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INDEPENDENT AUDITOR'S REPORT

Board of District Commissioners
Red River Joint Water Resource District
West Fargo, North Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, and the major fund of the Red River Joint Water Resource District, North Dakota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Red River Joint Water Resource District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Red River Joint Water Resource District, North Dakota, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. 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 Red River Joint Water Resource 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, 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 Red River Joint Water Resource 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.

RED RIVER JOINT WATER RESOURCE DISTRICT

Statement of Net Position

December 31, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 20,753,464
Intergovernmental Receivable	9,837
Due from County	20,286
Taxes Receivable	34,343
Other Assets	<u>45</u>
Total Assets	<u>\$ 20,817,974</u>
LIABILITIES	
Accounts Payable	<u>\$ 79,012</u>
Total Liabilities	<u>\$ 79,012</u>
NET POSITION	
Unrestricted	<u>\$ 20,738,962</u>

The notes to the financial statements are an integral part of this statement.

RED RIVER JOINT WATER RESOURCE DISTRICT

Statement of Activities

For the Year Ended December 31, 2023

Functions/Programs	Expenses	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
			Governmental Activities
Governmental Activities			
Conservation of Natural Resources	\$ 1,177,517	\$ 156,880	\$ (1,020,637)
	General Revenues		
	Taxes		\$ 2,764,396
	Interest Earnings		375,369
	Total General Revenues		\$ 3,139,765
	Change in Net Position		\$ 2,119,128
	Net Position - January 1		\$ 18,619,834
	Net Position - December 31		\$ 20,738,962

The notes to the financial statements are an integral part of this statement.

RED RIVER JOINT WATER RESOURCE DISTRICT

Balance Sheet – Governmental Funds

December 31, 2023

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents, and Investments	\$ 20,753,464
Intergovernmental Receivable	9,837
Due from County	20,286
Other Assets	45
Taxes Receivable	<u>34,343</u>
 Total Assets	 <u><u>\$ 20,817,974</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Liabilities	
Accounts Payable	<u>\$ 79,012</u>
 Total Liabilities	 <u>\$ 79,012</u>
 Deferred Inflows of Resources	
Taxes Receivable	<u>\$ 34,343</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>\$ 113,356</u>
 Fund Balances	
Committed	\$ 1,696,087
Unassigned	<u>19,008,532</u>
 Total Fund Balances	 <u>\$ 20,704,619</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u><u>\$ 20,817,974</u></u>

The notes to the financial statements are an integral part of this statement.

RED RIVER JOINT WATER RESOURCE DISTRICT

Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
December 31, 2023

Total *Fund Balances* for Governmental Funds \$ 20,704,619

Total *net position* reported for governmental activities in the statement of net position
is different because:

Property taxes receivable will be collected after year-end, but are not available
soon enough to pay for the current period's expenditures and therefore are
reported as deferred inflows in the funds.

34,343

Total Net Position - Governmental Activities \$ 20,738,962

The notes to the financial statements are an integral part of this statement.

RED RIVER JOINT WATER RESOURCE DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
For the Year Ended December 31, 2023

	<u>General Fund</u>
REVENUES	
Taxes	\$ 2,765,897
Intergovernmental	156,880
Interest Income	<u>375,369</u>
 Total Revenues	 <u>\$ 3,298,146</u>
 EXPEDITURES	
Current	
Conservation of Natural Resources	<u>\$ 1,177,517</u>
 Total Expenditures	 <u>\$ 1,177,517</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ 2,120,629</u>
 OTHER FINANCING SOURCES (USES)	
Transfers In	\$ 79,009
Transfers Out	<u>(79,009)</u>
 Net Change in Fund Balances	 <u>\$ 2,120,629</u>
 Fund Balance - January 1	 <u>\$ 18,583,990</u>
 Fund Balance - December 31	 <u><u>\$ 20,704,619</u></u>

The notes to the financial statements are an integral part of this statement.

RED RIVER JOINT WATER RESOURCE DISTRICT

Governance Communication – Continued

For the Year Ended December 31, 2023

Other Matters

We applied certain limited procedures to the *management's discussion and analysis, budgetary comparison information, and notes to the required supplementary information* which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of Red River Joint Water Resource District board members and management of Red River Joint Water Resource District, and is not intended to be, and should not be, used for any other purpose. We would be happy to meet with you and any member of your staff to discuss any of the items in this letter in more detail if you so desire.

Thank you and the employees of Red River Joint Water Resource District for the courteous and friendly assistance we received during the course of our audit. It is a pleasure for us to be able to serve Red River Joint Water Resource District.

/S/

Joshua C. Gallion
State Auditor

Bismarck, North Dakota
June 6, 2024



Office of the
State Auditor

NORTH DAKOTA STATE AUDITOR
JOSHUA C. GALLION

NORTH DAKOTA STATE AUDITOR'S OFFICE

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