</u></u>
Noncash Investing Activity:		
Unrealized gain (loss) on investments	<u><u>\$ (49,307)</u></u>	<u><u>\$ 13,549</u></u>

The accompanying notes are an integral part of these statements.

Pine River Irrigation District

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

REPORTING ENTITY

The Pine River Irrigation District (the “District”) was formed in 1937. The District is an independent political subdivision operating under the statutes for special districts of the State of Colorado and has its own elected governing board members.

The District operates and maintains the Vallecito dam and reservoir located in La Plata County, Colorado. The dam and reservoir are owned by the United States Government.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization’s elected governing body as the basic criterion for including a possible component governmental organization in a primary government’s legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization’s 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. Based upon these criteria, no entities were found to be includable within the reporting unit of the District.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the District’s significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as proprietary enterprise funds. The enterprise fund is used since the District’s powers are related to those operated in a manner similar to a private business enterprise where net income and capital maintenance are appropriate determinations of accountability. The District assesses charges to its constituents for water usage by those constituents.

The more significant accounting policies of the District are described as follows:

Proprietary Fund

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered in part through user charges. The District’s operations are accounted for as one enterprise fund.

Pine River Irrigation District

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when the liability is incurred. Expenditures for property, plant and equipment are shown as increases in assets.

Budgets and Budgetary Accounting

The District's Board follows these procedures in establishing the budget for the year:

1. In accordance with State statutes, prior to October 15, management submits to the Board of Directors a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means to finance them for the upcoming year, along with estimates for the current year and actual data for the two preceding years. The state statutes require more detailed line item budgets be submitted in summary form. In addition, more detailed line item budgets are included for administrative control. The level of control for budgetary purposes is at the fund level.
2. Public hearings are conducted to obtain public comment.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.
4. Management is required to present a monthly report to the Board of Directors explaining any variance from the approved budget.
5. State statutes require the adoption of a summary budget for proprietary funds.
6. Appropriations lapse at the end of each calendar year.
7. The District's Board may authorize supplemental appropriations during the year.

Pine River Irrigation District

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Deposits and Investments

Colorado law authorizes the District to invest in obligations of the United States, State of Colorado, Colorado counties and school districts, repurchase agreements, financial institutions, and local government investment pools. House bill 1056 expanded the list of investments that are legal for local governments.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. The cost of prepaid expenses are recorded as expenses when consumed rather than when purchased.

Capital Assets

Capital assets are valued at historical cost.

Depreciation of the District's capital assets is charged to operating expenses over the estimated useful lives of the assets using the straight line method. Estimated useful lives range from 7-10 years for equipment to 15-39 years for buildings and improvements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restricted Resources

It is the District's policy to use restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

Pine River Irrigation District

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

CASH AND INVESTMENTS

Cash and Equivalents

The District's policy in determining which items are treated as cash equivalents include cash, demand deposits, treasury bills, and other short-term, highly liquid investments that are readily convertible to cash and have original maturities of three months or less.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. 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 State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

There is no custodial credit risk for public deposits collateralized under PDPA.

At December 31, 2021 and 2020, all of the District's deposits were held in eligible depositories as required by PDPA. Accordingly, all deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or are collateralized as required by PDPA in accordance with state statute. Bank balances before outstanding checks, deposits in transit, and other reconciling items total \$334,110 and \$236,347 at December 31, 2021 and 2020, respectively. The carrying amount in the financial statements for these deposits is \$272,426 and \$184,519 at December 31, 2021 and 2020, respectively.

Investments

The District's investment policy requires that, in making investment decisions, the District exercise judgment and care considering the probable income as well as the safety of capital. All investments allowed by Colorado statutes are considered by the District's policy to comply with this standard. This investment policy applies to the investment of all financial assets of all funds of the District over which it exercises financial control.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

Obligations of the United States and certain U.S. governmental agency securities, including securities issued by FNMA (federal national mortgage association), GNMA (governmental national mortgage association), FHLMC (federal home loan mortgage corporation), the federal farm credit bank, the federal

Pine River Irrigation District

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

land bank, the export-import bank, and by the Tennessee Valley Authority, and certain international agency securities, including the World Bank

General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies

Bankers' acceptances of certain banks

Certain securities lending agreements

Commercial paper

Written repurchase agreements collateralized by certain authorized securities

Certain money market funds

Guaranteed investment contracts

Local government investment pools

The investing local government's own securities including certificates of participation and lease obligations.

Investments are reported at fair value which is determined using selected bases. Securities traded on a national or international exchange are valued at the last quoted market price.

Investments held by the District are summarized as follows:

	Fair Value		Weighted Average Maturity (Yrs)	
	2021	2020	2021	2020
Cash awaiting investment	\$ 1,226,118	\$ 916,282	N/A	N/A
COLOTRUST Plus+	517,415	267,250	N/A	N/A
Mortgage-backed securities (GNMA)	885,939	1,198,522	21.33	22.25
	<u>\$ 2,629,472</u>	<u>\$ 2,382,054</u>		

The Colorado Local Government Liquid Asset Trust (COLOTRUST) is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST Prime (Prime), COLOTRUST Plus+ (Plus+) and COLOTRUST Edge (Edge). All portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government

Pine River Irrigation District

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. Plus+ and Edge may also invest in the highest rated commercial paper. The Prime and Plus+ portfolios are restricted to a weighted average maturity (WAM) of 60 days or less while the Edge portfolio incorporates longer-dated securities with a WAM of 60 days or more. Both Prime and Plus+ portfolios are rated AAAM by Standard and Poor's and the EDGE portfolio is rated AAAf/S1 by Fitch Ratings.

COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. Each share of Prime and Plus is equal in value to \$1.00 and the redemption frequency is daily with no redemption notice period. Edge's net asset value is managed to approximate a \$10.00 transactional share price and the redemption frequency is five business days. The principal value of an Edge investment may fluctuate and could be greater or less than \$10.00 per share at time of purchase, prior to redemption, and at the time of redemption. There are no unfunded commitments.

Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form. There is no interest rate or foreign currency risk exposure.

The Governmental National Mortgage Association (GNMA), a corporation owned by the federal government within the Department of Housing and Urban Development, guarantees mortgage-backed securities held by the District at December 31, 2021 and 2020. These securities are not separately rated, but are considered to be AA+ credit rated by Standard & Poor's because they are guaranteed by GNMA. These investments are valued at fair value (the price that would be received to sell the investments in an orderly transaction between market participants at December 31, 2021 based on observable inputs, either directly or indirectly (known as Level 2 in the fair value hierarchy)).

Risk Disclosures

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits District investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers.

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. District policy places no limit on the amount the District may invest in any one issuer. All District investments are issued by or guaranteed by the U.S. government, or insured by PDPA, or are investments in external investment pools, and therefore are not subject to concentration of credit risk disclosure requirements.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The fair value of mortgage-backed securities is sensitive to changes in interest rates.

The District was not subject to foreign currency risk as of December 31, 2021 or 2020.

Pine River Irrigation District
NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

CAPITAL ASSETS

A summary of changes in capital assets during 2021 is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Depreciable Assets					
Buildings and improvements	\$ 473,840	\$ -	\$ -	\$ -	\$ 473,840
Vehicles and equipment	453,902	12,500	-	-	466,402
Total depreciable assets	927,742	12,500	-	-	940,242
Less accumulated depreciation	451,880	50,030	-	-	501,910
Total capital assets, net	<u>\$ 475,862</u>	<u>\$ (37,530)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 438,332</u>

A summary of changes in capital assets during 2020 is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Depreciable Assets					
Buildings and improvements	\$ 473,840	\$ -	\$ -	\$ -	\$ 473,840
Vehicles and equipment	248,289	205,613	-	-	453,902
Total depreciable assets	722,129	205,613	-	-	927,742
Less accumulated depreciation	411,944	39,936	-	-	451,880
Total capital assets, net	<u>\$ 310,185</u>	<u>\$ 165,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 475,862</u>

NOTE RECEIVABLE

During 2020, the District loaned \$129,828 to Vallecito Conservation & Sporting Association, Inc., (VCSA) a Colorado nonprofit, which operates the marina at Vallecito reservoir. The note bears interest at 4% per annum and is payable in annual installments of \$32,500 on November 1, 2020, 2021, 2022, and \$41,694 due on November 1, 2023. The note is secured by all accounts receivable, inventory, and equipment of VCSA. The principal balance of the note receivable is \$71,340 and \$99,846 at December 31, 2021 and 2020, respectively.

Pine River Irrigation District

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and general liability. The District has purchased insurance through commercial companies for protection from these risks.

CONTRACTUAL MATTERS

Ptarmigan Resources and Energy, Inc.

The District provides facility maintenance of a hydroelectric plant owned and operated by Ptarmigan Resources and Energy, Inc. (Ptarmigan). The District is reimbursed 15% of the District's total operating and maintenance costs or \$15,000, whichever is less. Ptarmigan also pays the District an hourly labor rate for time worked by District employees at the hydroelectric plant and reimburses fuel costs incurred by the District to maintain the plant. Ptarmigan owed the District \$91,134 and \$72,281 of reimbursement pursuant to this contract at December 31, 2021 and 2020, respectively.

United States Bureau of Indian Affairs

The United States Bureau of Indian Affairs (BIA) reimburses the District for one-sixth of certain operating and capital expenditures related to operation of the reservoir. BIA owed the District \$89,691 and \$47,588 of reimbursement pursuant to this agreement at December 31, 2021 and 2020, respectively.

United States Bureau of Reclamation

The United States Bureau of Reclamation (BOR) reimburses the District for one-half of certain operating and capital expenditures related to the recreation operations of the reservoir. BOR owed the District \$- and \$64,234 of reimbursement pursuant to this agreement at December 31, 2021 and 2020, respectively.

RETIREMENT PLAN

SIMPLE Retirement Plan

The District provides a SIMPLE retirement account plan for eligible District employees. All employees with annual compensation greater than \$5,000 are eligible to participate. Participants may elect to voluntarily contribute up to \$12,000 of their compensation annually. The District matches participant contributions up to 3% of the participant's compensation. Employee and employer contributions are fully vested. The District's total contribution to the plan for the year ended December 31, 2021 and 2020 were \$3,007 and \$3,007, respectively.

Pine River Irrigation District

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

TAX, SPENDING, AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added Section 20 to Article X of the Colorado Constitution. In general, TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR generally applies to the State and all local governments, including the District.

Some provisions of TABOR are unclear and will require further judicial interpretation. No representation can be made as to the overall impact of TABOR on the future activities of the District, including its ability to generate sufficient revenues for its general operations, to undertake additional programs, or to engage in any subsequent financing activities. TABOR is complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The District believes it has complied with all aspects of the TABOR amendment.

SUPPLEMENTAL INFORMATION

Pine River Irrigation District

SCHEDULES OF EXPENSES - BUDGET AND ACTUAL

For the years ended December 31,

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Expenditures Reported on the GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Expenditures on the Budgetary Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
2021						
Total expenditures	\$ 662,720	\$ 662,720	\$ 562,310	\$ 12,500	\$ 574,810	\$ 87,910
2020						
Total expenditures	\$ 575,410	\$ 755,410	\$ 546,219	\$ 205,613	\$ 751,832	\$ 3,578